SEED CO LIMITED

2023 ANNUAL REPORT

THE HOME OF BUMPER HARVESTS

It starts with the right seed | www.seedcoonlineshop.com/zw

CONTENTS


Hybridisation still the corner-stone and success of our seeds

Corporate Overview


Field days

Performance Highlights


Vegetable seeds creating profitable horticulture production for farmers

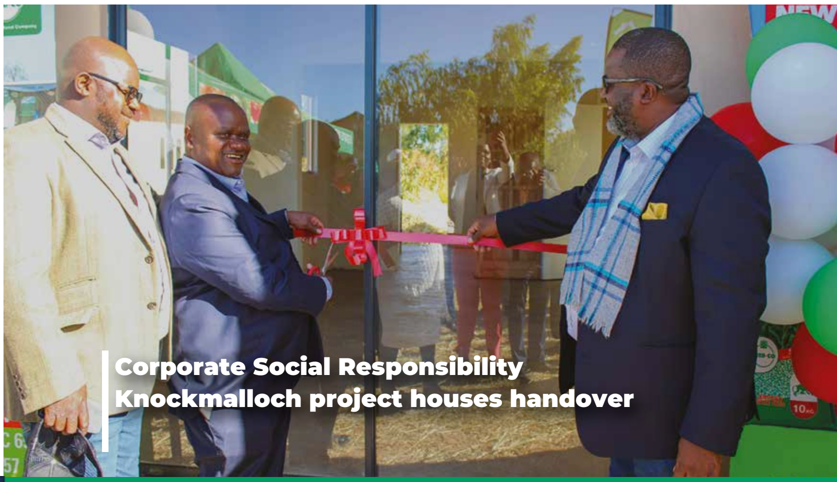

Seed Co delivers record breaking maize yields across the region

Strategic Review

www.seedcoonlineshop.com/zw

Farmers favourite!

SEED CO'S new climate smart maize varieties



Corporate Social Responsibility
Knockmalloch project houses handover

Stakeholder Engagement
French Ambassador visits Seed Co

Group Leadership

Governance

Financial Reports

Seed Co Malawi opens new shop

A good day of golf with the GCEO

"Just like in building the African Seed Company, the most important shot in golf is the next one."

Annexures

Seed Co Tomato Variety - Jackpot F1

SEED CO MILESTONES

Seed Co Limited (Seed Co) was founded in 1940 as the Seed Maize Association (SMA) of Zimbabwe. In 1983, SMA merged with the Crop Seeds Association to form Seed Co which has since grown throughout Africa by breeding, producing, and marketing hybrid field crops. Seed Co runs the largest single out-grower scheme in the seed business and has one of the most extensive networks of farmers, infrastructure, resources, geographical reach and know-how.

- **1940** Seed Maize Association (SMA) is founded
- **1949** Rattray and Arnold produce the first hybrid for sale
- **1957** The Crop Seed Association (CSA) formed
- **1960** SR52 (1st commercial hybrid) released
- **1970** Rattray Arnold Research station purchased
- **1983** CSA & SMA merged to form Seed Co-operative
- **1991** Kadoma Research Station was acquired
- **1996** The Group is listed on the Zimbabwe Stock Exchange
- **1997** Acquisition of Semoc – Mozambique
- **1998** Seed Co Zambia established
- **2000** Seed Co Malawi established
- **2002** Seed Co Kenya established
- **2004** Quton acquired
- **2010** Seed Co Tanzania established
- **2015** The successful conclusion of an equity partnership with Limagrain
- **2018** Unbundling & Separate listing of Seed Co International
- **2020** Alliance Seeds acquisition in South Africa
- **2022** US$13 million maize seed conditioning plant commissioned in Zimbabwe

Seed Co Tomato Variety - PIETRAROSSA F1

SEED CO LIMITED AT A GLANCE

Seed Co is the leading certified seed Group authorized to market seed varieties developed by itself, (Proprietary Intellectual Property) and licensed from other associated seed breeders in Zimbabwe directly and in over fifteen (15) African countries through its associate, Seed Co International. The Group is involved in the breeding, multiplication and distribution of hybrid maize and vegetable seeds as well as open-pollinated varieties of cereal crops such as soya beans, sorghum, wheat, beans, sugar beans, cowpeas, sorghum, groundnuts, and vegetables.

CORPORATE STRUCTURE

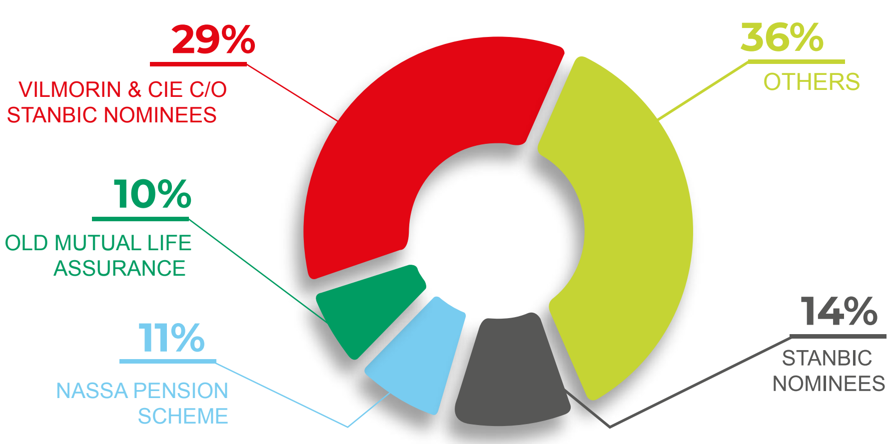
Seed Co International Limited (27% Associate listed on the Botswana Stock Exchange and The Victoria Falls Stock Exchange)

Quton Seed Zimbabwe (40% Associate)

Prime Seed Zimbabwe (51% Joint Venture)

Seed Co International Limited - is an associate Group of Seed Co Limited that develops and markets certified crop seeds on the African continent.	**Prime Seed -** is a 51% joint venture specialising in vegetable seeds, offering profitable solutions to horticulture farmers.	**Quton Seed Zimbabwe -** is 40% associate that breeds and distributes cotton seeds

Seed Co Limited is a public listed Company whose major shareholders as at 31 March 2023 are shown below:



Seed Co Tomato Variety - HTX 14 F1

OUR BRANDS

We produce and market a wide variety of maize, cereal crop, and vegetable seeds.

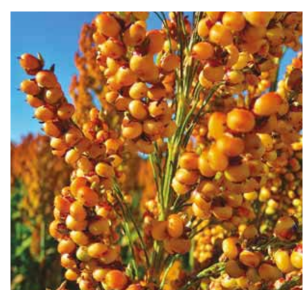
300 Series | 400 Series | 500 Series | 600 Series | 700 Series

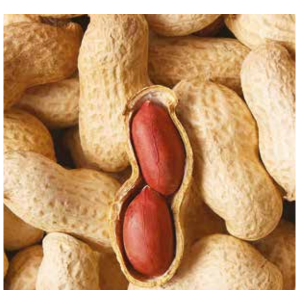
OUR PRODUCTS

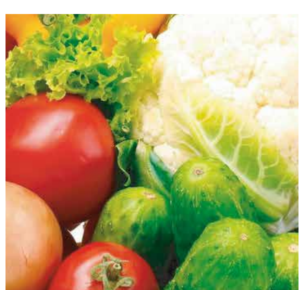

Hybrid maize


Soyabean


Wheat


Sorghum


Groundnuts


Vegetables

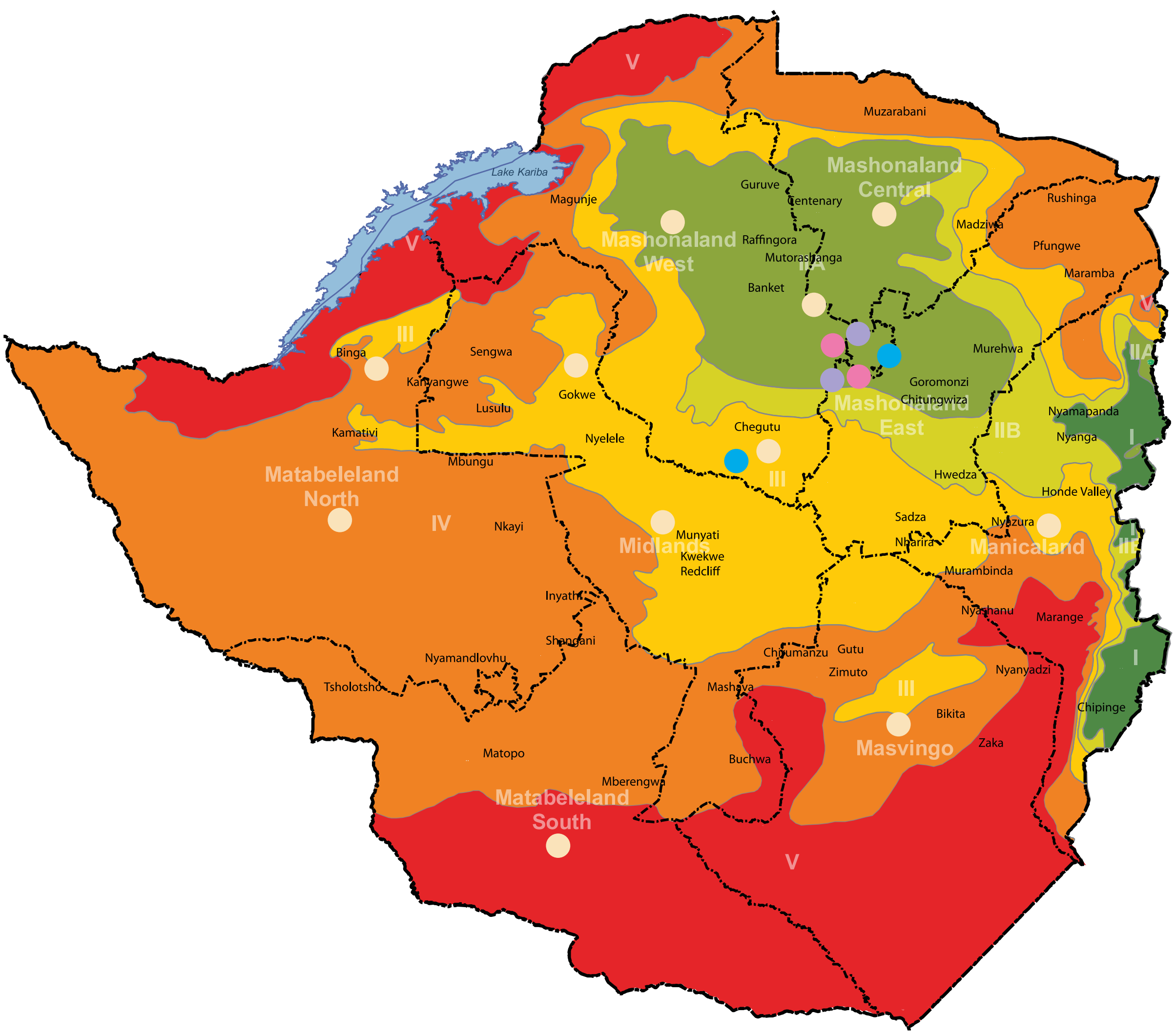

Cotton


Rice

OUR FOOTPRINT

Seed Co Limited operates and manages growers, warehouses, research stations and depots all over Zimbabwe, with the main processing plant being located at Stapleford, Mount Hampden Harare.

Growers - 259	Manicaland, Mash Central,Mash East, Mash West,Masvingo,Matebeleland North,Matebeleland South, Midlands
Research Station - 4	Rattray Arnold, Kadoma Research Centre, Stapleford Research Centre, Muzarabani Research Station
Processing Factories - 2	Harare
Warehouses- 2	Harare
Distribution Outlets - 20	Harare, Bindura, Gweru, Kadoma, Bulawayo, Masvingo, Chiredzi, Mutare, Chipinge, Rusape, Marondera, Kwekwe, Murewa, Wedza, Chivhu, Karoi, Gokwe, Chegutu, Chinhoyi and Nembudziya



Natural Farming Regions

- I - Specialised & Diversified Farming Region (>1000 mm)
- IIA - Intensive Farming Region (750 - 1000 mm)
- IIB - Intensive Farming Region (750 - 1000 mm)
- III - Semi-Intensive Farming Region (650 800 mm)
- IV - Semi-Extensive Farming Region (450 - 650 mm)
- V - Extensive Farming Region (<650 mm)

BUSINESS VALUE CHAIN

OVERVIEW

Our teams in Zimbabwe combine their local knowledge with our assets and expertise in tailoring solutions that create value for farmers. Seed Co owns and controls 100% of research and development, quality control, product development and processing. The business partners local farmers for production and local retailers for distribution. The Group also supervises the entire production stage to ensure the certification standards and the purity of the seed is maintained. Seed Co is fully responsible and liable to regulators for the quality of the seed and its reputation is always at stake.

Research & Development

Germplasm creation.
Varietal development.
Basic seed production.
(99-100% genetic purity)
Variety maintenance.
Variety purification.

Without the intellectual property developed by R&D there is no seed and there is no Seed Co.

Quality Control

Genetic Purity.Soil emergence test.Vigour tests.Germination tests.Defects tests.Moisture tests.Pathology examinations. Pre and post processing quality tests.In trade quality tests.

To guarantee the certification seal and assure farmers get seeds that perform to the certification standards.

Product Development

Agronomy services Farmer engagement.Promoting use of improved seeds.Best farming practices information sharing. Demonstration plots.Field days.

Raising awareness and educating farmers on hybrid varieties.

Production

In partnership with Growers. Multiplication of seed (ploughing, planting and care and harvesting.

Parent seed is supplied every season by Seed Co and dedicated Agronomists/Seed Inspectors are assigned to growers.

Pure parent seed and technical assistance is provided to contracted growers to produce certified seeds.

Manufacturing/Processing

Seed conditioning,
Seed cleaning.
Seed grading.
Seed treatment.
Seed packaging.

No seed is processed if it does not meet minimum quality standards.

Distribution

Seed placement with agro dealers, retailers, cooperative etc.

No seed is delivered to distributors if it does not meet minimum quality standards.

Stakeholders

Farmers, communities, employees, shareholders, Government departments, statutory and independent regulatory bodies, agriculture colleges & other agricultural focussed development partners.

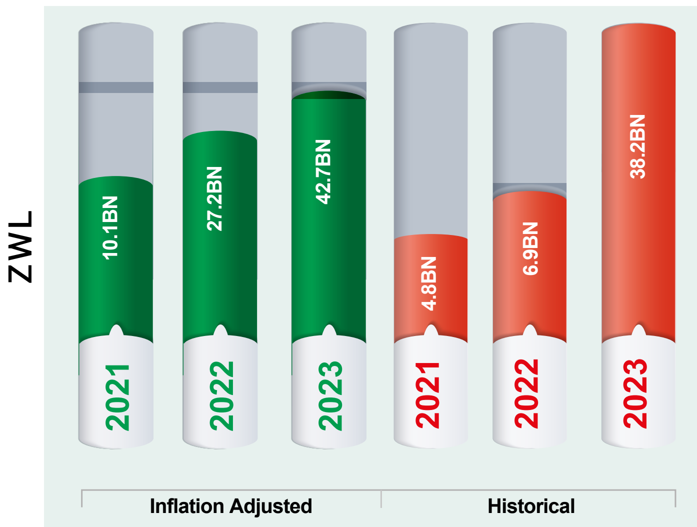
Collaborating with stakeholders to promote use of improved certified seeds.

Seed Co Tomato Variety - ALAMBRA F1

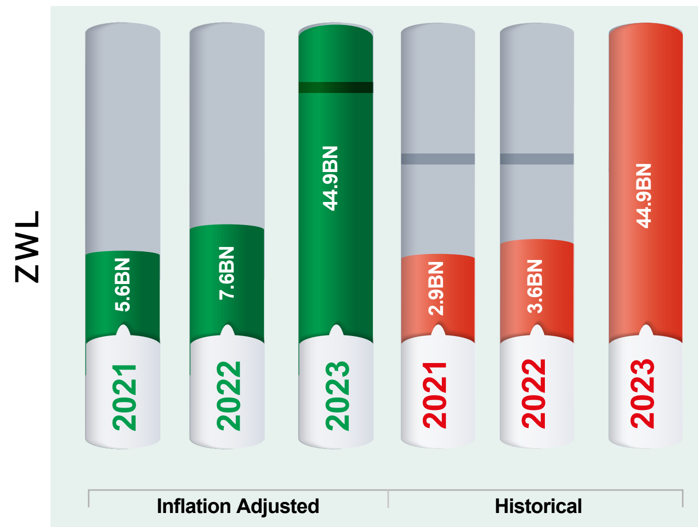
PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue

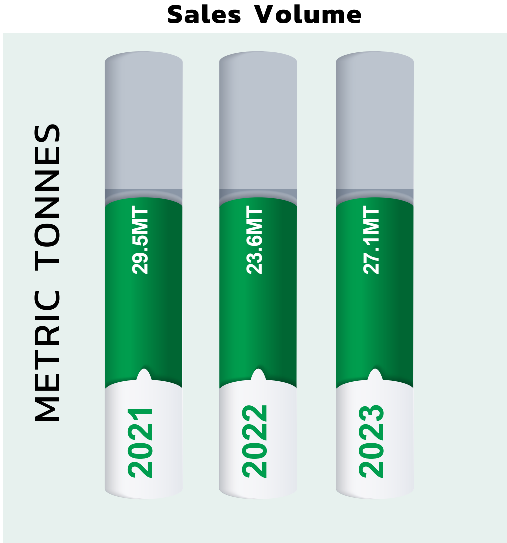


EBITDA

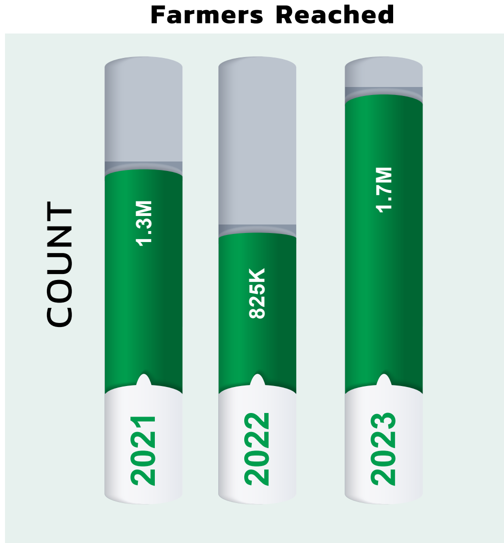


OPERATIONAL HIGHLIGHTS

Sales Volume



Farmers Reached

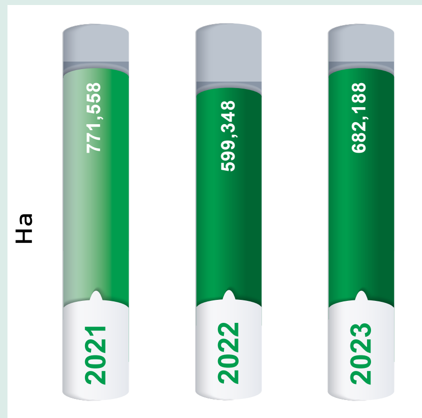


Seed Co Cabbage Variety - DAPHNE SAVOY F1

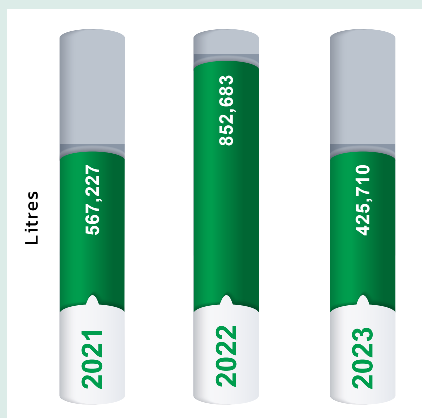
PERFORMANCE HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

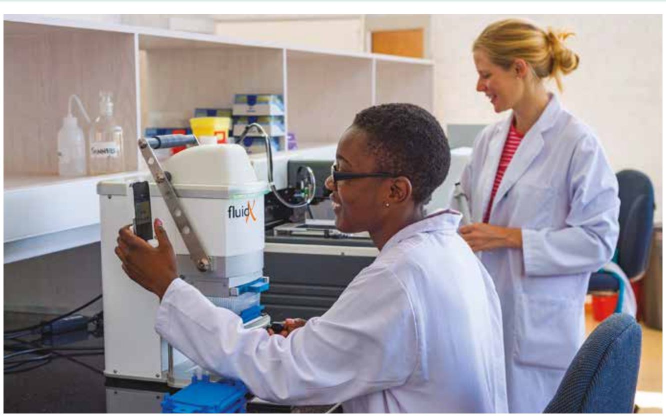
Estimated crop acreage

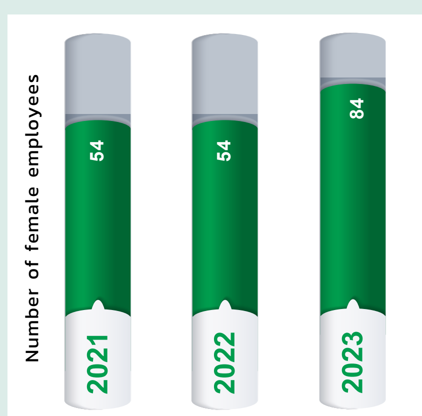


Total Fuel Consumption



Female Employees





Seed Co Cabbage Variety - FABIOLA

Chairman's Letter

> All this would not have been possible without the sterling work done by my Board, and well supported by the entire Team Seed Co, funders, stake and shareholders, our ultimate customers, the farmers and the many Governments all over Africa that we work with.

We are conscious of the impact our hybrids have on the ecosystem as well as the sustainability of the agricultural value chain.

Dear Stakeholders

It is my honour to present the Seed Co Limited Annual Report for the financial year ended 31 March 2023 (FY23). The last financial year (FY23) was challenging on several fronts in the country, but the business showed resilience. As you are aware, the Zimbabwean economy continued to experience a myriad of challenges. This was further exacerbated by external pressures mainly because of the war in Ukraine constraining supply chains and continuing to stoke global inflation and rising interest rates.

Operating Environment

Continuing from prior year, the period under review was a difficult operating environment in Zimbabwe characterised by inflationary pressures, scarcity of critical inputs, high prices, unstable exchange rates, liquidity challenges, policy inconsistencies and uneconomic interest rates. The fiscal and monetary policy measures aimed at managing inflation and exchange rates had unintended effects of stifling critical funding for business operations. The regional economies also faced a combination of challenges including climate change effects of drought in East Africa and flooding in some parts of Southern Africa, security issues in East and West Africa and crumbling local currencies in almost all regional markets.

Against these challenges, the business registered volume, turnover and profitability growth leveraging its strong brand, and strong intimacy with farmers and key stakeholders.

Financial Performance

The business posted an inflation-adjusted turnover of ZWL$49.3BN which is 56% above the restated prior year ZWL$31.5BN with the growth driven by an uptick in volumes of 14% due to better rains and better season preparedness. Inflation adjusted PBT increased to ZWL$25.1BN from ZWL$1.9BN because of better value preservation from increased local and export hard currency denominated sales as well as pricing and invoicing indexed to the moving local currency official exchange rate against the USD.

Production and Quality

Product availability was more than adequate for the season helped by seed carried over from prior year which experienced lower sales than anticipated due to pricing challenges and late rains. The quality of our products continues to improve benefiting from the investment in best in industry quality laboratories as well as the recently commissioned artificial seed conditioner at Stapleford.

Research and Development

Our Research and Development (R&D) function continues to showcase pragmatic thought leadership and industry influence by introducing a range of climate-smart seed varieties. The breeding thrust for the business is designed to stay abreast of the ever-shifting dynamics of climate change as well as emerging pests and diseases. This has helped the business to remain on top of addressing seed solutions needs of our farmers under a proactively managed product life cycle plan. In addition, we continue to respond to the call by farmers for new crop species, like rice, potato, hybrid sorghum and vegetable seeds, and at the same time diversifying our revenue streams across multiple crop species.

We understand the critical role of R&D in our science-based business and this function continues to receive priority budget allocation to continue being a market leader in terms of superior performing and profitable seed solutions for our farmers.

Business Development

Our Business Development function is always on the lookout for related growth and crop specie diversification opportunities on the local market. We also continue to benefit from the growth of our regional associate, Seed Co International, both as a captive export market and a growing investment in the region with new growth frontiers being established in East, Centra, and West Africa.

We rely on data driven market analysis and insights to understand the needs of farmers and all our stakeholders to effectively address the identified gaps and opportunities.

Seed Co Cabbage Variety - RED SKY F1

Prospects
Global supply shocks and imported inflation remain elevated and a challenge to business regionally; while in Zimbabwe we pray for post-elections stability and an environment conducive for formal economic activities to thrive. To mitigate adverse effects of economic challenges, we trust the Government and development partners will continue to prioritise primary food production, and the business is prepared and ready to play its role in the quest to achieve food self-sufficiency.

While early weather forecasts for the upcoming season are not favourable, the business has a good mix of sub-normal and/or drought tolerant seed varieties to supply the market.

Responsible and sustainable business
We reiterate Seed Co's commitment to sustainable ethical business practices, the protection of the environment, and economic development while improving the livelihoods of all its stakeholders, including but not limited to employees, farmers, consumers, and communities. To this end, the DNA of our seed-to-feed business is to innovate and make available climate-smart high-yielding seed solutions, agronomic support, and training for the efficient utilisation of arable land and other farming inputs to sustainably make both small- and large-scale farming profitable enterprises that feed both people and livestock with catalytic effects on critical economic value chains.

During the year under review, our business continued to contribute positively to the following socio-economic activities:
- Improved food security;
- Enhanced agricultural productivity;
- Empowering the contracted growers of our seed;
- Knowledge sharing and capacity building;
- Employment generation and empowerment of local communities; and
- Fiscal revenue generation by being a responsible and compliant corporate citizen in all our markets.

Human Capital
The Company holds a profound appreciation for its workforce, recognizing their pivotal role and placing utmost importance on their contributions. Our comprehensive array of retention strategies is strategically deployed across all operational spheres. We have diligently instituted a range of incentives, including educational advancement opportunities, and have adeptly implemented various supportive measures to cushion our staff from the socio-economic challenges.

Appreciations
Seed Co's core mission has consistently revolved around generating value for our esteemed stakeholders who include our customers, staff, and shareholders. We have ardently endeavoured to embody the values that have earned us our reputation as The African Seed Company. I wish to acknowledge that these accomplishments would not have materialized without the remarkable efforts exerted by our dedicated Board, seamlessly bolstered by the unwavering commitment of our employees, our farmer customers, and our committed shareholders. Equally significant are the numerous African governments and development partners across the globe with whom we collaborate, collectively contributing to the realization of enhanced primary food production and upliftment of livelihoods.

Colleagues and stakeholders please be advised that my time as your chairman is coming to an end as I am preparing to retire during the upcoming AGM. This marks the culmination of a profoundly rewarding chapter. The past year has been a meaningful farewell, allowing me to reflect on the journey I have undertaken alongside Seed Co. Looking back, I am reminded of the challenges, invigorating experiences, and profound fulfilment that have accompanied each step.

Guiding and collaborating with the remarkable team at Seed Co, a team I believe is unparalleled in the seed sector, has been a distinct privilege. The path I have walked has been humbling, as my roles first as a Non-Executive Director and later as Non-Executive Chairman have enabled me to contribute in ways I hope have significantly impacted the Group's expansion and advancement throughout Africa.

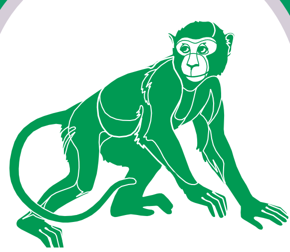
My admiration for my fellow Board members knows no bounds, as their exceptional partnership has been a cornerstone of this journey. As I prepare to depart, my sincere hope is that the Group continues to uphold and embody our fundamental principle – "The African Seed Company." With this guiding principle, the Group is poised to continue on its strategic mission that aims to fortify and expand its presence, catering to the needs of every farmer across the African continent.

D.E.B. Long
Chairman

Chief Executive Officer's Review

Morgan Nzwere
Group Chief Executive

> Our Team Seed Co continues to combine efforts positively stirring our operations in a sustainable manner that puts our farming customers and all our stakeholders at the heart of everything we do, delivering climate-smart seed solutions to the continent.



Revenue up by 8%

Overview

In the year gone by the business faced innumerable operating environmental challenges in Zimbabwe. The economy remained unstable and unpredictable, with a currency crisis that continued to stoke hyperinflation. The unfavourable situation was further complicated by inconsistent and conflicting monetary and fiscal policies.

Towards the end of the financial year, there was some improvement as currency market restrictions were eased, narrowing exchange rate disparities, aiding in preserving value. However, the fiscal and monetary policy measures aimed at managing inflation and exchange rates had unintended effects of stifling critical funding for business operations.

Overall, the Government's stance on dollarization remains unclear, evidenced by mixed signals such as allowing increased imports of essential goods, which in turn supports informal retailers that trade almost exclusively in USD.

On a global scale, the ongoing conflict in Ukraine continues to worsen local and regional economic challenges. Furthermore, irregular rainfall patterns, influenced by climate change, persist both locally and in neighbouring markets, causing difficulties for businesses and farmers that are not aligned with initial forecasts.

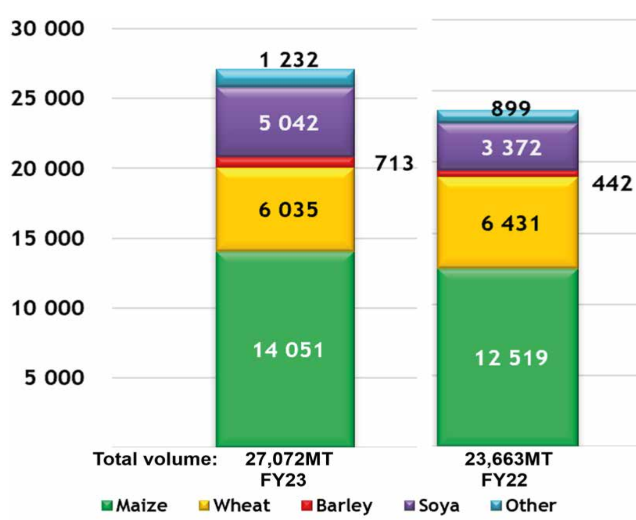
Group Financial Review Introduction

This report is being presented in Zimbabwe dollars (ZWL) and the financial commentary below is based on inflation adjusted results. The high inflation and uncertain fiscal policies do make financial reporting very challenging.

Income Statement Revenue

Turnover grew by 56.4% to ZWL$49.3BN from prior in year IAS29 restated ZWL$31.5BN. The growth in turnover was on the back of a 14% increase in sales volumes and selling price adjustments in response to inflation-induced increases in operating costs, as well as the general effects of exchange rate fluctuations.

The bar graph below shows the sales volume contribution by crop:



- Maize remains the flagship crop contributing 52% of the volume having increased by 12% driven by:
  - > Better stock position; and
  - > Increased demand buoyed by better rains.
- Wheat sales dropped by 6% due to power constraints while barley increased by 61%.
- Soybeans volume grew by 50% as demand increased driven by import substitution drive.
- Other crops include beans and sorghum and the combined volume increased by 37% again on the back of good rains.

Seed Co Pepper Variety - HERCULES F1

CHIEF EXECUTIVE OFFICER'S REVIEW

Other income

Increase in other income is largely a reflection of repricing USD denominated sales, including exports, at current exchange rates.

Operating expenses

The 213% inflationary jump in operating expenses to ZWL$18.4BN was in line with the weakening ZWL that forced cost of living catch up adjustments in labour costs as well as inflation-forward pricing by suppliers chasing alternative market exchange rates.

Finance costs went up nearly 5 times due to exorbitant interest rates and inflationary increase in working capital funding needs.

Associates and joint venture operations

Seed Co Ltd JV & Associates

	ZWL'BN	
Profit share from Associate & JVs	**FY23**	**FY22**
Seed Co International - 27% Associate	0,5	0,6
Quton -40% Associate	1,3	0,05
Prime Seed Co Zim - 51%	0,1	0,2
TOTAL	**1,9**	**0,9**

- Quton's profitability benefited from FX gains arising from USD denominated sales settled in ZWL at the obtaining official exchange rates.
- Seed Co International, posted 60% reduced USD profit (US$2.9m Vs. $7.1m) owing to huge exchange losses in Kenya, Malawi, Nigeria and Zambia that reversed. commendable turnover and volume gains (growth and 49,940mt Vs. 44,836mt 11% volume increase).
- Prime Seed (local Vegetable JV) profit was impacted by finance costs.

Profit

The Group registered tremendous value and profitability recovery posting ZWL15.8BN inflation adjusted PAT compared to prior year loss of ZWL2.2BN. Profitability was driven by:

- 14% volume increase;
- 56% revenue growth;
- increased value capturing through:
  - > more USD denominated sales benefiting from increased direct distribution.
  - > higher USD denominated but ZWL settled sales which largely explain the increase in the exchange gains accounted under other income.
- better margins in inflation adjusted terms [41% Vs. 33%] anchored by:
  - > increasing USD denominated and USD indexed sales i.e., selling for value; and
  - > relatively lower cost produced stock that was carried over from FY22.

Seed Co Pepper Variety - SPRINGBOK F1

CHIEF EXECUTIVE OFFICER'S REVIEW

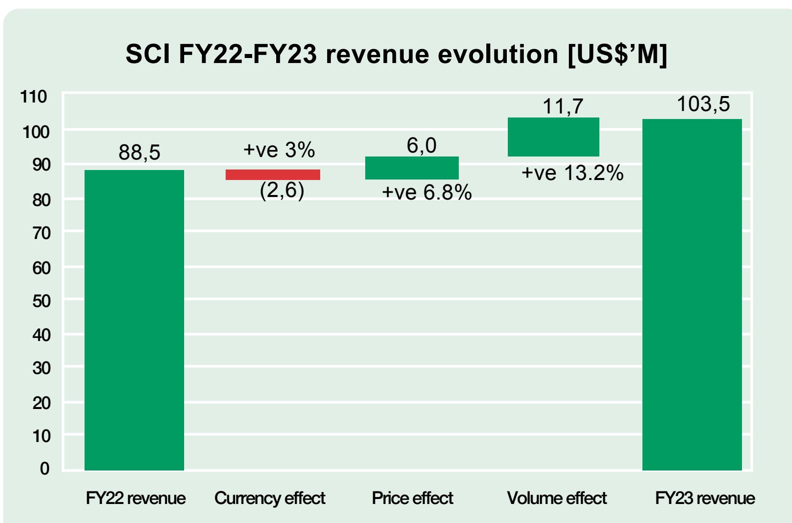
Associates and joint venture performance overview

The commentary below summarises the performance of the Group's Associates and JV Operations:

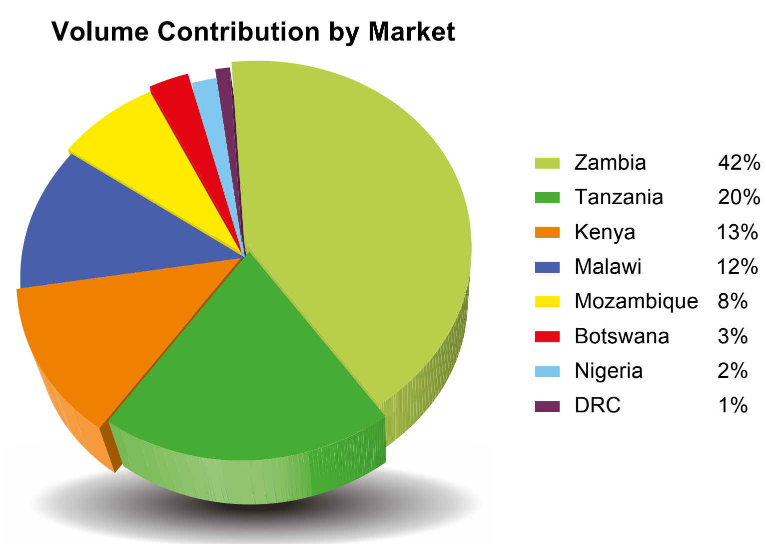
1. Seed Co International - Continental associates

Seed Co International Abridged income statement	FY23 US$'M	FY22 US$'M	Variance %
Revenue	103.5	88.5	**17%**
Operating profit	10.6	13.8	(23%)
Profit before tax	5.7	10.5	(46%)
Profit after tax	2.9	7.1	(59%)
% shareholding	27.48%	27.48%	-
Share of profit	0.8	1.8	(59%)
Volume sold	**49,940mt**	**44,836mt**	**11%**

- The continental associate's revenue increased 17% driven by 11% volume growth in Tanzania and Kenya as well as Zambia.
- Revenue was also helped by price adjustments as illustrated in the chart below:



- Seed Co International's volume contribution by business unit is depicted in the chart below:

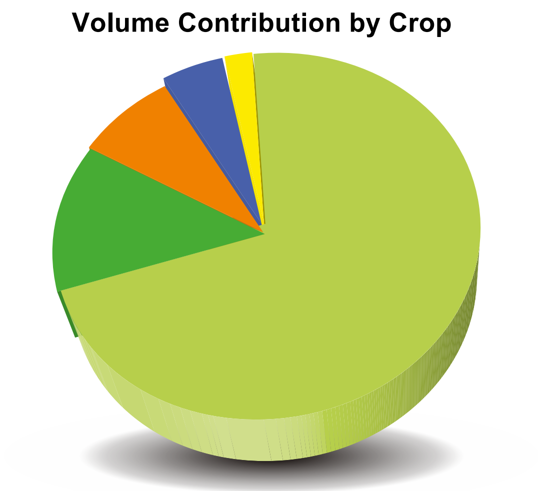


Seed Co Carrot Variety - HEKLA F1

CHIEF EXECUTIVE OFFICER'S REVIEW

Zambia; followed by Tanzania contributed the most volume driven by local market recovery and the continuation of the growth trajectory respectively. In terms of volumes growth, Zambia, Tanzania, and Kenya lead the upside while Malawi, Nigeria, Mozambique, and Botswana registered declines.

- The chart below shows Seed Co International's revenue contribution by crop:



- Maize remains the dominant crop followed by soya and wheat. Commendable volume growth was achieved in maize, wheat, and soya growth while cowpea, beans and groundnuts declined.

- Notwithstanding the brand strength reflected in sales performance, the regional associate's profitability suffered from:
  - > huge swing of US$6m in the negative caused by US$4.5m in net exchange losses compared to US$1.5m prior year net exchange gains;
  - > margin reduction from 45% to 44.4% following unanticipated increases in logistical costs mainly in Zambia;
  - > US$0.7m increase in finance costs to fund business growth, including higher inventory; and
  - > US$0.9m increase in share of losses from JVs & Associates as these investments incurred significant exchange losses, higher finance costs and some once-off restructuring costs in the vegetable joint venture.

2. Quton Seed Zimbabwe – 40% Associate

- In volume terms; 6,672mt seed sales 10% lower than 7,506mt sold in prior year but revenue was 80% higher on account of better value indexed pricing in USD though settled in ZWL.
- Inflation adjusted financial performance was boosted by USD invoicing with settlement in ZWL at prevailing official exchange rates. This gave rise to significant exchange gains i.e., ZWL$6.4BN compared to ZWL$0.83BN prior year.
- Better value retention because of USD indexed pricing contributed to the increase in profit after tax from ZWL$0.14BN prior year to ZWL$3.24BN

3. Prime Seed Co Zimbabwe -51% Joint venture

- Turnover was 48% higher boosted by increasing USD denominated local and export sales and the resultant translation gains as the local currency weakened on the official market.
- Profitability was however dented by higher deferred tax which saw the joint venture posting ZWL$0.2BN profit after tax compared to ZWL$0.46bn prior year.
- Going forward, prospects are better as the pricing regime in Zimbabwe is now more dollarized and the demand for vegetable seeds on the export market remains promising.

Seed Co Lettuce Variety - SAULA (ICEBURG)

CHIEF EXECUTIVE OFFICER'S REVIEW

GROUP FINANCIAL POSITION

Non-current assets
The rise in property, plant and equipment was driven by revaluation assets and acquisitions made during the year.

Inventories and biological assets
Inventories on hand at the reporting date where higher than prior year mainly due to current production and processing cost valuation.

Trade and other receivables
The increase in receivables was attributable to the growth in sales and the outstanding debt from growers and Government related input programmes. Government related receivables were largely settled post year end.

Trade and other payables
Trade payables were significantly high as compared to prior year as the business has been facing liquidity challenges due to the mismatch between inflows from debtors and expected outflows.

Borrowings
To finance seed production, borrowings increased during the year because of inflation but local borrowings were fully repaid after year-end. Included in debt is the export-ringfenced US$11.4M balance from the US$12.5M 7-year Proparco debt facility.

Equity
The increase in equity was mainly contributed by the current year profit and non-current asset revaluations.

Seed supply
Product availability met the seasonal demands owing to better season preparedness and the normal onset of rains in Zimbabwe.

The current progress of the 2022/23 season's production, which is currently delivered and processed is also promising.

Despite encountering challenges related to rainfall, the continental seed production is also projected to exceed the output of the previous year.

The Artificial Seed Drying Plant is now in its 2nd operational year and is continuing to make it possible to start processing seed early with the quality and early market readiness advantages. The plan remains to replicate the technology in other markets.

Research & development
Intellectual property generated from a strong R&D innovation pipeline continues to be the bedrock of the business. To this end, our R&D, which anchors our ESG innovation pillar, is designed to churn out seed solutions that contribute to creating a sustainable and profitable agricultural landscape that addresses climate challenges, supports farmers, and provides sustenance for both people and livestock. This involves offering improved seed varieties, along with agronomic training and support to ensure the efficient use of arable land and farming resources.

The Group continues to renew its product pipeline in line with climate change. Our goal is to make both small- and large-scale farming ventures profitable while positively impacting vital economic value chains. Specifically, we aim to introduce a minimum of 5 new and enhanced maize hybrid varieties annually, along with at least one improved variety from other crop categories.

The following new products were released in Zimbabwe:
- 3 maize hybrids: SC 307, SC 449 and SC 561
- 1 white sorghum hybrid: SC XH101
- 2 cowpea varieties: SC VU01 and SC VU03
- 3 x pearl millet hybrids.

Given our growing African footprint, we are taking advantage of regional harmonization to fast track the official release and recognition of new seed varieties across markets. The following varietal registrations were achieved with the regional blocks:
- 9 maize and 7 soyabean varieties successfully listed on SADC catalogue;
- 5 maize and 3 soyabean varieties successfully listed on the COMESA catalogue; and
- 1 wheat variety was successfully listed on the COMESA catalogue.

Further, we are making progress in the efforts to find a solution to fall army worm and cob rot tolerant maize germplasm. The Group is also continuing with research on new crops like rice, potato, and a variety of vegetable species to widen the product basket.

Seed Co Broccoli Variety - CIGNO F1

CHIEF EXECUTIVE OFFICER'S REVIEW

Outlook

We anticipate stability to return following on from the harmonised elections culminating in an environment that is more favourable for the flourishing of overall economic activities. Internally, the Group is adequately prepared for the upcoming sales season. This readiness extends to both the domestic market in Zimbabwe and the wider regional context. The Group has tactfully devised production and processing strategies to gather a well-balanced assortment of seed stock varieties. These varieties are intended to address potential initial scenarios of El Nino forecasts, ranging from normal to below normal rainfall patterns.

Acknowledgement

I extend my heartfelt appreciation to all those who have contributed to sustenance of our business throughout the year. I am particularly indebted to our dedicated employees, whose hard work and commitment have allowed us to navigate challenges and contribute positively to the socio-economic landscape.

I would also want to acknowledge our valued customers, partners, regulatory authorities, governmental bodies, and communities in which we operate for their unwavering support and trust in our products and services.

Furthermore, I extend our thanks to our shareholders for their continued belief in our vision and for being an integral part of our journey. Finally, I acknowledge the guidance provided by our Board of Directors whose strategic insights and leadership have been fundamental in steering our business towards sustainable growth.

As we reflect on the past year's achievements and set our sights on the future, we remain committed to delivering excellence, innovation, and value to all our stakeholders. Thank you for being an essential part of our continued success.

M. Nzwere

Group Chief Executive

Seed Co Onion Variety - ELAD

GROUP LEADERSHIP

BOARD OF DIRECTORS AND PROFILES

David E. B. Long

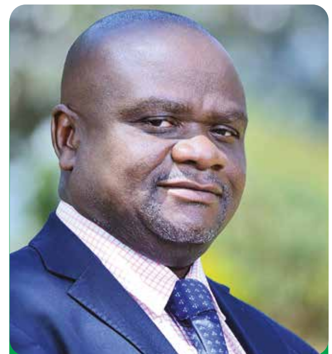
Independent Non -Executive Group Chairman

Tenure: 27 years
Key Skills: Law
Qualifications
MBA, Bachelor of Law, Chartered Institute of Arbitrators, Fellow of the Institute of Directors.
Other Commitments
Director: CABS Building Society, Colcom Holdings and Tsebo Servcor. Beit Trust Representative in Africa.

Pearson Gowero

Independent Non -Executive Group Deputy Chairman

Tenure: 10 years
Key Skills: Economics
Qualifications
MBA, BSc (Hon) degree in Economics
Other Commitments:
Director: Zambeef Products PLC.



Morgan Nzwere

Group Chief Executive Officer

Tenure: 13 years
Key Skills: Accounting and Finance
Qualifications:
MBL (UNISA), Advanced Management Programme 181 (Harvard), Strategy Master Academy at the University of Cape Town Business School. Chartered Accountant.
Other Commitments:
Director: FBC Bank and TSL Limited.

John Matorofa

Group Chief Finance Director and Company Secretary

Tenure: 17 years
Key Skills: Accounting and Finance
Qualifications:
B.Acc. (Hon) (UZ), MBA (UK), Senior Executive Leadership Program (London)
Other Commitments
None

Remina C D Chitengu

Independent Non- Executive Director

Tenure: 7 years
Key Skills: Accounting and Finance
Qualifications:
B.Comm (Hon) Finance (NUST), ACIMA.
Other Commitments
Commercial Executive and Director at Unki Mines and Generation Medical Aid

Regis Fournier

Non-Independent Non-Executive Director

Tenure: 2 years
Key Skills: Agronomy and Business Administration.
Qualifications
BSc Agronomy (Montpellier) MSc Agronomy.
Other Commitments
CEO of Limagrain Field Seeds

GROUP LEADERSHIP

BOARD OF DIRECTORS AND PROFILES

Dr. Dahlia Garwe

Independent Non-Executive Director

Tenure: 12 years
Key Skills: Biotechnology and Biochemistry
Qualifications:
PhD in Molecular Biology (UCT), MSc degree in Biotechnology (UZ), BSc (Hon) Biochemistry (UZ), Fellow of the Zimbabwe Academy of Sciences.
Other Commitments:
Head of Corporate & Industry Affairs at Tongaat Hulett Zimbabwe, Chairperson of Minerva Reinsurance, Chairperson of the Community Technology Development Organisation, Vice-Chair of the African Agricultural Technology Foundation (AATF), and Non-Executive Director of TSL Limited

Patrick Spadin

Non Independent Non-Executive Director

Tenure: 4 years
Key Skills: Agronomy and Business Administration
Qualifications
MBA, MSc Agronomy, BSc Agronomy
Other Commitments:
Head of Development (M&A) & Strategic Intelligence at Limagrain.

Frederick Savin

Non-Independent Non-Executive Director

Tenure: 4 years
Key Skills: Agricultural Engineering & Business Administration
Qualifications:
MSc, BSc Agricultural Engineering
Other Commitments
AgriSynergy and Limagrain Zaad South Africa

GROUP LEADERSHIP

SENIOR MANAGEMENT

Terrence Chimanya	Managing Director
Leonard Mutunga	Finance Director
Locadia Ganjani	Commercial Director
Felistus Ndawi	General Manager Seed Co Zimbabwe Vegetables
Tineyi Chatiza	Group Secretary
Tirivacho Vushemasimba	Quality Assurance Manager
Melody Chigerwe	IT Manager
Farai Zvavamwe	Production Manager
Robson Madondo	Finance Manager
Wendy Madzura	Head of Agronomy
Nyasha Muchinouta	Human Resources and Administration Manager

GOVERNANCE

Corporate Governance.

Our corporate governance practices play a central role in steering the spirited evolution culture, ensuring that high ethical standards and practices are channelled across the Group. This is important in enhancing our reputation, building trust, and, ultimately, leading to the creation and protection of value for all stakeholders across all our markets. Our culture and values built over the last 80 years enables the Board to focus on steering the Group. We have a governance framework which provides role clarity, delineated roles and areas of accountability, ensuring strategic alignment across the Group and efficient and informed decision-making at appropriate levels.

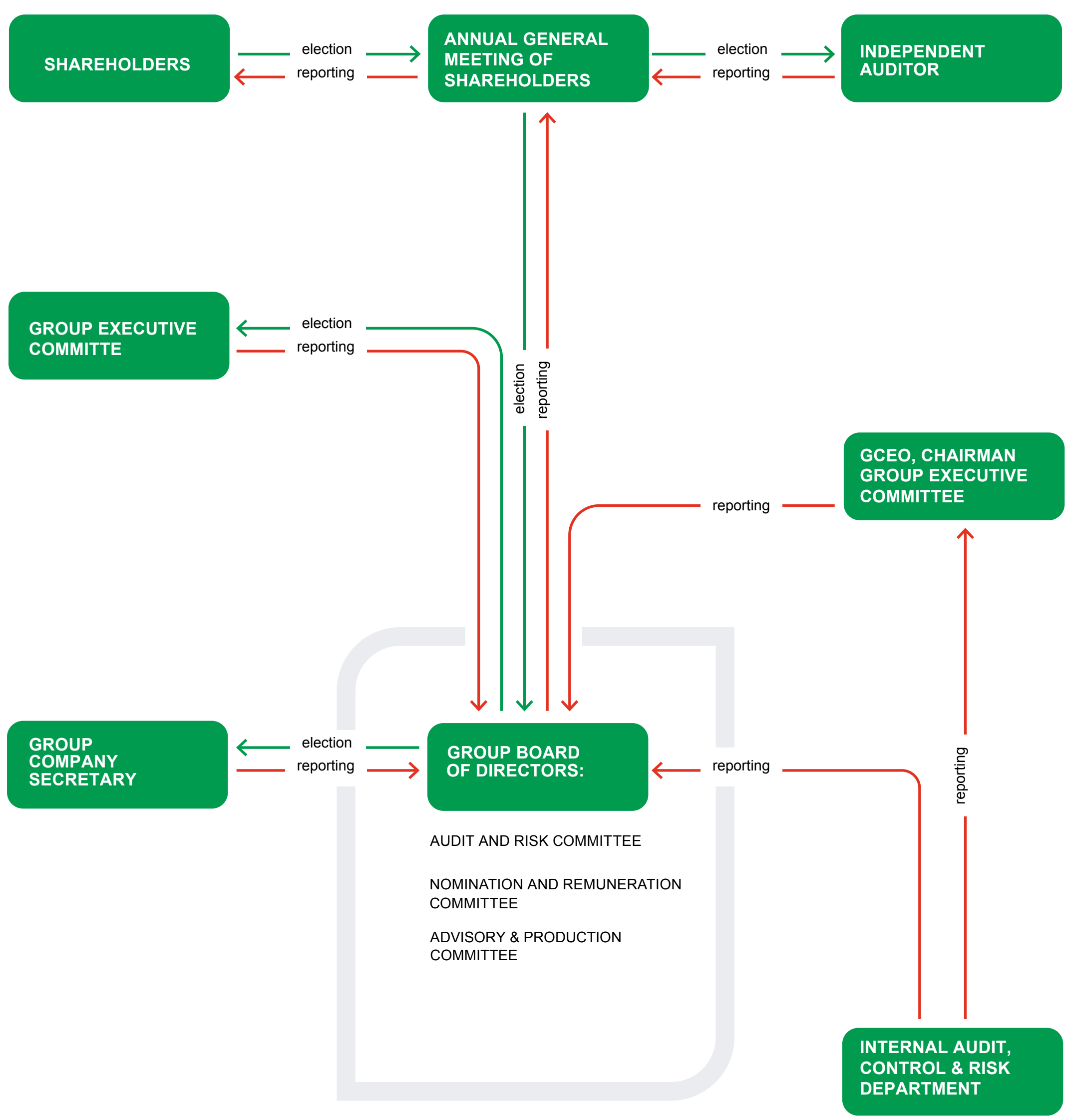
Corporate Governance Framework.

Seed Co Limited is governed by applicable laws, listing rules, and the King Report on Corporate Governance™ 2016 (King IV). Our corporate governance framework is designed to balance the interests of shareholders, the Board of Directors, management, employees and stakeholders. The framework is built on the principles of honesty, integrity, and accountability, ensuring that the Board exercises effective and ethical leadership, and conducts its affairs as a good corporate citizen while making appropriate decisions to ensure the long-term sustainability and value creation of the business.

The Board retains overall responsibility for the concept of integrated thinking as encapsulated King IV Code, which underpins corporate citizenship, stakeholder inclusivity, sustainable development, and integrated reporting. The Board is confident that the Group's governance framework, including all its related Board structures, administrative and compliance processes contribute to ongoing value creation by driving the following principles:

- Equitable and fair treatment of every shareholder,
- Professionalism and leadership of the Board of Directors,
- Accountability of the Board of Directors and Executive Bodies,
- Corporate Social Responsibility and Sustainable Reporting objectives,
- Transparent and timely disclosure, and
- Combating corruption.

Governance Framework



Board Responsibility

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

Delegation of Authority

The Group's Board of Directors has established a framework for the delegation of authority and ensured that the role and function of the Group CEO is formalised and that the Group CEO's performance is evaluated against specified criteria on an annual basis. The Group CEO and Executive Management develop and recommend to the Board long-term strategy and vision together with the Board's annual business plans and budgets to generate satisfactory levels of shareholder value. The Group CEO and Executive Management direct the execution of strategy, operation and performance.

Balance of Power

Seed Co Limited operates a unitary Board, encompassing the balance of power principles. The Board is made up of a majority of Non-Executive Directors. Currently, 50% of the Directors are independent. The Group Executive Directors are involved in the day-to-day business activities of the Group and are responsible for ensuring that decisions of the Board are implemented in accordance with the mandates given by the Board. All Seed Co Limited subsidiaries have a functioning Board and the subsidiary Managing Directors run the day-to-day operations of their business reporting to the Group Chief Executive Officer. The Board ensures that there is an appropriate balance of power and authority at the Board level such that no one individual or block of individuals dominates the Board's decision making or its Board or Committee meetings.

Non-Executive Chairman

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

Group Chief Executive

The Group CEO leads the Executive Team and attends to the day-to-day operational functions of the business. In conjunction with the Board, the Group CEO ensures proper succession planning for Executive and Senior Managers across the Group and associate companies as well as performance appraisals for Executive and Senior Management. The Group'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 Group policies.

Election of Directors

Members of the Board are elected at the Annual General Meeting of Shareholders for 3 years. The Board of Directors may recommend that the General Meeting of Shareholders amends the Articles of Association by changing the number of Board Members. The new board may only be elected after the relevant amendments to the Articles of Association are approved and state registration completed. Until a new Board of Directors with the new number of members is elected, the decision-making rights and process of the then active Board remains unchanged, with the Board making its recommendations as to nominate Board members including independent directors. The current size of the Board of Directors is best aligned with Seed Co.'s goals and objectives, and its appropriate independence mix ensures that decision making considers the interests of various stakeholders and enhances the quality of executive and managerial decisions. The current Board of Directors comprises seven (5) Independent Directors, beyond the minimum requirement set out in the Listing Rules and the Corporate Governance Code, which enables highly professional, independent judgements on matters on the agenda.

Appointment of Directors

Directors are individuals appointed for their calibre and credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, and standards of conduct and evaluation of performance.

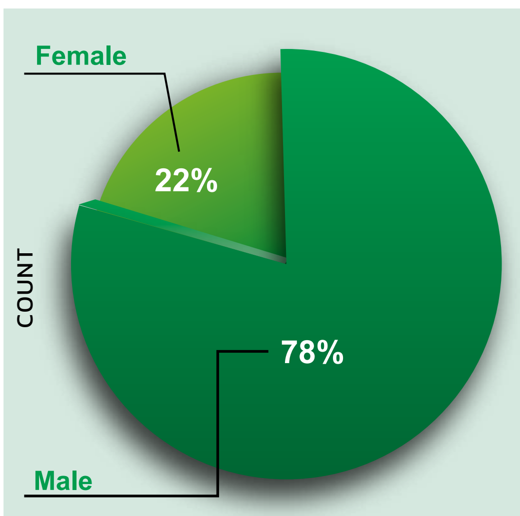
Micheal Ndoro retired from the Board during the year. He contributed to the definition and deployment of the Group's finance, development, and innovation strategy.

GOVERNANCE

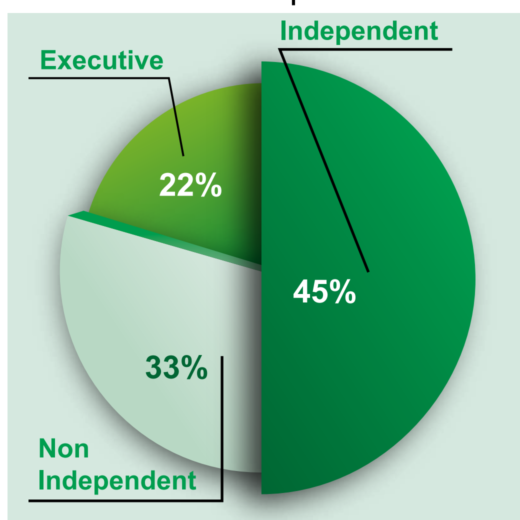
BOARD COMPOSITION

The Seed Co Limited Board consists of nine (9) Directors, four (4) of whom are Independent Non-Executive Directors, two (2) Executive Directors and three (3) Non-Independent Executive Directors. The current Board's diversity of professional expertise and demographics makes it highly effective regarding the Group's strategies. The Board will ensure that in appointing successive Board members the Board will continue to reflect, whenever possible, a diverse set of professionals and personal backgrounds.

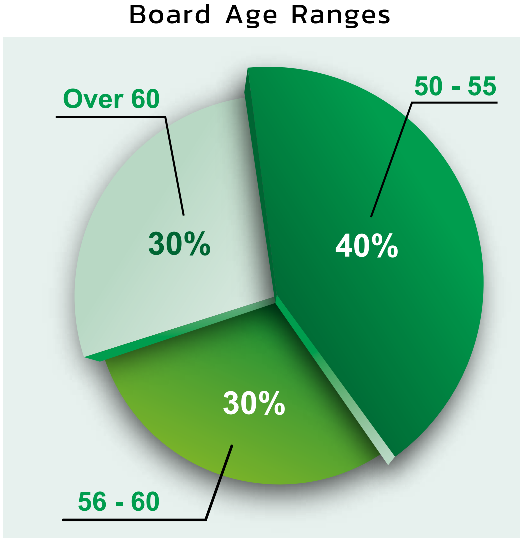
Board Gender Composition



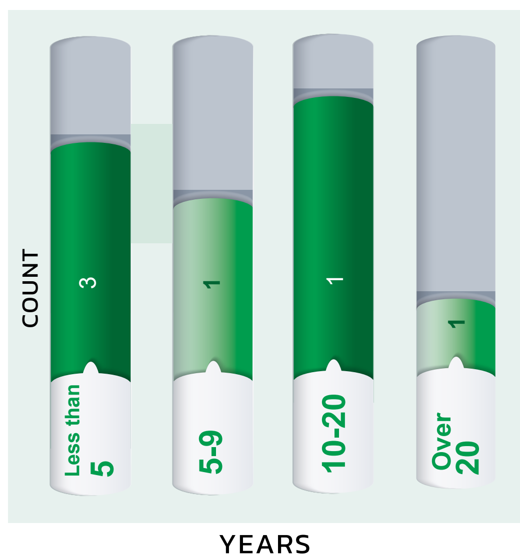
Board Composition



Board Age Ranges



Tenure On The Board



BOARD STRUCTURE

Seed Co Ltd Board of Directors

- **Audit and Risk Committee**
- **Remuneration and Nomination Committee**
- **Advisory and Production Committee**

Board Committees and Meeting Attendance.

The Board has Committees to assist with fulfilling its responsibilities in accordance with the provisions of the Corporate Governance Manual and King IV Code. The Board has therefore delegated certain functions to the Audit and Risk Committee, Remuneration and Nomination Committee, and Advisory and Production Committee. The Board is nonetheless acknowledging that the delegation of authority to its committees does not detract and is not an abdication of the Board members' responsibilities. The Committees have Terms of Reference which are reviewed annually by the Board. These outline the Committee's roles and responsibilities, functions, the scope of authority and composition as presented below:

Board Committee	Committee Members	Terms of Reference
Audit and Risk Committee	R.C.D Chitengu (Chairman) P. Spadin A. Barron	The committee's primary purpose is to provide independent oversight over the effectiveness of internal control systems and assist the Board in ensuring and monitoring the integrity of the Group's Annual Financial Statements and related external reports. The committee further oversees the effectiveness of the Group's external and internal assurance functions and services that contribute to ensuring the integrity of the Group's corporate reporting. **Summary of responsibilities** • Financial reporting integrity. • Monitor external auditors. • Risk and internal control.
Remuneration and Nomination Committee	P. Gowero (Chairman) D.E.B. Long and M.S. Ndoro	The Committee's primary purpose is to assist the Board in the nomination, election, and appointment of Directors in accordance with Board policies and the succession strategy, ensuring that the process is transparent and delivers to expectations. The committee is also responsible for executive management succession working with the Group Chief Executive Officer. **Summary of responsibilities** • Remuneration policy. • Annual remuneration including bonus and Long Term Incentive Plan (LTIP) awards. • Set annual performance objectives. • Succession planning. • Recommend candidates. • Board performance evaluation. • Diversity.
Advisory and Production Committee	M.S. Ndoro (Chairman) K. Mafukidze, J.P. Mutizwa, C. Mutunhu, A. Pascoe. Dr. D. Garwe	The Advisory and Production Committee is a collection of professional individuals who bring unique knowledge and skills to the Seed Co Board of Directors. The Committee provides guidance on production and operational matters specifically to the Zimbabwe operations. The Committee is composed of external business and technical advisers who are not members of the Seed Co International Board but are Non-Executive Committee Members of which one Non-Executive Director is appointed as their Chairman. Executives and Senior Management of the Group attend the committee meetings by invitation.

Committee Meeting Attendance

Director	Board Meetings	Audit and Risk Committee	Remuneration and Nomination Committee	Advisory and Production Committee
Meetings	(4)	(4)	(4)	(4)
D.E.B. Long	4/4		4/4	
P. Gowero	4/4		4/4	
M. Nzwere	4/4	4/4	4/4	4/4
R.C.D. Chitengu	4/4	4/4		
J. Matorofa	4/4	4/4		4/4
R. Fournier	3/4		3/4	
D. Garwe	4/4			4/4
P. Spadin	4/4	4/4		
F. Savin	4/4			
K. Mafukidze				4/4
J.P. Mutizwa				4/4
C. Mutunhu				4/4
A. Pascoe				4/4

Board Induction

Newly appointed Directors to the Board of Directors undergo an induction programme. This begins with welcoming the Directors and introducing them to the Board team, other key personnel, including the CEO and executives of each functional area of the Group. The Directors are then familiarised with the culture of the company, their role and responsibilities as a board member, the strategic plan and financial position of the Group, and the governance manual. This is followed by identifying training and development needs to ensure the Board member can contribute effectively to the Group. Where relevant, meetings with key stakeholders are organised. Regular reviews are then done with the Board chair to check understanding, identify issues and encourage development.

Board Evaluation

In line with the King IV, which recommends a formal evaluation process of the Board. The Group conduct peer review systems which starts with the Chairman then the rest of the Board Members using a structured questionnaire that focuses on governance practices, cohesion, strategy stewardship and management oversight.

Board Communication Systems with Stakeholders

Seed Co Limited is committed to transparent, inclusive, and objective communication with stakeholders. The Group provides platforms for direct communication with external stakeholders that includes the Annual General Meeting, media briefing, press statements and direct meetings.

Annual General Meeting

Board members and the External Audit Partner attend Annual General Meetings of the Group to respond to questions from shareholder's. The Seed Co Limited Annual General Meeting Notice is available on page 94 of this report.

Share Dealings

Directors, management, and all Group staff are not permitted to deal directly or indirectly in the shares of the Group during:

- The period from the end of the interim or annual reporting periods to the announcement of the Interim and Annual Report results,
- Any period when they are aware of any negotiations or details which may affect the share price or,
- Any period when they have information, the effects of which might affect the share price.

Directors' Declarations

Board members are obliged to disclose in writing any personal or financial interest as required by the Companies and Other Business Entities Act [24:31]. Such declarations cover interests within or outside the Group which may interfere or conflict with their duties. The Board is in the process of updating the corporate governance manual to include any director's interest in a transaction and potential involvement in the decision-making process.

Conflict of Interest

Real or perceived conflicts in the Board is managed in accordance with the conflict of interest and directors' declaration requirements. Any possible conflict of interest is declared in the manner prescribed by law and in terms of the Company's Memorandum & Articles of Association ("MOA"), as soon as a Director becomes aware of the conflict, and in any event before 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 of interest and will leave the meeting immediately after making the requisite disclosure.

Directors Remuneration Report.

Please refer to the note of Directors' remuneration and benefits in the annual financial statements for further information on Directors' interests.

Statement of Directors Responsibility

The Directors of Seed Co are responsible for maintaining adequate accounting records and for the preparation of financial statements at present fair and accurate information. The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and in a manner required by the Companies and other Business Entities Act [Chapter 24:31]. In discharging this responsibility, the Company maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that transactions are executed and recorded in accordance with International Financial Reporting Standards and in the manner required by the Companies and other Business Entities Act [Chapter 24:31]

The Directors are satisfied that the Company has a sound financial position and adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

D.E.B Long
Chairman

M. Nzwere
Chief Executive Officer

BUSINESS ETHICS AND COMPLIANCE

Business Ethics and Values.

The Board is responsible for ethical conduct and adherence to socio-economic values expected of a responsible business. The Group is currently updating its Corporate Governance Manual by including a Code of Ethics which will be applied across the Group.

Statement of compliance with laws and regulations.

The Board is committed to compliance with legal and regulatory requirements applicable in Zimbabwe and recognises its accountability and responsibilities to all stakeholders.

The Board has, consequently, approved a compliance programme which wholly forms the Group's risk management framework. Management is responsible for the design, implementation, and monitoring of compliance structures of the business. During the period under review, the Board is not aware of any breaches of any material regulatory requirements or having failed to meet any statutory obligations.

Compliance Monitoring.

Each business has its own regulatory universe which is assessed against defined risk criteria and informs the compliance monitoring plan for the relevant business. Our compliance monitoring forms are designed to ensure that business is conducted in compliance with all relevant laws and regulators. Key regulatory items are monitored more frequently and reported to the Risk and Compliance Committee quarterly.

Management strives to ensure compliance is a business culture. This culture is further entrenched through ongoing training and awareness of regulatory modules which are designed and administered by the compliance team. The compliance function forms part of the Group combined assurance model which covers management control, risk control, and compliance oversight in addition to independent assurance.

Anti-Corruption.

Seed Co has zero tolerance for corruption in any form whether bribery, extortion or any inducement to do something illegal etc. We enforce anti-corruption in all operations through various policies such as the finance policy, ethics policy and the whistleblowing policy. These policies reflect the business's values, culture and behaviours expected from every employee. The whistle blower system is independently managed by a third party, Deloitte Anonymous Tip-Off. The system allows employees and external stakeholders to anonymously report any unethical practices, bribery or corruption relating to our business. In addition, independent quality assurance teams play a role in mitigating the risks of corruption across the business.

Additional Anti-Corruption Measures

- The Group does not approve any recruitment of new employees, without having gone through an interview, with a representative from the Human Resource Department. Vacancies are filled internally first before considering external candidates.
- Seed Co prohibits staff members from selling seeds.
- Fraud risk assessment are conducted on all departments on an annual basis to assess possibilities and weaknesses that could expose the business to corruption.
- The security department has the responsibility of managing and investigating corruption.
- The business promotes an open door approach for reporting corruption.

During the year under review, the business conducted an anti-corruption awareness campaign which included distribution of whistle blowing posters from Deloitte. We evaluated our performance using monthly reports from anonymous tip-offs system, internal and external audits findings, and corruption or fraud risk assessments. The outcomes gave us an assumption that the business is effectively managing the risk of corruption.

SEED CO LIMITED AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2023

Dear Shareholders and Stakeholders,

1) Introduction
We, the Audit Committee of Seed Co Limited, hereby present our report for the year ended 31 March 2023 in terms of section 219(2)(e) of the Companies and Other Business Entities Act [Chapter 24:31]. This report provides an overview of the Committee's activities, responsibilities, and key findings related to the Company's financial reporting, internal controls, and compliance processes.

2) Committee Membership and Independence:
The Audit Committee is composed of independent members of the Board of Directors who possess the necessary financial expertise. During the year, the Committee consisted of the following members:

a) Mrs. R.D.C. Chitengu (Independent Non-Executive Director / Audit Committee Chairman);
b) Mr. A. Barron (Independent Non-Executive Member); and
c) Mr. P. Spadin (Non-Independent Non-Executive Director).

3) Responsibilities:
The Audit Committee's primary responsibility is to assist the Board of Directors in fulfilling its oversight responsibilities relating to financial reporting, internal controls, and compliance with applicable laws and regulations. In this capacity, the Committee performed the following key responsibilities during the year:

a) Oversight of Financial Reporting:
The Committee reviewed and discussed the Company's financial statements and related disclosures, with management and the independent auditors. This included assessing the quality, adequacy, and integrity of the financial reporting processes, and ensuring compliance with accounting standards and regulatory requirements.

b) Independent Auditors:
The Committee evaluated the qualifications, performance, and independence of the independent auditors. We reviewed the scope and results of the annual audit and engaged in discussions with the auditors to ensure the effectiveness of the audit process.

c) Internal Controls:
The Committee assessed the effectiveness of the Company's internal controls over financial reporting. This involved reviewing the scope and results of internal audit as well as the internal control systems, identifying any significant deficiencies or weaknesses, and monitoring the implementation of remedial actions.

d) Compliance:
The Committee oversaw the Company's compliance with applicable laws, regulations, and internal policies. We reviewed the adequacy and effectiveness of the Company's compliance programs and monitored any significant legal or regulatory developments affecting the Company's operations.

e) Risk Management:
The Committee considered the Company's risk management processes, including identification, assessment, and mitigation of significant risks. We assessed the Company's risk appetite and the effectiveness of risk mitigation strategies which are continuously checked .

f) Environment, Social and Governance conduct and reporting
The Audit Committee recognizes the increasing importance of environmental, social, and governance ("ESG") factors in today's business landscape. As part of our oversight responsibilities, we actively provided oversight of the company's ESG conduct and reporting, ensuring that it aligns with the Company's values, stakeholder expectations, and regulatory requirements. Our ongoing commitment to ESG oversight aims to enhance the company's long-term sustainability, reputation, and value creation for all stakeholders.

4) Key Findings and Recommendations:
Based on our activities and reviews during the year, we would like to highlight the following key findings and recommendations:

a) Financial reporting:
The Committee found that the financial statements presented fairly, in all material respects, the financial position, results of operations, and cash flows of the Company.

b) Internal controls:
The Committee observed certain deficiencies that are not of a highly critical nature. Nonetheless, thy require the immediate attention and Management was advised to implement necessary enhancements to reinforce and bolster the Company's internal control framework.

c) Compliance:
The Committee is pleased to report that the Company demonstrated a strong commitment to compliance with applicable laws and regulations. However, we recommend regular updates to the compliance program to address emerging risks and changing regulatory requirements.

d) Audit process:
The Committee is satisfied with the performance of the independent auditors and their adherence to professional standards. However, the Committee was concerned with the staffing and extensive review as well as referral procedures which delayed conclusion of the audit beyond set annual reporting timelines.

e) ESG:
The Committee applauds management and the Board for taking the initiative to adopt best practice ESG reporting prior year ahead of the same becoming mandatory in Zimbabwe. This important aspect of sustainability consciousness has registered significant improvement in both conduct and reporting this year.

5) Conclusion:
The Audit Committee believes that the financial reporting, internal controls, and compliance processes of Seed Co Limited are robust and effective. We are confident that our recommendations and the stewardship we provide to management will further enhance the integrity and completeness of the Company's operations and annual reports.

We extend our gratitude to the Management team, employees, and independent auditors for their cooperation and professionalism throughout the year.

Respectfully submitted,

Remina Charity Davidzo Chitengu
Chair of the Audit Committee

RISK MANAGEMENT

The Board sets the direction for the way risk management is approached and addressed. The Audit and Risk Committee oversees and directs the Group's implementation of effective risk management and compliance strategies. The risk management process comprises a formalised system for identifying and assessing strategic and operational risks.

Approach to Risk Identification and Management
A Risk-Based Internal Audit approach is followed where audit assignments are prioritised based on the risk level. Business Functions are required to develop risk registers for their areas. On a quarterly basis, the Board reviews risks faced by the business and measures implemented. The Internal Audit function is tasked with the mandate of monitoring and reporting risks identified to the Board through the Audit and Risk Committee.

Financial Risk
The Group is exposed to market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's senior management oversees the implementation of measures approved by the Audit and Risk Committee to mitigate any identified risks.

Business and Operational Risks
The Group is exposed to business and operational risks which are managed through various systems, policies and procedures of the business. Some of the risks may be within or outside the Group's control. The Group conducts regular risk assessment and below are the top risks identified and managed during the period under review:

Principal Risk	Context	Impact	Mitigation Measures
High Inflation Rate	Seed Co Limited is exposed to inflation risks from the erosion of the local currency which leads to low purchasing power. Customers are not able to afford the company's products, and this will lead to the loss of value of the company's financial position.	Loss of value as earnings are eroded.	Align prices to market determined exchange rates. Regular review of prices Government subsidies.
Climate Change	The risk emanates from manifestations of climate change such as increased temperatures, frequent droughts and floods which in turn lead to crop failures or reduced crop yields. The group is exposed to low demand for seed due to adverse weather conditions can lead to reduced seed supplies.	Reduced crop production and low seed demand.	Grower Transformation Initiatives. Climate smart varieties produced. Drought tolerant varieties.
COVID-19	Seed Co Ltd.'s exposure stems from disruption of the value chain due to COVID-19 induced lockdowns. A number of inputs used in seed production are imported and disruption of the supply chain deprives the company of the capability to produce seed efficiently. Loss of critical staff due to illnesses induced by Covid-19 results in underperformance by the Group.	Supply chains and normal operations are constrained. Customers will not have disposable income to purchase seed.	Vaccination, Sanitization, Working from home, WHO guidelines.
High Operating Costs	Seed Co operates in a hyperinflation environment characterised by high operating costs. The nature of the Company's product attracts the attention of authorities who are keen to ensure food security through the provision of affordable seeds. The price at which the Group sells its product does not rise at the same rate as the company's costs.	Reduction in profitability.	Cost management, Variance analysis, Budgetary discipline and accountability, Review structures, Purchasing policies, Align structure with level of activity.
Cybersecurity	The risk refers to threat of financial loss, disruption, or damage to the reputation of Seed Co Limited resulting from the failure of its information technology systems.	Financial loss and reputational damage.	Fire wall Intrusion detection tests ICT policy. Disaster recovery planning.

SEED CO IN THE ENVIRONMENT AND COMMUNITY SUSTAINABLY

Our Sustainability Strategy

Seed Co is committed to sustainable ethical business practices, the protection of the environment, and economic development while improving the livelihoods of all its stakeholders, including but not limited to employees, farmers, consumers, and communities. To this end, the DNA of our seed-to-feed business is to innovate and make available climate-smart high-yielding seed solutions, agronomic support, and training for the efficient utilisation of arable land and other farming inputs to sustainably make both small- and large-scale farming profitable enterprises that feeds both people and livestock with catalytic effects on critical economic value chains.

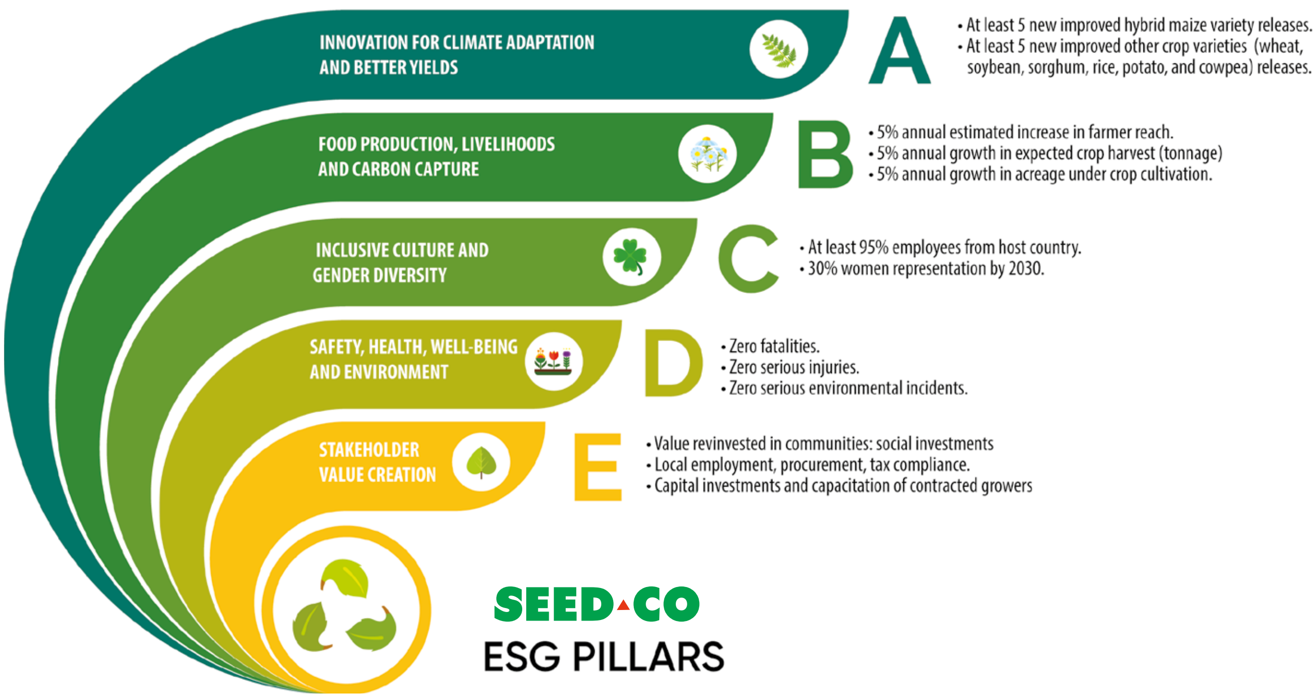
We are committed to sound environmental stewardship. We aim to use the natural resources our business depends on responsibly, care for the environment in our operational and surrounding areas and limit the impact of our operations on our host communities. We do this by promoting farming practices that work with nature rather than against nature to mitigate climate change through among other things use of cover crops, crop rotation, composting, and mixed farming to improve soil and biodiversity.

We acknowledge that agriculture has the greatest potential for cooling the planet as photosynthesis both draws down carbon from the atmosphere and is nature's air-conditioner cooling the environment via transpiration in a manner that improves the water cycle.

Through impacting good agronomic practices, Seed Co is contributing positively to the following:

- Feeding the world.
- Revitalizing local economies: small-scale farming represents an opportunity to boost local economies.
- Mitigating climate change by increasing soil carbon stocks.
- Improving yields and farming impact through drought, pest, and disease tolerant seed varieties.

Seed Co.'s 5 Strategic ESG Pillars



A. Innovation for Climate Adaptation and Better Yields

Our Research and Development division plays a critical role in developing superior hybrids, early maturing varieties and disease-resistant crop seeds that are high yielding under optimum input use in stress environments. Zimbabwe has been experiencing uneven rainfall patterns and crop diseases threatening food security. We produce seed varieties that have tremendous adaptation capabilities to climate change and crop development. The process of breeding, delivery and adoption of new seed varieties ends with approvals for sale and meeting various climatic conditions.

The Innovation Pillar is the topmost priority pillar of Seed Co's ESG framework, and it cuts across the other 4 Strategic ESG pillars. It is designed to demonstrate the Group's comprehensive approach to sustainable agriculture, contributing to a more resilient and environmentally conscious food system while also fostering economic development. The commitment to continuous improvement through the release of new crop varieties showcases a dedication to ongoing innovation in the agricultural sector contributing to food sufficiency and upliftment of livelihoods.

Key features of Seed Co's ESG innovation pillar include:

i) **Climate-Smart Crop Varieties:** The focus on developing high-yielding seed solutions that are adapted to climate challenges is critical. These varieties are designed to withstand changing environmental conditions, such as drought, heat, and pest pressures, ensuring greater resilience for farmers.

ii) **Agronomic Support and Training:** Providing farmers with the necessary knowledge and skills to effectively cultivate these new crop varieties is essential. Agronomic support and training ensure that farmers can optimize their land use, minimize resource wastage, and enhance crop productivity.

iii) **Efficient Resource Utilization:** The initiative emphasizes efficient utilization of arable land and other farming inputs, which can lead to reduced environmental impact and increased profitability for farmers. This involves adopting sustainable practices like precision agriculture, water-efficient irrigation, and responsible fertilizer usage.

iv) **Profitable Farming Enterprises:** By promoting the adoption of improved crop varieties and sustainable practices, the initiative aims to make both small- and large-scale farming profitable. This can contribute to poverty reduction, rural development, and overall economic growth.

v) **Diversification of Crop Varieties:** The commitment to releasing multiple improved maize hybrid varieties and new improved varieties from other crop categories each year indicates a focus on genetic diversity. Diversifying crop varieties can help mitigate risks associated with disease outbreaks, pests, and environmental changes.

vi) **Catalytic Effects on Economic Value Chains:** The impact of this initiative goes beyond just farming. By enhancing crop productivity and profitability, it can positively influence various economic value chains related to agriculture, food processing, distribution, and more.

vii) **Sustainable Food Production:** The emphasis on feeding both people and livestock aligns with the goal of providing a secure and sustainable food supply to meet the needs of a growing global population.

viii) **ESG Integration:** This initiative clearly integrates ESG principles by addressing environmental (climate-smart solutions), social (support for farmers and rural communities), and governance (efficient resource management) aspects.

GOAL TRACKER

- ✓ Released 13 new maize hybrids SC301, SC303, SC419, SC423, SC437, SC529, SC647,SC649, SC657, SC659, SC661, SC727, SC733;
- ✓ A high plant density tolerant soyabean variety, SC SZ04, was officially released in Zimbabwe.
- ✓ SC PV02, new bean stem maggot tolerant variety released in Zimbabwe
- ✓ SC POT102 (Soly007), a true potato seed variety was released in Zimbabwe under license from Solynta, a Dutch company.

B.Food Production, Livelihood Enrichment and Carbon Capture

Seed Co is an important player contributing to food security through continuous availing of seed varieties that are highly adaptive to high stress environments and resistant to diseases. We continue to invest significantly in research and development so as to produce crop seeds that are adaptive to a changing climate to guarantee food security. We partner and collaborate with our growers and farmers to promote good agricultural practices that enhance yields while greening the environment and thus drawing carbon from the atmosphere. Seed Co partnerships with small scale farmers and rural communities contributes significantly to livelihood enrichment.

GOAL TRACKER

- ✓ The attainment of goals under this pillar was curtailed by the effects of climate change which manifested as drought in most parts of East Africa as well as late and erratic rains Southern Africa that impacted seed uptake, planting and ultimately expected yields

C.Inclusive Culture and Gender Diversity

At Seed Co we recognise the importance of diversity and inclusion in stimulating creating and innovation while attracting the best talent. We seek to create an environment where diversified views and opinions are acceptable and where people of varying gender, race and cultures can thrive. We aim to give opportunities to locals while increasing the ratio of women in the Company.

GOAL TRACKER

- ✓ The policy to employ a super majority of locals from our operating communities continue to be maintained
- ✓ The female gender employment target is on course of being achieved

D.Safety, Health, Well-Being, and Environment

The safety and wellbeing of our employees and the protection of the environment in which we depend on are central aspects of our business. We are committed to the protection of employees, visitors and local communities by providing safe working conditions through preventative maintenance, monitoring and inspections. We make great effort to play our role in environmental stewardship and biodiversity management. In this regard, we work with the Environmental Management Agency (EMA), Forestry Commission of Zimbabwe and the Ministry of Agriculture.

GOAL TRACKER

- ✓ No work-related fatalities and serious injuries were recorded during the reporting period
- ✓ No reportable environmental issues or regulatory fines were recorded during the financial year
- ✓ The Group continues to impact best agronomic practices to farmers, and these include crop rotation, soil and water conservation, use of cover crops, planting trees and appropriate application and discard of chemicals

E.Stakeholder Value Creation

Seed Co thrives on partnerships and collaboration with various stakeholders. We are an open and inclusive business actively listening to stakeholder interests which help us deliver quality results. The Group partners with Government and Non-governmental organisations (NGOs), growers, farmers, millers, agro processors, local communities etc. to get an appreciation of their interests and concerns. These engagements enable us to develop solutions that add value to both our stakeholders and the business.

GOAL TRACKER

- ✓ The policy to plough back most of the value created in our host countries continue to be maintained through local employment bias, local procurement bias, long-term fixed capital investments, the capacitation of our contracted growers (inputs and infrastructure financing), tax compliance and socio-economic developmental investments in the various communities we operate and distribute our products.

STAKEHOLDER ENGAGEMENT

Seed Co prides itself on being the most collaborative and trusted seed player in the sector, building long-term partnerships and earning the trust of stakeholders. We are sincere in fostering a culture of collaboration, partnering with farmers, distributors and retailers among others. It is of paramount importance that we consider the needs of all those who have a stake in Seed Co as this helps us ensure that all stakeholders are confident and trust our products and services. The engagement process enables us to understand if the engaged stakeholders share our core values and beliefs before they are brought on board. Engagement with stakeholders helps us build relations with our stakeholders so that we achieve customer intimacy and develop customer-centric solutions that are market-led.

Stakeholder Engagement identification.

We identify our stakeholders through the acknowledgement of those individuals or groups with a stake or interest in the Group. We build shared values in all our interactions, particularly suppliers, producers, distributors and employees. Our stakeholders mostly fall within two categories as below:

Internal stakeholders

- Management.
- Employees.

External Stakeholders

- Local communities.
- Government and Regulators.
- Suppliers.
- Distributors and Retailers.
- Customers (Farmers).
- Shareholders and Potential investors.

Engaging Stakeholders

Stakeholder engagement is a deliberate process at Seed Co, through engagement we seek to ensure meaningful consultations with stakeholders using various strategies. During the year the following initiatives were implemented:

- We put in place a strategic stakeholder engagement process with those individuals or groups who have a stake in Seed Co.
- Implemented farmer promotions programmes to drive customer loyalty.
- We held corporate events such as field days and golf days for relationship building.
- Provided product knowledge training to equip our stakeholders, thereby benefitting both the customers and the business.

During the reporting period our stakeholder issues and responses were as follows:

Stakeholder	Issued raised by the stakeholder.	Our Response/Action	Engagement Channel	Frequency
Employees	• Wages and Salary reviews. • Employee welfare.	• Frequent salary reviews. • Housing Schemes – 55 Houses built in Norton, 100% funeral, transport, uniforms, meals support. • Engagement of an in-house doctor for staff.	Emails Staff briefing meetings. Workers Committees. Open Door Grievances Policy.	Fortnightly. Ad-hoc.
Suppliers	• Failure to deliver goods and services on time. • Price fluctuation.	• Early procurement initiatives for foreign purchases. • Paying on delivery and agreed credit period of 7 working days.	Meetings, weekly reports. Emails, phone calls, meetings.	Monthly. Regularly.
Distributors/ Retailers	• Retailor product knowledge gap. • Limited availability of desired seed pack sizes. • Price adjustments lag affecting sales in the distribution network. • Accessibility by farmers in remote areas.	• Product knowledge training. • Deployment of trained merchandisers to assist customers in retail outlets. • Provision of pack size distribution aligned with the distributor requirements. • Made a provision to move products across the distribution depending on demand. • Adoption of the use of a computerised system to send price changes across. • Use of Village agents system to ensure convenience in the distribution in remote areas.	Sales agronomists and representatives. Key accounts personnel, sales office and depot management.	Ongoing.
Customers (Farmers)	• Product complaints. • Availability of online seed shopping options and diaspora support.	• Filing of complaints through the complaints handling procedure. • Assessment of complaints through the retesting Laboratory to understand and rectify the challenge. • Launching of the online shop. • Facilitation of seed collection for local farmers where payments are made abroad.	Preseason, In season and post-season. Pre-planting meetings, farmer testimonials. Post season: Field days, Harvesting tips. In season: Famer visits.	On-going. Seasonally. Ad-hoc.
Government and Regulators	• Timeous availability and pack size variety of seed for the Presidential Input Scheme.	• Early engagement with the government to forecast demand and pack size requirements	Ministry stakeholders Meetings.	On-going.
Shareholders and Potential Investors	• Clarity on dividend policy	• Dictated by the economic environment	AGMs, Analyst Briefing, Ad-hoc.	Quarterly and Annual.
Local Communities	• Request for continuous assistance/ donations. • Request for engagement by communities whenever there is a project and development activity at Seed Co. • Request for participation in functions and events.	• The business is investing in ensuring it assists the various provinces in Zimbabwe focusing on alleviating hunger and poverty. • Seed Co always ensures that community heads and representatives are advised whenever there are Community projects with the Group. • Communities alerted to functions and events within their areas.	Formal requests. Meetings between Sales Agronomists and Community heads. Invitations to business events.	Continuous.

Collective Bargaining.

Seed Co Limited acknowledges employees' right to freedom of association and collective bargaining. These practices improve workplace communication and ensure high staff retention. However, these practices can also create divisions, teams, or syndicates.

The Group manages Freedom of Association and Collective Bargaining in various ways that includes considering employee human rights (ILO Standards), Group HR (Human Resource) Policies and the Labor Act Chapter 28:01 in human capital management. Seed Co Limited is committed to protecting the constitutional right of freedom of association for its employees. More so, the Group has taken various actions to manage Freedom of Association and Collective Bargaining and related Impacts through the creation of Worker's Committees. These have helped create harmonious industrial relations.

Conditions of service for employees not covered by collective bargaining agreements are determined by the labour regulations, best practices, and market trends. Geographic areas with operations and suppliers considered at risk are Kadoma, Harare and Shamva. The Group continues to provide support to Workers Committees and affiliations to National Employment Councils to support employees' right to exercise freedom of association and collective bargaining.

MATERIALITY

Materiality assessment is a central aspect of our sustainability practices. It enables us to determine the significant environmental, social and economic risks and opportunities for our business and stakeholders. In this report, we applied GRI Standards to identify topics where significant impacts are notable. Material topics reflects those with the most significant impacts on the economy, environment, and people, including impacts on human rights.

Materiality Process

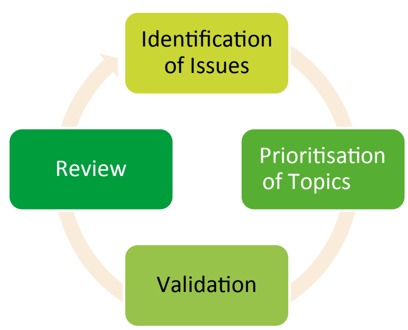
Our materiality process is made up of four phases: 1. Identification of stakeholder issues 2. Prioritisation of topics 3. Validation 4. Review, these stages are further explained below. During the reporting period, the materiality assessment was conducted through a survey of senior executives within the Group.

Identification of Issues – the business identified its significant impacts from issues raised by stakeholders. The issues were matched with sustainability performance indicators provided in the GRI Standards.

Prioritisation of topics – the identified topics were shared with senior management for ranking on their perceived level of importance and impact to the business and external stakeholders.

Validation of topics - the rankings provided by the senior management was validated for consistency with business operations through the removal of outliers and inconsistent rankings.

Review- the final list is further reviewed within each reporting period to assess if the topics align with the changing business landscape and stakeholder interests, topics can be removed or added during this process.



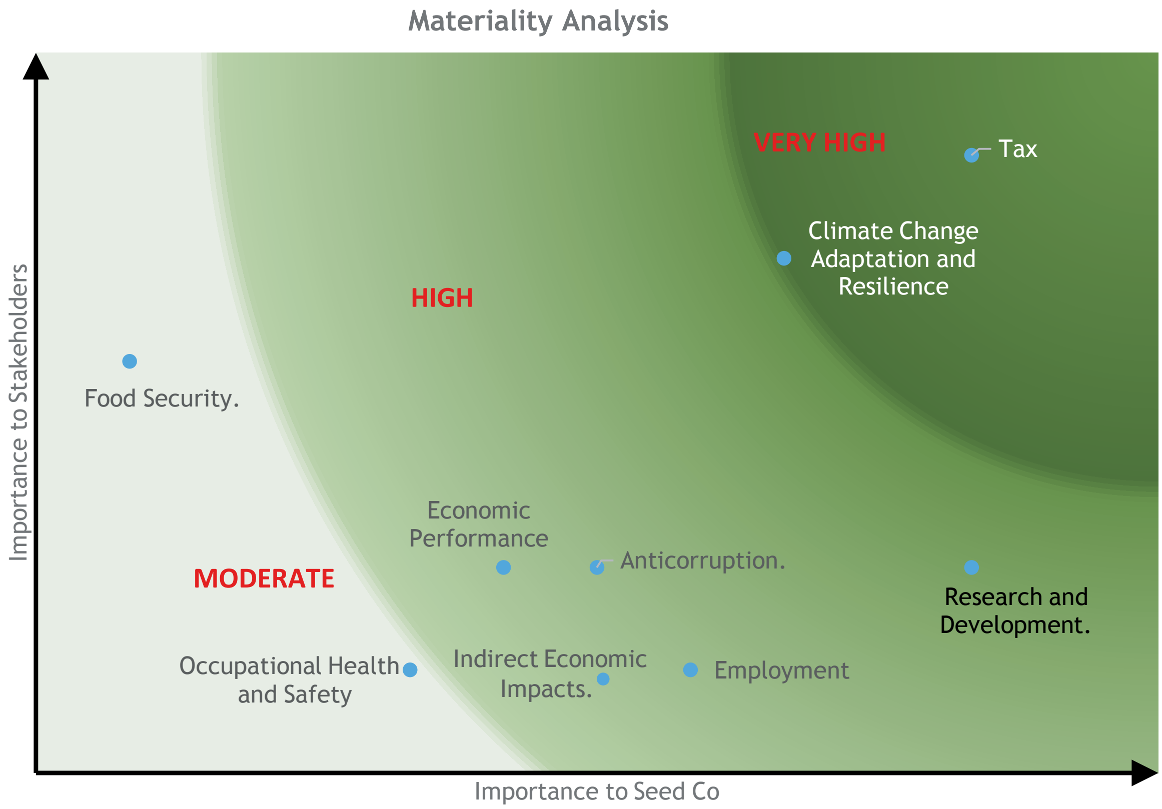
Material Topics

During the materiality identification process, 25 topics were recognised as significant to the business and stakeholders. These topics were categorised into the following three pillars:

ENVIRONMENTAL	SOCIAL	ECONOMIC
• Climate Change Adaptation and Resilience. • Water. • Responsible Agriculture and Land use. • Raw Materials. • Waste. • Responsible Sourcing. • Energy. • Biodiversity. • Emissions.	• Anticorruption. • Employment. • Food Security. • Occupational Health and Safety. • Local Communities. • Training and Education. • Security Practices. • Freedom of Association and Collective Bargaining. • Security.	• Tax. • Research and Development. • Economic Performance. • Indirect Economic Impacts. • Procurement Practices.

Materiality Matrix

The materiality matrix below present topics identified as most significant to the business and stakeholders. The matrix shows the top 10 topics that were ranked above others by senior management.



The materiality matrix presented above shows three categories of identified and prioritised topics. The 'Very High' category represents the topics of 'Very high' risk to the business hence requiring urgent action or priority to minimise negative impacts. Topics considered 'High' have a moderately high risk thereby requiring moderately high levels of attention or action. 'Moderate' topics are those under control or of minimal risk to the business, hence requiring limited attention. During the reporting period, climate change adaptation and resilience and tax emerged as the most significant impact areas for the business.

SUPPORTING FARMER COMMUNITIES

Seed Co remains committed to empowering communities and partnering with local growers (seed farmers) as part of our strategic growth objectives and socio-economic development contributions. As such, the Group proactively build a heritage of good corporate citizenship by investing in development projects and community relations.

Grower Support

Seed Co identifies, contracts, and capacitates farmers to become specialised seed growers/producers. Selected farmers are supported with all critical inputs, including farm implements and irrigation infrastructure, as well as full crop-cycle agronomy services.

Agronomy Support Services

The Group employs and provides qualified agronomists to support end-to-end farmer education that ensures sustainable farm productivity in the following areas:

- Soil management.
- Land preparation.
- Weed and pest control.
- Post-harvest management to preserve yields.

Seed Co also works with Government and other development partners in promoting sustainable farming technologies. Below are outputs of our contribution to food crop productivity through our innovative seed solutions and agronomy support to farmers:

Food crop farming productivity impact	Units	2023	2022	2021
Sales Volumes	Mt	28,278	23,664	29,502
Total Farmers reached	Count	815,437	825,450	1,282,181
Estimated crop acreage from seed sold	Ha	609,256	599,348	771,558

RESPONSIBLE OPERATIONS

RAW MATERIALS

Raw materials are essential in the manufacturing of Seed Co's primary products. Our production processes creates varied impacts on the environment and society. As such, Seed Co remains committed to efficient use of raw materials and responsible production processes. Grain seeds are the main raw material for our business and their production creates extensive pressure on land and generates waste. We seek to use raw materials in a way that creates less strain on the environment.

Management Approach

The Group utilises standard operating procedures to manage material usage which include:

- ensuring that total material wastage does not exceed 1% of the total materials used,
- ensuring the acceptable range of cleaning loss is not exceeded,
- testing material samples for quality before procurement to prevent contamination, and
- all raw materials used should be environmentally friendly or have minimal or unavoidable pollution to the environment.

The business ensures that employees are well trained to avoid wastage and monitor quality.

Tracking Effectiveness

Seed Co uses internal and external audits, performance scorecards and budgets for raw material management effectiveness. During the reporting period, no quality issues were raised with regard to packaging material used by the Group. The material wastage were within the prescribed range. Lastly, continuous training of employees on the effective use of machinery to minimise wastage has proved effective.

Material Used

Raw Materials	Units	2023	2022	2021
Non-renewable materials used				
Packaging -plastics LD plastics rolls	KG	52,038.23	55,833.56	54,764.88
Maxim	Litres	13,708.43	15,559.40	12,844.31
Dye	Litres	18,812.25	29,562.86	19,266.47
Super Guard	Litres	547.79	622.38	513.78
Anchor Red	Litres	14,279.4	16,297.8	7,202.40
Poly woven Bag	Bags	320,250	426,818	426,818
Recycled Input Materials				
Poly woven Bag	Bags	694,139	745,530	447,709

WATER

Water is one of the most essential inputs in our operations. We use water for irrigation and research development processes. Our upstream and downstream value chains are the most water intensive segments of our business while the processing stage is ultimately dry. The use of water in our business depletes water resources leading to competition for water. The seepage of wastewater and effluent from our operations affect ecosystems, contaminates underground and surface water bodies as by product wastewater can contain dissolved inorganic fertilisers and agrochemicals.

Management Approach

The management of water at Seed Co follows water utilisation quotas and extraction permits approved by the Zimbabwe National Water Authority (ZINWA). These systems guide us on the water usage limits for our business, we also adhere to national guidelines on the management of water bodies and aquatic systems as prescribed by the Environmental Management Agency (EMA), National Parks and the Ministry of Agriculture, Lands, Fisheries and Rural Development. The business seeks to conserve water resources for future generations through effective measurement, sustainable utilisation and replenishment.

The following actions have been put in place by management to conserve water:

- Planting of trees to minimize soil erosion and promote ground cover,
- Avoid stream bank cultivation to minimize siltation,
- Minimize use of chemicals for pest and disease control to restrict contamination of water bodies,
- Create awareness among the community on water conservation,
- Repair and maintenance of irrigation infrastructure, drainage system and waterways, and
- Restriction on fishing activities by seeking clearance from management.

Evaluating Performance

The business assesses its performance through internal audits developed to ensure compliance with national guidelines. We also engage ZINWA, EMA and Community Leaders on water conservation and utilisation. The Group observed intensive deforestation and siltation as a common feature in surrounding communities which has also contributed to the failure to irrigation of crops throughout the dry season to the drying of water bodies. Continuous engagement with stakeholders led to the formation of water management and utilization committees which allocate water rights to various users.

ENERGY

The business relies on various forms of energy in its operations. Petrol and diesel are used in motor vehicles and back-up generators, coal is used to fire the water heater for the seed drying plants, and electricity is used to power all plants and equipment including office operations. Liquefied petroleum gas is used for cooking meals for staff members. The business also provides fuel such as petrol and diesel for seed growers and research operations (running plant and equipment on grower and research farms). Energy use has significant cost implications and environmental impacts on the business, making its management critical.

Management Approach

Seed Co developed and implemented an energy management strategy to bring about efficient energy use and its related impacts. Energy use budgets are set for individual plants and equipment, and energy is procured based on a monthly consumption budget. On the other hand, energy use beyond the budget is approved by a high-level manager, this assists in keeping energy costs within specified budgets. Recording and quantifying the amount of energy used by Seed Co informs the Group of the amount of energy use on an annual basis. The Group monitors and tracks energy consumption figures and trend analyses to establish non-renewable energy use and reduction targets. Furthermore, cleaner energy options are now being implemented at operational levels such as solar powered water pumps at Stapleford Research. Awareness has also been raised among employees' communities and stakeholders, on the cleaner energy strategies for Seed Co Limited.

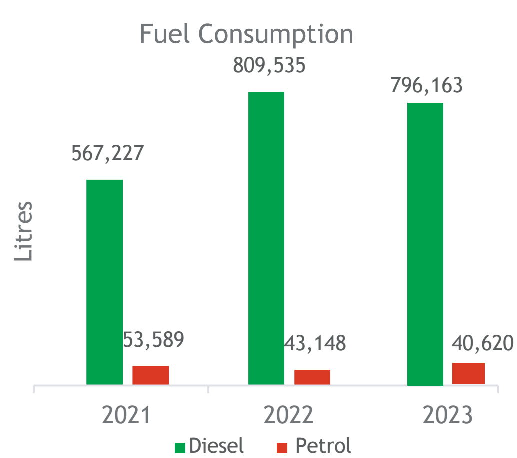
The business is developing and implementing an energy management strategy that embraces cleaner energy (solar). This strategy will promote cleaner energy production.

The Group set a goal to gradually shift from the use of non-renewable energy to cleaner energy production through the development and implementation of an energy management strategy.

Internal Electricity Consumption

Energy Source	Unit	2023
Electricity	kWh	8,156,437

Fuel Consumption (Internal and grower supports)



Strict control on quantities of petrol given to staff members per month resulted in a 19.48 % decrease from prior period while diesel consumption increased by 34% due to power cuts and an increase in diesel demand for staff transport (buses). While diesel for growers increased by 208% due to increased activities.

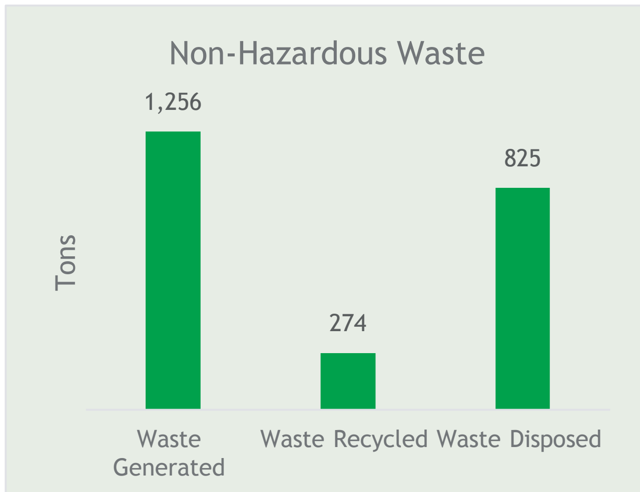
PRODUCTION WASTE MANAGEMENT

Various types of wastes are produced during seed production and seed processing activities. The most common being paper, plastics, chemical containers, and computer cartridges. We generate waste such as chuff and maize cobs which are sold or used as energy fuel internally. Waste creates significant challenges such as waste dumps which takes up land. Inappropriate management of waste (dumping and burning) increases environmental problems such as land, water, and air pollution.

Management Approach

We are committed to the management of all wastes in an environmentally friendly manner to minimise pollution and other negative impacts. Seed Co has waste management procedures guiding the controlling and reduction of negative impacts from waste. Currently, waste management initiatives, begin with segregation at the point of waste generation. Waste collectors have been engaged to collect the waste for recycling. Employees were trained on the management of waste in line with the waste management procedures.

The business manages waste through recycling, reuse initiatives and selling to recycling companies. In addition, maize cobs are used to fuel boilers and water heaters. The Group continuously monitors and record the amount of waste generated to track our progress in waste management.



RESPONSIBLE AGRICULTURE AND LAND USE

Agriculture is a critical economic activity in Zimbabwe's economy contributing to food security and socio-economic development. Agricultural practices often bring with them negative impacts on the environment which directly threaten sources of livelihood and productivity of the land. Seed Co appreciates the importance of good agricultural practices and efficient land use. Any forms of mismanagement of land use directly affects both our business and society.

Policies and Procedures

Seed Co Limited has policies regarding the promotion of responsible agriculture practices and land use. These policies are embedded in our research and development thrust and take into consideration the Rainforest Alliance Certification requirements and the Seed-Co Limited Safety Health and Environment (SHE) Policy. The responsible agriculture practices were developed with due consideration of local laws and international best practices in agriculture.

Management Approach

The policies established by our business promote the following good agricultural practices:

- use of high-yielding crop varieties to limit land clearance for farming,
- crop rotation, tree planting,
- use of cover crops and organic matter,
- use of contour ridges, and
- avoidance of stream-bank cultivation.

The Group develops and promotes the adoption of high-yielding climate smart crop varieties that deliver good yields on smaller acreage thus protecting further clearance of virgin lands for farming. In addition, Seed Co encourages growers and farmers to desist from burning crop residues but rather incorporate them back into the soil to improve organic content and abstain from using banned crop chemicals that are not environmentally friendly. Seed Co preserves and maintenances water bodies for continued supply of irrigation water and aquaculture (fish harvesting by communities). Lastly, we also encourage growers and farmers to ensure their operations co-exist with other wildlife such as monkeys, birds, and bees (crucial for pollination) by maintaining the vegetation, planting flowers and restricting unnecessary tree cutting.

Evaluation of Good Agricultural Practices

We evaluate our performance mostly through internal audits, internal SHE Audits and Rainforest Alliance audits using key performance indicators on the protection of soils (erosion), forests (deforestation), and water bodies (rivers & dams). Seed Co assesses the level of soil erosion and siltation, re-afforestation/tree planting and contour/waterway management – drainage system management.

Our evaluation is that the business has been effective in promoting good agricultural practices given the tree planting activities and waterway, drainage and contour maintenance and rehabilitation. This can also be seen in the orchards and gum plantations established at our Research Stations.

Lessons Learnt
The Group learnt that uncontrolled tree cutting, and poor soil conservation procedures are the major contributors to desertification and soil erosion. This explains why the Group put in place preventative measures to ensure the conservation of land resources. Farm managers are now receiving more training on the importance of Good Agricultural Practices. Engagements with the Environment Management Agency (EMA), National Botanic Garden and Forestry Commission have been instrumental in assisting Seed-Co Limited in carrying out some of the Land and soil conservation activities.

EMISSIONS

Our operations generate air polluting emissions mostly from Seed Drying where coal and cobs are used to fire up the boiler and the use of electricity and fuels in crop cultivation and general logistics. The business also has backup power generators which use diesel during times of blackouts. We have a fleet of vehicles for product distribution and staff member transportation, which also generate significant amounts of emissions. The business is vested in reducing its impacts on climate change and air pollution from its emissions.

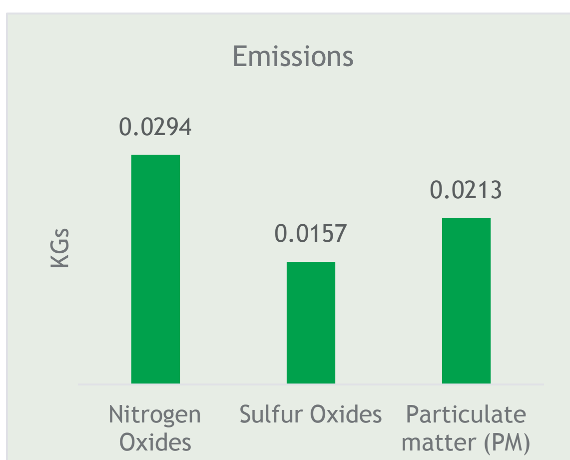
Management Approach
We have various systems and policies to reduce our environmental impact. However, air pollution and emissions are mostly managed through the Safety, Health, Environment and Quality Policies. The key actions for emissions management included:

- Routine maintenance of boilers and generators so that the emission levels remain at an acceptable level.
- The Group developed and implemented initiatives for reducing and eliminating emissions to the atmosphere i.e. cleaner energy options and stack/chimney scrubbers to capture pollutants like particulate matter.

Evaluation of Performance
The Group monitors atmospheric emissions from boilers and generators on a quarterly basis. The emissions tests are done in compliance with EMA regulations/SI 72 of 2009. During the reporting period, all our emissions were in the blue category which is considered environmentally safe. Internal Audits are used by the Group to assess the effectiveness of actions taken to manage the topic.

As part of our commitment to protecting the environment through preventing emissions that pollute the air, the Group seeks to gradually shift from pollutant-based energy to cleaner energy production. We are formulating and implementing an emissions management strategy for the Group. Fulfilment of the emissions strategy requirements will act as the Group's key performance indicator.

Atmospheric emissions tests were conducted for equipment producing pollutants in April 2021 and February 2022. The emissions results were in the blue category (environmentally friendly) in line with EMA regulations of atmospheric pollution.



CLIMATE CHANGE

Climate change presents both risks and opportunities for Seed Co operations. Extreme weather events and drought disrupt farming operations while seeds developed to adapt to changes in rainfall patterns create business opportunities. Seed Co is prepared to meet both risks and opportunities created by climate change.

The Group ensures the development, production, and commercialisation of "Climate Smart" field crop and vegetable seed products. These products are high yielding, of ultra-early maturity, disease, and pest resistant, nitrogen, water use efficiency, heat, and drought tolerant varieties. Our climate adaptation initiatives increase productivity per unit area in different agricultural regions. Group diversification of the product basket ranges from field crops to vegetables, cereals, and oilseeds to legumes to ensure widespread adaptation to prevent crop failure risk.

Seed Co is also promoting the use of traditional small grains such as sorghum, pearl millet, finger millet and cowpeas which are drought resistant crops. Through these initiatives the business has been able to influence household and national seed food security despite adverse climatic conditions.

Climate Change Mitigation and Resilience

The business monitors and studies climate change phenomena to develop strategies that effectively mitigate climate change effects. These studies have played a key role in products diversification and providing farmers with information and products adaptive to the changing weather patterns. We are promoting water harvesting and conservation technologies such as minimum tillage, tied ridging, and zero tillage (pfumvudza) to mitigate climate change impacts. The business increased investment in Research and Development activities, infrastructure and distribution networks, and agronomy and extension services to promote climate smart technologies for farmers. Seed Co also aims to ensure that each market segment is provided with suitable varieties and market satisfaction through supply of adequate seed quantities.

Key lessons

The Group learnt various lessons in relation to its climate change adaptation approaches. Seed Co will diversify its product basket to spread the risk caused due to variety breakdown because of new diseases or pest strains. The Group will continue to invest in products that withstand the test of time. Other lessons learnt by the organization include wide testing to ensure stability across seasons and environments for the released products and carrying out seed production forecasts informed by market demand and variety deployment.

Seed Co received farmer and market feedback through field days, farmer discussions, and social media platforms, on areas that need to be improved in product traits. Consultations with our products end users informed us of our products quality, uptake, and acceptance.

GREENHOUSE GAS EMISSIONS

The Group calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO2e) emission equivalency using internationally accepted conversion factors due to the unavailability of nationally adopted conversion factors for Zimbabwe.

Scope 1: Direct Emissions

These are direct Greenhouse Gas (GHG) emissions from operations that are primarily owned or controlled by Seed Co. These are emissions from fuel consumed by generators and vehicles. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage as presented below:

Scope 1 Emissions	2023	2022	2021
Diesel (Kg CO_2e litres)	2,354,643	2,033,819	1,290,428
Petrol (Kg CO_2e Litres)	93,178	94,646	117,549
Total Scope 1 Emissions (Kg CO_2e)	2,447,821	2,128,465	1,407,977

Scope 2: Indirect Emissions

These are emissions from the consumption of energy generated and supplied by a third party in which Seed Co has no direct control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC) as presented below:

Scope 2 Emissions	2023
Electricity (Kg CO_2e KwH)	8,489,236

It should be noted that crop cultivation which is part of Seed Co's business model helps to green the environment and thus provides natural carbon capture platform.

BIODIVERSITY

The variety of plant and animal life is an aspect that is directly linked to our business. Biodiversity ecosystems are key for pollination, pest control, soil fertility, habitat protection, and prevention of natural resource conflicts which are key benefits for our growers and farmers. Biodiversity loss threatens the structure and functions of the ecosystem. When a part of the ecosystem is lost, the balance is disturbed. Increased farm population (overpopulation) increases strain on biodiversity services with regards to resource carrying capacity, waste management and natural energy requirements. This leads to environmental problems which affect soil fertility and farm productivity. Seed Co recognises that it has a key role in maintaining biodiversity that's why we are working hand in hand with our farmers, growers and other stakeholders to manage our impacts.

Managing Biodiversity

Our business activities such as land use, chemical pesticide spraying and farmer induced fires interfere with biodiversity which can lead to significant ecological imbalance. The Group has taken various actions to manage biodiversity and its related impacts. This is evidenced by how Seed Co developed, implemented and maintained a Seed Co Biodiversity Conservation Policy and Strategy. These documents provide guidance and restrictions for our varied stakeholders on what they can do to manage their impacts. Key measures outlined in these policies include the prohibition and control of the harvesting of natural resources by the Group through farm management and the security department. This helps sustain nutrient cycles and life support systems (ecosystem) at a local scale.

Seed Co and communities also collaborate efforts in the conservation of biodiversity within and around Seed Co. We engage and work with key biodiversity stakeholders such as the Environmental Management Agency, Forestry Commission, Parks, and Wildlife for periodic monitoring, preventing continuous loss of biodiversity.

Evaluation of Biodiversity management performance

Seed Co Limited monitors natural resources use, through internal audits. The goal is to conserve biodiversity around of Seed Co facilities. The Group reports and monitors the use of natural resources and biodiversity on an annual basis. Organisation to understand biodiversity impacts and determine appropriate conservation goals.

RESPONSIBLE SOURCING

Responsible Sourcing is fundamental to Seed Co as it considers social and environmental considerations when managing relationships with suppliers. Through responsible sourcing practices, the Group has allowed investment to flow to compliant companies. We have acquired products with a low environmental impact, jobs have been created, a safe working environment ensured, and growth assured for key companies.

We also recognise how responsible sourcing create negative impacts:

- Smaller non-complaint companies may fail to grow,
- Companies may take short-cuts to seem more environmentally friendly.
- Use of larger companies stifled growth of smaller non-compliant companies which eventually struggle without Seed Co support.
- Companies are having to spend more money to be more environmentally friendly and socially responsible which in turn affects their profitability, thereby threatening their growth.
- Sourcing favourable funding from banks and other financial institutions.

Actions for managing Responsible Sourcing

Seed Co took various actions for responsible sourcing and related impacts. Actions taken to prevent potential negative impacts included:

- thorough supplier evaluations,
- promotion of the use of ISO certified companies and other prescribed certifications,
- regular review of suppliers on environmental and social impacts, and
- Implementing a supplier rating system.

The Group took actions to address actual negative impacts from suppliers. These actions involve the return of all non-complaint goods, negatively rating suppliers not adhering to the 5 rights of procurement and removing them from the suppliers list. Similarly, actions were taken to incentivise compliant companies. Some of these actions include, maintaining and keeping good relations with companies with positive impacts, prioritising companies with a good rating and signing long term contracts.

Processes to Monitor Responsible Suppliers

Seed Co seeks to procure sustainably produced best quality goods and services from contracted suppliers. To ensure we keep track of our responsible sources ideals we conduct regular supplier evaluations and random spot checks. We utilise our Internal Audit and the Quality Control departments to monitor supplier performance and review contracts. Quality assessment and evaluation are key performance indicators used by the Group. The actions taken have been positive for Seed Co because most suppliers have been complying with our policies, thereby enhancing the quality of our products and service delivery.

How we performed

The Group experienced significant progress toward achieving its goals. The quality of our products and services is on the rise and the use of companies with good track records is at 100%. During the period under review, we assessed our suppliers as presented below:

Suppliers screened using Environmental criteria

Indicator	2023	2022	2021
New Suppliers Screened	25	27	20
New suppliers not screened	-	-	-
Total New suppliers	25	27	20
Proportion suppliers screened (%)	100	100	100

Negative environmental impacts in the supply chain and actions taken

Indicator	2023	2022	2021
Suppliers assessed for environmental impacts	20	22	16
Suppliers with significant actual and potential environmental impacts	4	5	3
Total suppliers	19	27	19
Suppliers with significant impacts with improvements agreed after assessment	-	-	-
Suppliers with significant impacts with which the relationship was terminated because of the assessment.	3	5	2

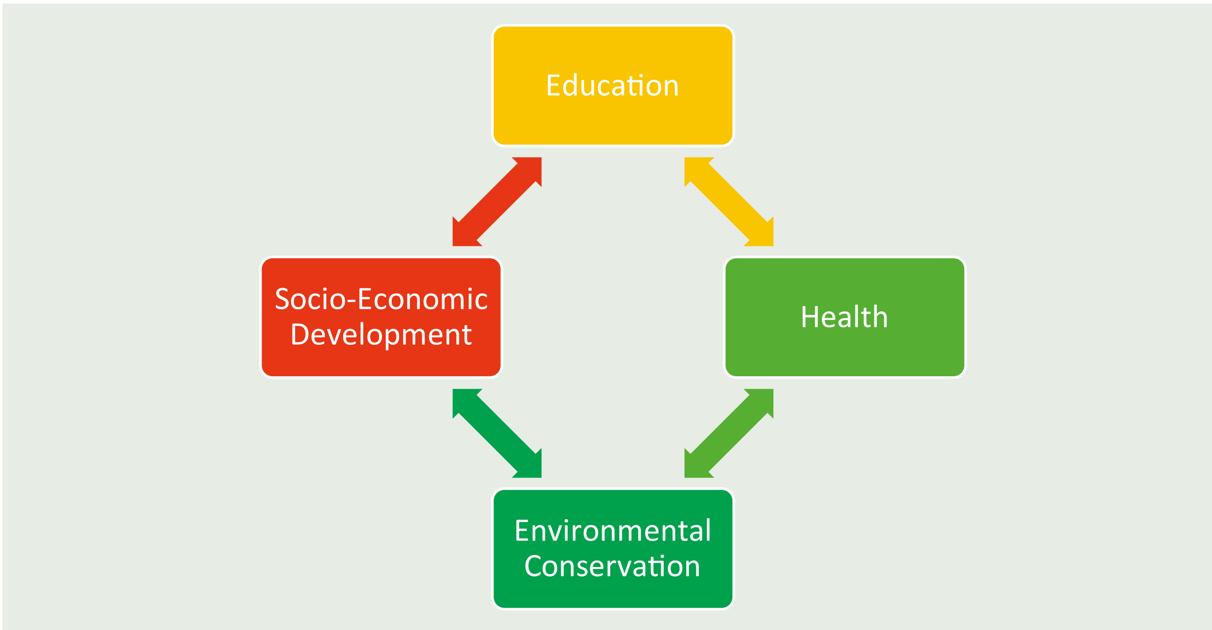
Seed Co does not compromise on quality hence the use of reputable companies with the capacity to deliver supplies effectively and timeously on time at the right quality. The feedback we receive from our customers and stakeholders help us improve and implement policies that ensures we operate responsible business value chains.

OUR COMMUNITY IMPACTS

Local communities are important to Seed Co operations as they provide the valuable social capital treasured for the success of our business. The Group recognises the importance of its symbiotic relationship with local communities and seeks to give back in return for all the benefits it gains from the people surrounding its operations. The business has a division responsible for managing all community related aspects.

Our Approach to Community Development

Our community development projects have played a critical role in alleviating the social challenges faced by communities in Zimbabwe at large. Our approach is aimed at providing resources to lighten the social burden of our society. The Group focuses mostly on education, environmental stewardship, and health and socio-economic development as its main positive impacts to society under its Corporate Social Responsibility (CSR) pillars.



Education

Our educational support contributed to community stability by promoting financial self-dependence which in turn reduces poverty and crime levels in communities. Our goal is to make education more accessible, continuing with the bursary initiatives for students based on merit and providing internships to tertiary graduates. We target to support 3 Tertiary level students and 20 Secondary and Primary schools. We have a Graduate Learnership Programme that is running.

Health

Seed Co is also engaged in health Initiatives by donating food stuffs to vulnerable communities. The Group's motive is to work with everyone to fulfil the Zero Hunger SDG, the aim being to achieve food security and improved nutrition. Seed Co works to make food accessible to vulnerable communities wherever it can. Our goal is to end hunger by feeding local communities for improved food nutrition and ensuring food security for those in need. We target to work with 3 hospitals. We also complement government efforts to fight the pandemic by donating COVID19 vaccines.

Environmental Conservation

Seed Co also works to promote joint environmental conservation activities by helping to reduce the effects of climate change. Seed Co in Zimbabwe partnered with EMA during the year to educate communities on the importance of conservation and reducing carbon emissions. Our goal was to raise awareness on climate change.

Socio-Economic Development

The Group contributes toward socio-economic development through partnerships with the Government and non-governmental organisations. Our socio-economic development initiatives cover supporting local communities through the provision of maize seed and working with organisations that support vulnerable groups to improve their quality of life. We targeted to support 20 Non-Governmental Organisations (NGOs) and national sporting teams.

Policies and Commitments

The Seed Co CSR policy was established to guide local community development efforts. This policy sets out our commitment to driving and improving education in local communities, work with government and non-governmental organisations to identify community partnership needs and improve these areas in the Arts and Sports Industry in partnership with relevant organisations. The policy also covers commitments to environmental conservation, promoting good health and wellness in communities and ending poverty and hunger, which comprises Sustainable development goals 1 and 2 respectively.

Ensuring donations reach intended beneficiaries

We recognise that there are instances where donations might be misused or fail to reach the envisioned beneficiaries as such we have put in place measures to manage such instances:

- Seed Co Limited ensures zero private handover of Group donations. All community project handovers are done with all intended beneficiaries present to avoid any misuse of donated items.
- The Group requires that recipients acknowledge receipt in writing.
- Follow ups on distributions.
- Continuous assessment of set project through regular reporting and
- Follow up with the local communities.

Evaluating performance

The Group evaluate local community development efforts by:

- Allocating Budget vs Actual spending,
- Media Coverage and sentiment – Share of voice,
- Performance Appraisals and Social Impact level - Feedback from the community.

An assessment of the effectiveness of actions taken to manage the topic shows progress was made on set goals. These are measured and amended on a monthly basis through management reporting. Moreover, quarterly and yearly reports were made to ascertain progress with feedback from management on issues reported. Our goals in accordance with Seed Co.'s values and governance model were achieved. There was a connection between our strategy and commitment to ensure sustainability. The Group managed to raise awareness of environmental issues and educate farmers on sustainable agriculture. This was done in partnership with the Environmental Management Agency.

During the period under review, our community investments were as follows:

Theme	Purpose	Beneficiaries	Donations	Value ZW$
Education	Our goal is to help end poverty levels by educating those who are vulnerable based on merit and need.	St Marnocks Primary School, St Marnocks Secondary School, University of Zimbabwe and CSR Motivational Lunch	Schools Fees, Sponsored Lunch, and School furniture	7,385,032
Socio Economic Development	Supporting the government and local communities to enhance social economic development.	Community based institutions	Maize Seed.	8,167,378
	Working with organisations that support persons living differently (Vulnerable Groups) to improve their quality of life.	School of the Blind (Capota). Harare Children's Home St Joseph House for Boys	Blankets. Vegetable. Hampers.	1,290,326
Health	Ensuring access to nutritious foods in hospitals.	Parirenyatwa Group of Hospitals, Sally Mugabe Hospital and Mbuya Dorcas Hospital.	Butternuts.	831, 290

Seed Co initiatives and projects are a deliberate process informed by stakeholder engagement policies. The Group works with Government and Non-Governmental Grganisations to ascertain community needs. The Group also works closely with the communities to understand issues that impact them. From their concerns, Seed Co comes up with policies and procedures for community development.

CONTRIBUTING TO SUSTAINABLE DEVELOPMENT GOALS

The combination of our innovative and profitable farming-oriented business model, our ESG strategic Pillars and Corporate Social Responsibility (CSR) activities contribute directly to specific Sustainable Development Goals (SDGs). Based on our analyses we believe we have made significant contributions to the following SDGs:

SDG	SDG Description	Contributions
1 NO POVERTY	End poverty in all its forms everywhere.	Our business in anchored on providing innovative seed solutions that are climate-smart and high-yielding to deliver the best possible harvest cost efficiently for our largely small-scale farmer customers. This fosters profitable entrepreneurial agriculture by enabling our customers to be produce beyond subsistence and earn income from surplus produce that can uplift their economic livelihoods. Primary food production plays a critical catalytic role in many economic activities that uplift communities from poverty. In addition, through our socio-economic development initiatives, we supported 228 growers who are mostly communities and we also utilized ZW$2,190,350 in support vulnerable groups.
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Our thoroughly researched and multi-geography adapted climate-smart and high-yielding affordable seed solutions capacitates farmers produce surplus food that can be sold to and help eradicate hunger. We do support communities with maize seeds as donations to help improve socio-economic livelihoods while also alleviation hunger. Crop seed worth ZW$6,135,862 was donated to communities for food security.
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	Our contribution to primary agriculture directly and indirectly produces food crops with the requisite nutrients and generate income for our farming communities that promote the good health and well-being of societies.
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Our contribution to making farming a profitable enterprise for our largely small-scale farmers enables them to generate income towards the education of their children. In addition, the business is paying fees for vulnerable children from primary, secondary to tertiary level institutions and we offer internship opportunities to tertiary graduates. We supported schools with furniture to improve the learning environment. The Group contributed over ZW$8,264,145

COVID19 RESPONSE

The COVID 19 pandemic created devastating impacts on society, business and the economy. The pandemic disrupted economic activities, supply chains, logistical systems and caused loss of life. Seed Co Limited was one of the first companies in Zimbabwe to provide necessary protection for its employees, customers and communities. The Group invested in the procurement of vaccines, personal protective equipment for employees and working from home while ensuring business continuity.

Impacts of COVID19

Seed Co like all companies faced significant impacts from the pandemic which included:

- Operational downtime due to infections and death of an employee.
- Increased cost of operations from acquisition of COVID testing equipment, vaccines and sanitisers, vaccination of local communities, and transportation.

Mitigation Measures

The Group developed COVID19 Protocols to manage and provide procedures to be followed in general workplace, contractors and visitors' management, emergency response, contacts tracing and disinfection activities. The SHE manager was tasked with ensuring procedures are followed and implemented. The Group implemented precautionary measures in addition to complying with World Health Organisation (WHO) guidelines and Government regulations. Some of our measures included:

- **Virtual Working** - As a way of decongesting the workplace, Seed Co facilitated employees to work remotely, and conducting virtual meetings. Despite the positive impacts effects of virtual working, the downside was associated with limited means to monitor employee productivity. However, each department devised means by setting targets and deadlines.

- **Employee Engagement** - The Group engaged and met most of the employee needs with regards to the provision of COVID 19 prevention and treatment medication, testing and vaccination services, hospitalisation and counselling services.
- **Education and Awareness** – To encourage sanitisation, disinfecting, washing of hands and vaccination. A COVID 19 vaccine demystifying training was also offered which convinced employees to go for vaccination.

Our Actions

The business also complied with all local and international regulatory requirements for management of COVID19 such actions included

- Adherence to all National COVID 19 regulations as stipulated by the Public Health Act.
- Provision of COVID 19 treatment packs for employees who would have tested positive for COVID 19.
- Quarantine of infected employees at home as per COVID19 prevention and control mechanisms when they tested positive.
- A budget was allocated for the procurement of COVID19 prevention and control supplies. Protective clothing, COVID 19 sanitising and disinfecting equipment, medication, vaccines and test kits were procured. The business donated vaccines to the local community as a means of protecting staff members. COVID 19 prophylaxes were also provided (Zinc Sulphate and Vitamin C tablets) for employees to prevent COVID 19 infection.

COVID19 Testing and Status

	Unit	2023	2022
Total Tests conducted	Count	27	474
Positive Cases	Count	0	73
Negatives Cases	Count	27	401
Deaths due to COVID19	Count	0	1
Vaccinated Employees	Count	0	158

There was a decrease of 42% in total tests conducted from prior period due to exclusion of third party employees during the reporting period. Employee vaccination increase by 378% from prior reporting period due to mandatory vaccination requirements. Some staff were not vaccinated due to health factors. By the end of the reporting period, 63.2% of employees had been vaccinated.

Evaluating our COVID19 Measures and Actions

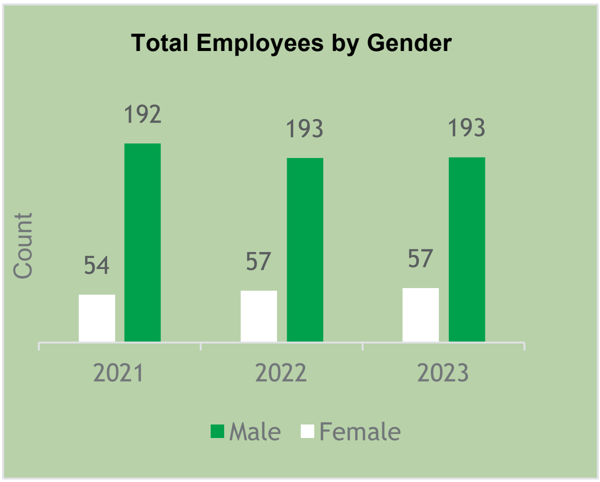
Regular inspections and internal audits of COVID 19 prevention and control measures were used to track the effectiveness of the actions taken to manage COVID 19 and related impacts. The overall goal was to prevent COVID19 related deaths and 100% vaccination of Seed Co employees against the COVID 19 virus. The business managed to achieve 63.2 % coverage of employee vaccination.

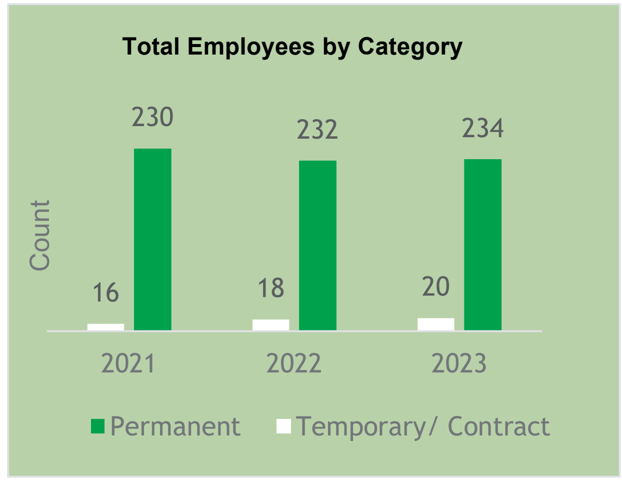
EMPLOYEES

Seed Co is committed to being the employer of choice and offer equal opportunity, regardless of race, gender or religion. All Seed Co employees are guaranteed maintenance of dignity, respect, equality and independence. We also believe that employment creation is pivotal to Seed Co operations and community development. Employees play a critical role in business growth, innovations and building shared values with our stakeholders.

Management Approach

The Group has policies and commitments regarding the management of employment practices in line with the Labour Act [28:01]. Our Human Capital Policies and practices are designed to create conducive work environment for employees to deliver optimum performance and career fulfilment.

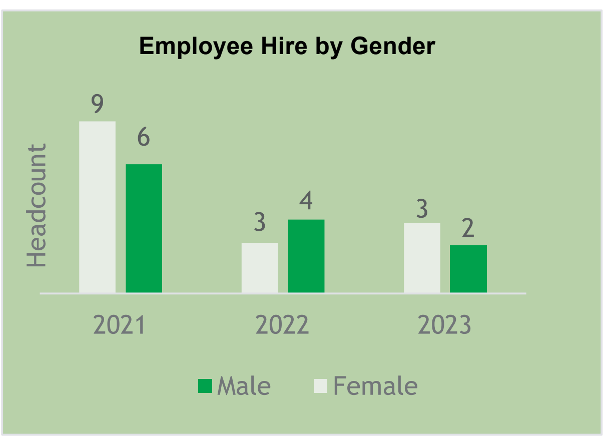


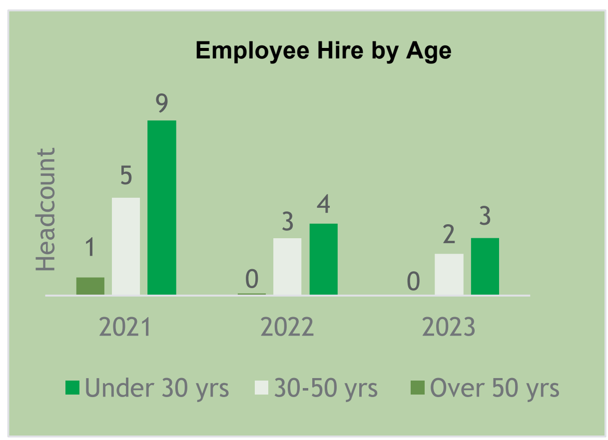


The total number of employees increased by 1.6%, due to the recruitment of staff for the artificial seed dryer plant which started operations in FY2022.

Employment Impacts

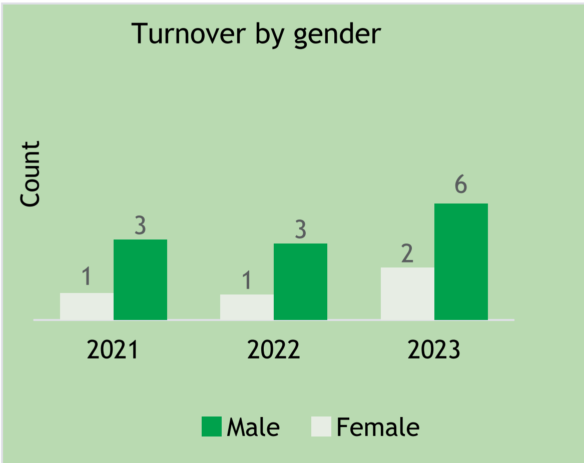
New Hires

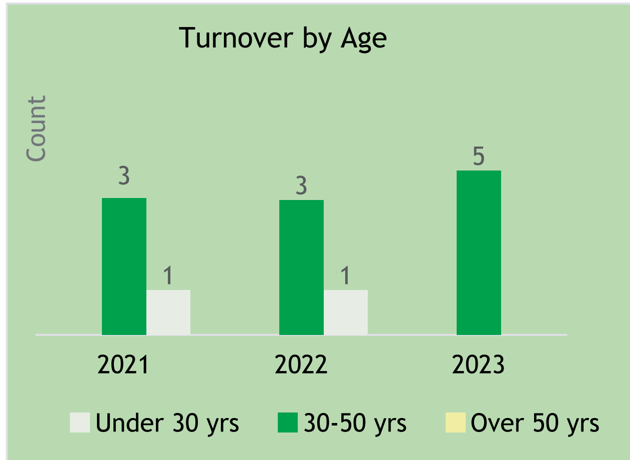




Employee hire decreased by 43% compared to FY2022 as the graduate trainees from the previous year were employed to permanent positions.

Staff Turnover

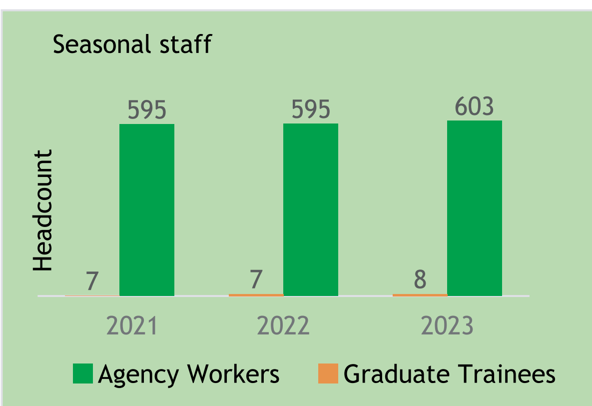




Turnover decreased by 50%, compared to 2022, due to reductions in resignations.

Seasonal staff and Graduate Trainees

Seed Co employs seasonal staff on a need basis for seed processing, packaging and dispatches from employment agencies. We also recruit graduate trainees whose number has been constant for the past 2 years. This category of staff is not considered full employees by the company. During the year under review, the figures were as follows:



Benefits provided to full time employees

The Group offers the following benefits to full time employees only:

- Guaranteed Basic Salary.
- Short-term incentives – discretionary annual bonuses.
- Long-term incentives – Employee Share Ownership Trust for non-managerial employees and Share Appreciation Rights for managerial employees.
- 10% of Basic Salary towards pension/retirement benefits.
- Job need as well as skills/talent retention company motor vehicles
- Wellness support including 100% Medical aid cover for spouse and three dependants.
- Paid and unpaid leave guided by the Labour Act.
- Career Development, including, Skills and Leadership Development support.

Occupational Health and Safety.

Seed Co is prone to occupational health and safety risks among employees. Health-related risk involves the gradual or instant damage of normal body function from continuous operating in unsafe conditions. These health risks may include Noise-Induced Hearing Loss (NHIL), Musculoskeletal Disorders (MSDs) and Respiratory ailments among others. At Seed Co, we prioritise the protection of employee health and safety as a basic human right.

Managing Occupational Health and Safety

The Group has an Occupational Health, Safety and Environment (OHSE) Policies. These policies and procedures take into account national legal requirements for OHS management within the workplace. We have mechanisms for the identification and management of health and safety hazards for employees, contractors and visitors to ensure there is zero incidences. In case of an incident, investigation procedures are initiated to correct any deviations and prevent future recurrences. The success of our safety programs and plans hinges on the fact that we integrate occupational health and safety issues in business planning and engaging employees.

Hazard Identification, Risk Assessment, and (HIRA)

HIRA is one of the mechanisms we use to evaluate any particular situation that may have the potential to cause harm. Our OHSE policy requires that management identify, assess and control hazards to achieve zero harm. To ensure uniform, hazard identification and risk assessment procedure are documented and made available to all relevant personnel. The HIRA process provides classified OHSE risks into low, medium or high to enable elimination, substitution and implementing administrative controls. During the period under review, the following hazards were identified:

Work related hazards with potential risk of high consequence of injury

Hazard	Actions taken or underway to eliminate the hazard
Manual lifting and handling	Use of mechanised equipment for lifting, training on proper lighting technique and use of lifting machinery.
Electricity usage	Fire equipment servicing, training on hazards associated with electricity, signage.
Driving	Defensive driving training, scheduled vehicle servicing, vehicle policy and procedures, and vehicle tracking system.
Energised equipment and rotating machinery	Training on hazardous energy, Personal Protective Equipment. Servicing of equipment and machinery.

Work related hazards with potential risk of ill health

Hazard	Actions taken or underway to eliminate the hazard
Hazardous chemical handling and use	Chemical registers with MSDS, medical surveillance for chemical handlers, and training on chemical handling and use.
Noise equipment	Noise survey, providing of protective equipment earplugs.
Grain dust	Dust survey, provision of masks.
Manual lifting and handling	Use of mechanised equipment for lifting, training on proper lighting technique and use of lifting machinery.

Reporting work-related hazards

The Group provides room for employees to report near-misses, safety, and high fatality incidents. Any incidents are investigated, and corrective action taken. Where employees consider a working condition or environment unsafe, they are encouraged to stop work and report to their supervisors and management for the unsafe condition to be rectified.

Incidents Investigation

The OHSE management at Seed Co requires that all health and safety incidents resulting in employee injury, be investigated. The SHE incident management procedures are implemented on all serious injuries. Line Managers and Supervisors of departments investigate medical treatment cases, while senior management investigates cases resulting in Lost Time due to Injuries and fatalities for corrective and preventive action.

Evaluation of Performance

During the year under review, the Group made significant investments to manage hazards in the workplace. Occupational health and safety awareness were conducted by the SHE Department to increase hazard and risk consciousness with the goal of reducing injuries and related costs. The following were implemented:

- Continuous monitoring of operations through OHSE audits and inspections.
- Strict plant and equipment servicing
- Adhering to equipment maintenance schedule.
- Equipment inspection by External and Government approved Inspectors.
- Employee awareness on OHSE issues.
- Hazard identification and risk assessments.

The business remained compliant with Safety Health Environment (SHE) legislations and statutes, and this reduced the risk of litigation from regulators.

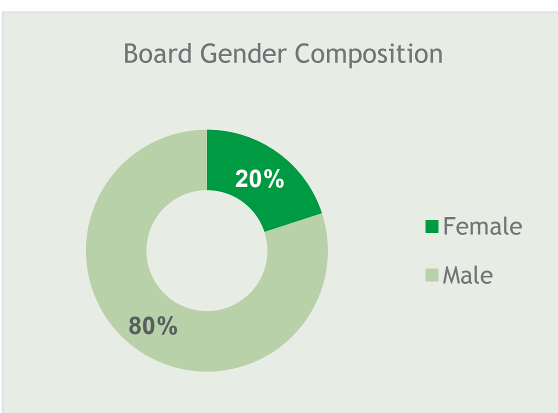
Work Related Injuries

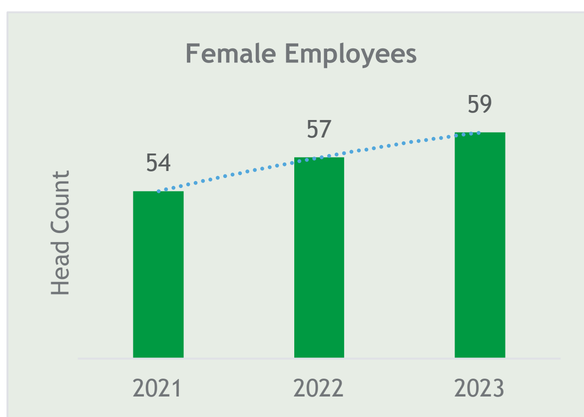
The Group recordable work-related injuries rate has been declining over the last 3 years towards our goal of zero recordable incidences as shown in the table below:

Employees Work Related Injuries	Unit	2023	2022	2021
Recordable work-related injuries	Count	3	12	3
Recordable work-related injuries rate	Rate	0.15	1.69	3.3

DIVERSITY AND INCLUSION

Seed Co Limited operations are centred upon diversity and inclusion. The Group consists of people from a range of different social and ethnic backgrounds and of different groups, gender, sexual orientation, and religion. The business provides equal opportunities without discrimination. We recognise that more still need to be done to balanced ratio of gender and diversity in the business. As such, we continue to encourage female employees to take up challenging and management roles whenever the opportunity arises as contained in our recruitment policy.





Female directors represent 20% of our board complement. Regarding total employees, there has been a 4% increase in female employees in 2023. In relation to total employees, the proportion of female employees stands at 25%.

EMPLOYEE TRAINING AND DEVELOPMENT

Employee training and development is a continuous and never-ending program at Seed Co Limited. Through our training and education programs, we observed an increased job satisfaction and morale of employees, improved productivity by realignment of skills, while loyalty and staff tenure improved. Consequently, the Group experienced staff turnover with some employees leaving after training or taking time from daily operations. However, there are always high expectations for promotion or salary rise after training.

Managing Training and Development

The Group's Personnel Development Policy (PDP) guides all employee training and development. All personnel training costs are 50% funded by the Group on completion of approved training programmes. The Group provides skills development, and the cost is always perceived as an investment.

To ensure training does not disrupt daily work, Seed Co resorted to online training. Training activities are segmented by each department to prevent disruption of operations. More so, the Group ensured costs are properly budgeted for, correct on boarding and mentorship provided. The business provides continuous positive feedback and recognition of trained staff through career progression and advancement.

Seed Co Limited tracks effectiveness of employee training and development through post training evaluations, staff retention indices, quality of output, customer and employee feedback, and training needs. The Group always endeavour to improve employee productivity through skills development. Seed Co Limited targets 90% staff retention and internal growth which is measured by assessing staff turnover, productivity and profitability.

Average Training hours per employee	Unit	2023	2022	2021
Male	hrs	14	17	15
Female	hrs	60	79	52

Training hours by Employee Category	Unit	2023	2022	2021
Executive	hrs	12	8	11
Senior Management	hrs	8	7	17
Other Employees Training Hours	hrs	8	8	8

Training hours per employee increased by 24% for all employees due to more awareness programs for COVID19 that were conducted during the year.

ECONOMIC CONTRIBUTIONS

Economic performance is fundamental to Seed Co Limited operations. The Group's economic impacts were mostly associated with employment, paying suppliers on time, dividend payment to shareholders, tax payments and raw material procurement.

Managing Economic Performance

We manage our economic performance through established finance and accounting procedures. Our goal is profit maximisation supported by production and sales volume targets. During the reporting period, we implemented the following initiatives:

- ✓ Constant review of prices in line with exchange rate movements and market fundamentals.
- ✓ Cost containment.
- ✓ Increase in exports to retain value.
- ✓ Bulk and advance payment of inputs to hedge against inflation.
- ✓ Budgeting and regular performance assessment.

Going forward, we are refocusing on open market trade and engaging new suppliers for inputs.

Defined Contribution Pension Plans

Pension Scheme	Unit	2023	2022	2021
% of Employees on Pension	%	45%	47%	48%
National Social Security Authority (NSSA)	ZWL	26,603,539	12,395,479	4,891,000
Seed Co Pension Fund	ZWL	39,184,824	44,569,527	20,738,807
Grand Total	ZWL	65,788,363	56,965,006	25,629,807

Pension contributions increased by 122% for both Group pension and NSSA contributions in line with inflationary effects on salaries and revised month on month contribution limits for NSSA.

TAX

The business seeks to achieve zero penalties from the Zimbabwe Revenue Authority (ZIMRA) by meeting all returns and payment deadlines. This is achieved by:

- ensuring that the Group is compliant with tax obligations,
- making sure all suppliers are tax compliant,
- Submitting all the returns on or before the due date.
- reviewing monthly tax reconciliations,
- ensuring that all suppliers present their ITF263 before effecting payments, and
- Deducting and remitting withholding tax on all Suppliers who are not tax compliant.

Stakeholder Engagement on Tax Matters

Seed Co makes use of various processes for collecting and considering the views and concerns of stakeholders, including external stakeholders on tax issues. The Group ensures that the suppliers get their withholding tax certificates on time. Employees are supplied with PAYE tax tables and enlightens them on how the PAYE has been computed. In addition, the Group timeously sends VAT Returns and provides the supporting documentation whenever they have been requested. Lastly, Seed Co Limited also provides Tax Clearance Certificates to all customers.

Evaluation

The business has not had fines imposed on it or refunds turned down. The Group continuously monitor and review its tax management practices ensuring tax returns and payments are done timeously and accurately.

PURPOSE	Unit	2023	2022	2021
Value Added Tax (VAT)	ZW$	237,169,432	122,403,385	64,220,149
PAYE	ZW$	600,194,470	219,326,716	105,213,229
Withholding Tax	ZW$	12,277,153	5,413,738	795,947
Import Duty	ZW$	5,934.956	2,647,552	8,871,891
Aids Levy	ZW$	12,357,829	6,579,801	3,156,397
Grand Total	ZW$	629,347,467	356,371,192	182,257,613
Total taxes to revenue	%	6%	5%	4%

PROCUREMENT PRACTICES

The Group's main objective is to create value by securing quality products at the most affordable price (value for money) and always ensure availability of products and services (convenience). We operate a competitive procurement practice that balances our thrust to ensure at least 30% of value created benefits our host country while at the same time ensuring we achieve our goals and targets.

Managing Procurement Practices

The following actions were implemented:

- Prepayments option for critical suppliers to avoid unnecessary price adjustments.
- Centralised bulk buying to avoid unnecessary procurement and enhance cost containment drives.
- Quality checks on packaging materials before procurement to also avoid buying defective products.
- Inspecting samples requested from suppliers before procurement approval.

The Group carries out internal and external audits to track effectiveness of procurement systems and their related impacts. Seed Co learnt that it was economical to buy in bulk and secure inputs in advance to avoid rushed purchases which tend to be more expensive. Further, manage relying on traditional suppliers as new suppliers were offering competitive, reliable, and quality products. During the period under review, we engaged new suppliers of fertilisers, chemicals and packaging materials who offered competitive prices than traditional suppliers.

	Unit	2023	2022	2021
Spending on local Suppliers	ZW$	6,385,368,568	2,002,507,125	72,133,366
Spending on foreign Suppliers	ZW$	-	-	482,715
Total Procurement Spend	**ZW$**	**6,385,368,568**	**2,002,507,125**	**72,616,081**
Number of suppliers		13	12	15

Supplier spending during the year under review was attributed to inflationary effects and depreciation of the local currency. Spending on foreign suppliers was replaced by local suppliers due to availability of good quality crop seed during the period.

FINANCIAL REPORTS

- Approval of Financial Statements
- Independent Auditor's Report
- Group Income Statement
- Group Statement of Financial Position
- Group Statement of Cash Flows
- Group Statement of Changes In Equity
- Notes To The Financial Statements

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS

1.Your Directors have pleasure in presenting the 28th Directors' Report of your Company along with the financial statements for the financial year ended 31 March 2023.

2. SHARE CAPITAL

The authorised share capital of the company remained unchanged at 500 000 000 shares of no par value. The issued and fully paid share capital increased during the year as follows:

Issued and fully paid at 31 March 2022	**247 682 968**
Add: Share option issues	1 657 902
Issued and fully paid at 31 March 2023	**249 340 870**

At 31 March 2023, 250 659 130 (2022: 252 317 032) unissued shares were under the control of the Directors of which a total of 21 584 290 (2021: 22 277 379) were committed to the share option scheme as shown below:

Total unissued shares	**250 659 130**
Already committed to unexercised options	(7 344 624)
Set aside for future options	(14 239 666)
Sub-total:Total shares committed to the share option scheme	**(21 584 290)**
Balance of uncommitted shares	**229 074 840**

At 31 March 2023 options for a total of 7 344 624 (2022: 7 179 508) had not been exercised or forfeited and the movement in share options is as shown below:

Granted but unexercised options at 1 April 2022	**7 179 508**
New Options granted during the year	2 112 477
Options exercised	(1 693 089)
Options forfeited	(254 271)
Unexercised options at 31 March 2023	**7 344 624**

3. ACCOUNTING POLICIES:

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

4. THE GROUP'S FULL YEAR RESULTS:

During the year under review, your Company recorded an inflation-adjusted consolidated turnover of ZWL42.7bn compared with prior year of ZWL27.2bn (restated) and a profit of ZWL15.8bn compared with prior year loss of ZWL2.2bn (restated).

For further information, kindly refer to Chief Executive's review of operations in this Annual Report .

5. NUMBER OF MEETINGS OF THE BOARD

The Board met four times in financial year as illustrated in the Governance statement contained in this Annual Report.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

(i). In the preparation of the financial statements for year ended 31 March 2023, the applicable accounting standards have been followed along with proper explanation relating to any material departures;

(ii). The Directors have selected accounting policies as detailed in Note 2 to the financial statements in this annual report and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the Company's state of affairs at 31st March, 2023 and of the profit of the Group for that period.

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

(iv). The Directors have prepared the financial statements for the year ended 31 March 2023 on a 'going concern' basis.

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

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

7. DIRECTORS DECLARATIONS AND CONFLICT OF INTEREST

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

8. DIVIDEND

No dividend was declared for the year ended 31 March 2023.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments are given in the notes to the Financial Statements.

10. COMMITMENTS FOR CAPITAL EXPENDITURE

Group capital expenditure for the year to 31 March 2023 totalled ZWL 7 bn (2022: ZWL1.3bn restated). Capital expenditure for the year to 31 March 2024 is planned at US$3.6m (2023: US$2 m).

11. BUSINESS RISK MANAGEMENT

The Group takes a proactive approach to risk management. The Board has considered the continued impact of global risks because of the war in Ukraine on the business and took appropriate mitigation measures disclosed in this Annual Report. This is in addition to the major risks that the Board constantly manages as summarised in this Annual Report that may materially affect our business, financial condition, or results of our operations.

The Audit and Risk Board Committee is mandated to have oversight of all the risks facing the Group and its terms of reference on Risk management are :

(a) To lay down a framework for identification, measurement, analysis, evaluation, prioritization, mitigation & reporting of various risks in line with the Risk Management Policy of the Company.

(b) To review the strategies, policies, frameworks, models, and procedures that lead to the identification, measurement, reporting and mitigation of various risks.

(c) To implement risk mitigation plans in the interest of the Company

(d) To help the Board define the risk appetite of the organization and to ensure that the risk is not higher than the risk appetite determined by the Board.

(e) To safeguard Company's properties, interests, and interest of all stakeholders.

(f) To evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to.

(g) To optimize a balance between the cost of managing risk and the anticipated benefits.

(h) To monitor the effectiveness of risk management functions throughout the organization. Ensure that infrastructure, resources, and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline.

(i) To create awareness among the employees to assess risks on a continuous basis and to ensure that risk awareness culture is pervasive throughout the organization.

j) To review issues raised by Internal Audit that impact the risk management framework.

(k) To review and approve risk disclosure statements.

(l) The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

(m) The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure, and potential impact analysis on a Company's business.

12. CORPORATE SOCIAL RESPONSIBILITY

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

13. ANNUAL EVALUATION OF PEFORMANCE OF THE BOARD

As detailed in the Governance Statement in this Annual Report, the Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, effectiveness of Board processes, information and functioning.

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

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

14. SUBSIDIARY COMPANIES

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

15. INTERNAL CONTROL SYSTEM

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

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The details of key management that govern the various operations of the Group are detailed on page 20 of this Annual Report.

17. AUDITORS

Shareholders will be asked to approve audit fees amounting to 2023: ZWL 56,356,650 paid to KPMG Chartered Accountants (Zimbabwe) (2022: ZWL 24,400,209 paid to former auditors, Ernst & Young Chartered Accountants (Zimbabwe).

In compliance with mandatory rotation requirements, Shareholders will be asked to confirm the appointment of KPMG Chartered Accountants (Zimbabwe) as auditors for the current year.

18. DIRECTORATE CHANGES

Michael Shongwe Ndoro retired from the Board during the year ended 31 March 2023.

Members will be asked to approve the payment of directors' fees in respect of the year ended 31 March 2023 amounting to 2023:

ZWL57,057,799 (2022: ZWL9,511,153).

19. COMPLIANCE WITH GOVERNANCE CHARTER

We continue to monitor and align our code of corporate practices and conduct with local and international corporate governance codes such as the National Code of Corporate Governance in Zimbabwe (ZIMCODE), the King IV Code as well as OECD Principles of Corporate Governance.

20. COMPANY SECRETARY CERTIFICATION

The Company Secretary hereby certifies to the best of his knowledge and belief, the Group has lodged with the Registrar of Companies all such returns as are required to be lodged by a public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31), and all such returns are true, correct and up to date.

For and on behalf of the Board of Directors,

Tineyi Chatiza
Group Secretary
7 July 2023

DIRECTORS' STATEMENT OF RESPONSIBILITY & APPROVAL OF THE FINANCIAL STATEMENTS

Responsibility

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

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

Preparation of financial statements

The preparation of the financial statements and the process thereto was done under the supervision of Mr. J Matorofa (PAAB No. 241) and under the guidance of the Directors of the Company, who are vested with the governance and responsibility for these financial statements as is provided for in terms of the common law, Companies and Other Business Entities Act (Chapter 24:31) and other legislative and regulatory requirements such as the Statutory instrument number 33 of 2019 issued on 22 February 2019 and guidance issued by the Public Accountants and Auditors Board on 21 March 2019.

Compliance with Companies and Other Business Entities Act (Chapter 24:31) and Statutory instruments SI 33/19

These financial statements which have been prepared on current cost basis due to hyperinflation are in agreement with the underlying books and records. The financial statements comply with the requirements of IFRS except for IAS 8 and IAS 21 (Effects of Changes in foreign exchange). It has been impracticable to comply in full to IAS 21. The directors are of the view that the requirement to comply with SI 33/19 issued on 22 February 2019 has created inconsistences with IAS 21 as well as with the principles embedded in the IFRS conceptual framework. The Group Financial statements have been qualified by the auditors because of this inconsistency with IAS 21.

Compliance with International Financial Reporting Standards (IFRS)

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

Going concern

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

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

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

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

D.E.B Long
Chairman

M. Nzwere
Chief Executive Officer

The consolidated financial statements were prepared under the supervision of Mr. J Matorofa (PAAB No. 241)

J Matorofa
Chief Finance Officer
7 July 2023

KPMG
Mutual Gardens 100 The Chase (West)
Emerald Hill, Harare, Zimbabwe
Telephone +263 430 2600
Internet www.kpmg.com/zw

Independent Auditors' Report

To the shareholders of Seed Co Limited

Adverse opinion

We have audited the inflation adjusted financial statements of Seed Co Limited (the Company), set out on pages 65 to 103, which comprise the inflation adjusted company statement of financial position as at 31 March 2023, and the inflation adjusted company Income statement , inflation adjusted company statement of comprehensive income, inflation adjusted company statement of changes in equity and the inflation adjusted company statement of cash flows for the year then ended, company accounting policies and notes and other explanatory information.

In our opinion, because of the significance of the matters described in the *Basis for adverse opinion* section of our report, the inflation adjusted financial statements do not present fairly the inflation adjusted financial position of Seed Co Limited as at 31 March 2023, and its inflation adjusted financial performance and inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31].

Basis for adverse opinion

Non-compliance with IAS 21, The Effects of Changes in Foreign Exchange Rates (IAS21)

Use of internally generated exchange rate

The accounting policy of the Company is to record foreign currency denominated transactions and balances at the foreign currency exchange rate ruling at the transaction date (spot rate). Purchases of seed to growers and sales of farming inputs to growers, are undertaken with the growers using US$ values and invoiced in US$. The invoices are then recorded in the system on transaction date at a translated amount using an internally agreed exchange rate with the growers. These transactions are ultimately settled in ZWL at the internally generated rates, which vary from the official foreign currency exchange rates.

Grower balances, receivable in ZWL at the year end, are determined by translating the underlying US$ values outstanding using the official interbank exchange rate. To the extent these transactions are settled in the financial period and the related inventories have been sold, a potential misstatement may arise between cost of sales and the exchange gains and losses accounts in the income statement. Where the related inventories have not been sold a potential misstatement also arises between closing inventory balances and exchange/fair value gains or losses in the income statement. The impact on the exchange gains/losses, cost of sales and inventory balances could not be quantified as this would be impracticable.

Foreign exchange gains/losses: determination of the amount of realised and unrealised portions

Included in Other income is net exchange gains of ZWL 32 872 234 004. Management determined split of ZWL 7 455 596 135 as the realised portion and ZWL 25 416 637 869 as the unrealised portion, based on proportion of foreign currency denominated trade receivables collected and uncollected, during the year. However, foreign currency denominated trade receivables are not the only driver of exchange rate gains and losses. Other drivers include currency swap, external borrowings, foreign denominated cash balances and foreign currency denominated creditors/payables, which were not taken into account in determining the split of realised and unrealised portions.

The resultant split into realised and unrealised portions does not reflect the correct actual split for all the exchange rate drivers. The inability to correctly split foreign exchange gains and losses impacts (i) the allocation into current tax expense and deferred tax expense, and the related tax liabilities, and (ii) the portion of realised net exchange rate gains to which inflation indices are applied to obtain IAS 29 numbers (see point on IAS 29 below). In addition, as stated under IAS 21 mentioned above, the company was using Seed Co internally generated exchange rates. Whilst considered to be material the impact on the exchange gains/losses, related taxliabilites and expense could not be quantified.

Non-compliance with IAS 28, *Investments in Associates and Joint Ventures - Inconsistent application of policies*

An associate, Quton Seed Company (Private) Limited ("Quton"), accounts for its property, plant and equipment (PPE) using the cost model, which is not consistent with the accounting policies which require PPE to be revalued annually. The Company has not made any adjustments on the equity accounting of Quton, as required by IAS 28 to apply uniform accounting policies. The impact, whilst considered to be material, cannot be quantified on the share of profit/(loss).

This is also a prior period error which has not been corrected in terms of IAS 8, *Accounting policies, changes in accounting estimates and errors,* and is continuing in the current year, thus still impacting the comparatives.

***Non-compliance with IFRS 13, Fair Value Measurement (IFRS 13) - Inappropriate valuation inputs* used**

As disclosed in note 9.3, the Company's property, plant and equipment, which is carried at ZWL 37 166 822 989 includes land and buildings of ZWL 18 509 633 514, which are revalued annually. The market approach was applied for the valuation of land and buildings and key inputs into the calculations include rentals per square metre and yield rates. The valuation of land and buildings was performed based on USD denominated inputs and converted to ZWL reporting currency at closing spot foreign currency exchange rates.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at a measurement date. Current market practice is to determine the ZWL fair value of land and buildings using ZWL denominated inputs. Valuing in USD and applying a conversion rate to USD valuation inputs may not provide an accurate reflection of market dynamics and fair values. The impact, whilst considered to be material, cannot be quantified.

This is also a prior period error which has not been corrected in terms of IAS 8, *Accounting policies, changes in accounting estimates and errors,* and is continuing in the current year, thus still impacting the comparatives.

Non-compliance with International Financial Reporting Standards IAS 29 - Financial Reporting in Hyperinflation Economies (IAS 29)
In addition, as described in note 2.1 to the inflation adjusted financial statements, Zimbabwe became a hyperinflationary economy with effect from 1 July 2019. IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29) has been applied to incorrect balances due to the non-compliances with the standards as noted above.

All these items identified in the *basis of adverse opinion* paragraph are considered material and pervasive to the inflation adjusted financial statements as a whole.

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

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted financial statements of the current period. Except for the matter described in the *Basis for adverse opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Other matter
The inflation adjusted financial statements of the Company as at and for the year ended 31 March 2022, were audited by another auditor who expressed an adverse opinion on those inflation adjusted Company financial statements on 7 July 2022.The adverse opinion was due to the following:

- Non-compliance with IAS 28, Investments in Associates and Joint Ventures, with the inconsistent application of accounting policies in Quton Zimbabwe where PPE was accounted for using the cost model.
- Non-compliance with IFRS 13, Fair Value Measurement, where the inputs used in estimating the fair values of land and buildings were not considered to be appropriate.
- Non-compliance with IAS 21, Effects of Change in Foreign Exchange Rates, with inappropriate exchange rates used, and incorrect change of functional currency dates being applied in prior periods.
- Non-compliance with IAS 29, Hyperinflationary Economies with the underlying calculations being based on incorrect historical balances due to the matters noted above.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Seed Co Limited Financial Statements 31 March 2023" including the information titled "historical cost" but does not include the inflation adjusted financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Seed Co Limited Annual Report, which is expected to be made available to us after that date.

Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' 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 Seed Co Limited 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 inflation adjusted financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31], and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the inflation adjusted financial statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 inflation adjusted financial statements.

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

- Identify and assess the risks of material misstatement of the inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 auditors' report to the related disclosures in the inflation adjusted 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

KPMG

Vinay Ramabhai
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0569

21 July 2023

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

Mutual Gardens
100 The Chase (West)
Emerald Hill
P.O Box 6, Harare
Zimbabwe

SEED CO LIMITED
COMPANY INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
	Note	ZWL	ZWL	ZWL	ZWL
Revenue from contracts with customers	5	**42,653,218,015**	**27,255,075,652**	**38,219,353,705**	**6,890,390,630**
Cost of sales	11.2	(25,200,403,970)	(18,224,136,031)	(15,687,518,918)	(3,156,846,910)
Gross profit		**17,452,814,045**	**9,030,939,621**	**22,531,834,788**	**3,733,543,719**
Other income	6.1	36,800,996,053	5,472,115,775	34,743,853,251	1,470,847,351
Operating expenses	6.2	**(18,366,140,937)**	**(8,619,721,253)**	**(16,014,538,356)**	**(2,206,131,647)**
Sales and marketing costs		(1,573,495,319)	(1,256,330,740)	(1,584,900,718)	(378,854,969)
General and administrative costs		(7,757,337,969)	(4,804,444,803)	(5,830,269,926)	(1,186,680,715)
Research costs		(3,485,908,746)	(2,385,717,272)	(3,049,968,808)	(581,411,437)
Movement in expected credit losses	12.8	(5,549,398,903)	(173,228,439)	(5,549,398,903)	(59,184,526)
Operating profit		**35,887,669,161**	**5,883,334,142**	**41,261,149,683**	**2,998,259,424**
Finance income	6.3	4,750,583	6,664,257	4,009,811	2,066,459
Finance costs	6.4	(11,147,133,806)	(2,499,680,057)	(10,086,833,283)	(631,241,649)
Monetary loss		(4,376,973,368)	(2,914,365,761)	-	-
Share of profit from associates and joint venture	10.1	1,867,874,059	850,368,566	3,104,372,900	454,244,821
Profit before tax		**22,236,186,629**	**1,326,321,147**	**34,282,699,111**	**2,823,329,054**
Income tax expense	7.1	(6,443,916,966)	(3,515,831,452)	(7,014,135,797)	(642,105,446)
Profit/(loss) for the year		**15,792,269,663**	**(2,189,510,305)**	**27,268,563,314**	**2,181,223,608**
Attributable to:					
Equity holders of the parent		15,792,269,663	(2,189,510,305)	27,268,563,314	2,181,223,608
		-	-	-	-
Earnings per share - cents	8.1				
Basic, profit/(loss) for the year attributable to equity holders o		6,348	(884)	10,961	881
Diluted, profit/(loss) for the year attributable to equity holders		6,166	(859)	10,647	856
Headline, profit/(loss) for the year attributable to equity holde		5,545	(734)	10,245	932

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

SEED CO LIMITED
COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
	Note	ZWL	ZWL	ZWL	ZWL
Profit for the year		15,792,269,663	(2,189,510,305)	27,268,563,314	2,181,223,608
Other comprehensive income/(loss)					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods :					
Exchange differences on translation of foreign operation	10.1	12,493,453,643	4,226,346,436	19,669,913,110	1,443,956,385
Share of other comprehensive loss from associate	10.2	(2,139,011,251)	470,780,004	(2,139,011,251)	160,844,787
Net other comprehensive profit that may be reclassified to profit or loss in subsequent periods		**10,354,442,392**	**4,697,126,439**	**17,530,901,860**	**1,604,801,172**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods :					
Revaluation of property, plant and equipment	9.1 & 9.2	20,358,212,098	4,318,740,663	30,715,871,765	3,391,914,545
Deferred tax on revaluation of property, plant and equipment	7.4	(5,032,550,031)	(1,067,592,692)	(7,493,938,429)	(758,383,288)
Share of other comprehensive income from associate and joint venture	10.2	(59,757,751)	(212,905,434)	224,087,275	37,604,709
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		**15,265,904,316**	**3,038,242,537**	**23,446,020,610**	**2,671,135,966**
Other comprehensive income for the year, net of tax		**25,620,346,708**	**7,735,368,976**	**40,976,922,470**	**4,275,937,138**
Total comprehensive income for the year		**41,412,616,371**	**5,545,858,671**	**68,245,485,784**	**6,457,160,747**
Attributable to:					
Equity holders of the parent		41,412,616,371	5,545,858,671	68,245,485,784	6,457,160,747

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

SEED CO LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	**2022**	**2023**	**2022**
	Note	**ZWL**	**ZWL**	**ZWL**	**ZWL**
ASSETS					
Non-current assets					
Property, plant & equipment (PPE)	9	37,166,859,264	18,504,093,453	37,156,991,340	6,322,021,143
Investment in associates & joint venture	10	25,413,431,661	13,250,872,962	25,303,645,199	4,444,283,166
Non-current financial assets	12	111,093,612	93,204,305	111,091,493	31,843,092
		62,691,384,537	**31,848,170,719**	**62,571,728,033**	**10,798,147,401**
Current assets					
Inventories	11	10,819,935,925	9,693,338,223	10,234,082,190	2,431,419,654
Trade and other receivables	12	42,368,072,542	9,855,207,345	42,290,192,145	3,356,529,005
Amount due from related entities	13	11,722,028,197	2,174,914,114	11,722,028,197	743,072,337
Other current financial assets	12	3,985,121,734	1,786,555,317	3,985,121,734	610,387,245
Cash and cash equivalents	14	740,200,583	759,215,860	740,200,583	259,390,612
		69,635,358,981	**24,269,230,858**	**68,971,624,849**	**7,400,798,853**
Total assets		**132,326,743,518**	**56,117,401,577**	**131,543,352,882**	**18,198,946,254**
EQUITY AND LIABILITIES					
Equity					
Share capital	15	139,030,473	139,026,274	2,473,685	2,472,027
Share premium		7,191,902,257	6,821,585,808	199,676,485	53,484,674
Share based payments reserve	16.1	504,636,992	293,741,405	96,666,472	13,410,079
Asset revaluation reserve		24,984,819,767	9,718,915,451	28,176,504,374	4,730,483,763
Foreign currency translation reserve		27,269,758,025	16,915,315,632	20,630,511,648	3,099,609,788
Retained earnings		19,671,141,130	3,878,871,467	32,176,830,867	4,908,267,552
Total equity		**79,761,288,644**	**37,767,456,036**	**81,282,663,531**	**12,807,727,884**
Non-current liabilities					
Long-term borrowings	17	8,453,289,081	4,225,997,999	8,453,289,081	1,443,837,340
Deferred tax liability	7.5	15,858,815,100	6,771,874,222	13,554,049,577	1,435,501,468
		24,312,104,181	**10,997,872,220**	**22,007,338,658**	**2,879,338,807**
Current liabilities					
Short-term borrowings	17	16,407,139,412	4,813,974,290	16,407,139,412	1,644,722,935
Trade and other payables	18	8,351,951,960	940,165,110	8,351,951,960	321,213,004
Amount due to related entities	19	-	15,347,376	-	5,243,522
Provisions	20	1,671,901,795	749,940,776	1,671,901,795	256,221,724
Income tax payable		1,822,357,526	832,645,770	1,822,357,526	284,478,377
		28,253,350,693	**7,352,073,321**	**28,253,350,693**	**2,511,879,562**
Total liabilities		**52,565,454,875**	**18,349,945,541**	**50,260,689,352**	**5,391,218,370**
Total equity and liabilities		**132,326,743,518**	**56,117,401,577**	**131,543,352,882**	**18,198,946,254**
		-	-	-	-

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

D.E.B. Long
Chairman

M. Nzwere
Group Chief Executive

SEED CO LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

INFLATION ADJUSTED		Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total equity
					ZWL			
As at 1 April 2021		**139,026,274**	**6,821,585,808**	**261,015,199**	**6,680,672,916**	**12,218,189,191**	**21,654,121,327**	**47,774,610,714**
Loss for year		-	-	-	-	-	(17,768,294,969)	**(17,768,294,968)**
Other comprehensive income		-	-	-	3,038,242,535	4,697,126,441	-	**7,735,368,976**
Total comprehensive income/(loss)		-	-	-	3,038,242,535	4,697,126,441	(17,768,294,969)	(10,032,925,991)
Share based payments	16.2	-	-	32,726,206	-	-	-	**32,726,206**
Dividend - scrip		-	-	-	-	-	(6,954,891)	**(6,954,891)**
As at 31 March 2022		**139,026,274**	**6,821,585,808**	**293,741,404**	**9,718,915,451**	**16,915,315,632**	**3,878,871,467**	**37,767,456,037**
Inflation adjusted reversal								**-**
Profit for year		-	-	-	-	-	15,792,269,663	**15,792,269,663**
Other comprehensive (loss)/income		-	-	-	15,265,904,316	10,354,442,392	-	**25,620,346,708**
Total comprehensive (loss)/income		-	-	-	15,265,904,316	10,354,442,392	15,792,269,663	**41,412,616,371**
Issue of share capital								**-**
Exercise of share options		4,200	370,316,449	(3,392,783)				**366,927,866**
Share based payments	16.2	-	-	214,288,370	-	-	-	**214,288,370**
As at 31 March 2023		**139,030,474**	**7,191,902,257**	**504,636,992**	**24,984,819,766**	**27,269,758,025**	**19,671,141,130**	**79,761,288,644**

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

SEED CO LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

HISTORICAL COST	Note	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total equity
					ZWL			
As at 1 April 2021		2,472,027	53,484,674	5,569,811	2,059,347,797	1,494,808,616	2,729,420,125	**6,345,103,050**
Profit for the year		-	-	-	-	-	2,181,223,608	**2,181,223,608**
Other comprehensive income		-	-	-	2,671,135,966	1,604,801,172	-	**4,275,937,138**
Total comprehensive income		-	-	-	2,671,135,966	1,604,801,172	2,181,223,608	**6,457,160,747**
Share based payments	16.2			7,840,268	-	-	-	**7,840,268**
Dividend - scrip		-	-	-	-	-	(2,376,180)	**(2,376,180)**
As at 31 March 2022		**2,472,027**	**53,484,674**	**13,410,079**	**4,730,483,763**	**3,099,609,788**	**4,908,267,553**	**12,807,727,884**
Profit for the year		-	-	-	-	-	27,268,563,314	**27,268,563,314**
Other comprehensive income		-	-	-	23,446,020,610	17,530,901,860	-	**40,976,922,470**
Total comprehensive income		-	-	-	23,446,020,610	17,530,901,860	27,268,563,314	**68,245,485,784**
Issue of share capital								**-**
Exercise of share options		1,658	146,191,811	(1,339,388)				**144,854,081**
Share based payments	16.2			84,595,781				**84,595,781**
As at 31 March 2023		**2,473,685**	**199,676,485**	**96,666,472**	**28,176,504,374**	**20,630,511,648**	**32,176,830,867**	**81,282,663,531**

The current year dividend distribution by the Company was nil.

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

-

SEED CO LIMITED
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
Operating activities	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Profit before tax		22,236,186,629	1,326,321,147	34,282,699,111	2,823,329,054
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of PPE	9.1	1,441,065,087	896,188,509	510,818,444	184,509,841
Loss/(Profit) on disposal of PPE	6.2	132,570,995	79,663,524	16,354,283	10,319,568
Share based payment	16.2	214,288,370	32,726,205	84,595,781	7,840,268
Dividend income	6.1	(15,723,485)	(9,525,888)	(14,781,158)	(2,376,180)
Finance income	6.3	(4,750,583)	(6,664,257)	(4,009,811)	(2,066,459)
Finance costs	6.4	11,147,133,806	2,499,680,057	10,086,833,283	631,241,649
Share of profit from associates and JV	10.1	(1,867,874,059)	(850,368,566)	(3,104,372,900)	(454,244,821)
Effects of monetary (losses)/gains		4,376,973,368	2,914,365,761	-	-
Operating cash flows before working capital changes		**37,659,870,129**	**6,882,386,492**	**41,858,137,032**	**3,198,552,920**
Working capital changes:					
Increase in inventories		(1,126,597,702)	(1,574,835,725)	(7,802,662,536)	(1,652,826,011)
Increase in trade and other receivables		(32,512,865,197)	4,593,449,396	(38,933,663,140)	(509,614,035)
Decrease in related party receivables		(9,547,114,083)	269,320,755	(10,978,955,860)	(259,510,878)
Increase in trade and other payables		7,411,786,850	438,843,364	8,030,738,956	222,032,730
Decrease in related party payables		(15,347,376)	(893,853,847)	(5,243,522)	(174,630,628)
Increase in provisions		921,961,020	314,836,633	1,415,680,071	170,141,783
Income tax paid		(1,399,814,362)	(3,394,045,899)	(851,646,967)	(755,521,708)
Net cash flows from operating activities		**1,391,879,278**	**6,636,101,169**	**(7,267,615,966)**	**238,624,173**
Investing activities					
Proceeds from disposal of PPE		25,827,808	42,673,532	24,150,648	13,628,335
Purchase of PPE	9.1	(749,084,540)	(1,275,228,575)	(675,754,622)	(393,571,420)
Purchase of non-current financial assets	12.1	(17,889,306)	346,510,331	(79,248,400)	(30,161,285)
Dividends received	6.1	15,723,485	9,525,888	14,781,158	2,376,180
Interest received	6.3	4,750,583	6,664,257	4,009,811	2,066,459
Net cash flows from investing activities		**(720,671,971)**	**(869,854,567)**	**(712,061,405)**	**(405,661,731)**
Financing activities					
Proceeds from borrowings	17.2	25,858,296,728	20,601,417,898	19,535,991,480	2,742,155,029
Repayment of borrowings	17.2	(7,618,779,341)	(14,464,449,002)	(5,756,002,024)	(1,925,292,801)
Interest paid	6.4	(11,147,133,806)	(2,499,680,057)	(10,086,833,283)	(631,241,649)
Net cash flows generated from financing activities		**7,092,383,580**	**3,637,288,839**	**3,693,156,173**	**185,620,579**
Net cash flows during the year		7,763,590,888	9,403,535,442	(4,286,521,198)	18,583,021
Effects of monetary (losses)/gains		(14,092,757,564)	(10,924,051,032)	-	-
Effects of exchange rate		6,310,151,399	(422,853,509)	4,767,331,169	(293,865,219)
Opening cash and cash equivalents	14.1	759,215,860	2,702,584,959	259,390,612	534,672,810
Closing cash and cash equivalents	14.1	**740,200,583**	**759,215,860**	**740,200,583**	**259,390,612**

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate information

Seed Co Limited is a company which is incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange whose principal activities are the processing of agricultural seed on a commercial basis.

The Company inflation adjusted financial statements of Seed Co Limited for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on the 8th of June 2023.

2. Significant accounting policies

2.1 Basis of preparation

The Company's financial results have been prepared under policies consistent with the requirements of the Companies and Other Business Entities Act (Chapter (24:31)) and on a going concern basis. The Company's financial statements and the corresponding figures for the previous period have been restated for changes in the general purchasing power of the functional currency and take account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

The Company prepares financial statements which comply with International Financial Reporting Standards (IFRS) which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). Compliance with IFRS is intended to achieve consistency and comparability of financial statements.

The Company's presentation currency
The inflation adjusted financial statements are presented in ZWL being the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest ZWL$ except when otherwise indicated.

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)
These financial statements have been prepared in accordance with IAS 29. IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

Since the adoption of IAS 29 on 1 October 2018, the Company adopted the Zimbabwe consumer price index (CPI) as the general price index to prepare inflation adjusted financial statements up to 31 January 2023. On the 3rd of March 2023, government issued SI 27 of 2023, which defined the term "rate of inflation" and introduced a new inflation rate measurement method. Consequently, ZIMSTATS stopped reporting ZW$ inflation and CPI figures and only released blended CPI figures. This change created a challenge for the Company, as it had been using the ZW$ CPI for reporting inflation adjusted historical figures. In order to comply with International Accounting Standard (IAS29) - "Financial Reporting in Hyperinflationary Economies" in the preparation of its financial statements, the Company estimated and applied inflation rates for February 2023 and March 2023 based on the Total Consumption Poverty Line published by ZIMSTAT. The estimation of the consumer price index is permitted by IAS 29 where a general consumer price index is not readily available.

The indices and conversion factors used to restate these financials are given below.

Dates	Indices	Conversion Factors
31 March 2023	13,949.99	1.00
31 March 2022	4,776.10	2.93
31 March 2021	2,759.83	5.05

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

- All comparative figures as of and for the year ended 31 March 2022 were restated by applying the change in the index from 31 March 2022 to 31 March 2023.
- On 31 March 2023; all monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at balance sheet date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 March 2023.
- The revalued amounts for property, plant and equipment are current as at year end and the opening balances and current additions, depreciation and disposals were restated, with the revaluation being calculated from the resultant differences between the restated amounts and the fair values at year end.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred.

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

- Income statement items/transactions, including exchange gains/losses, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the year ended 31 March 2023.
- The allowance for expected credit losses has not been inflation adjusted in the current period, but the prior period balance has been restated.
- Opening deferred tax was calculated as if IAS 29 had always been applied. It was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax is then inflated to the purchasing power at the closing balance sheet date.
- The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e., expressed in the measuring unit current at the balance sheet date).
- Current tax expense was not restated as it is assumed to have been incurred at year end.
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The inflation effects on cash and cash equivalents were shown as a single line item in the reconciliation of cash and cash equivalents as this is not an actual cash movement for the Company.
- The Company considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

CPI Sensitivity
The Company considered two methodologies in determining the CPI estimates for February and March 2023. The Company considered the movement in the official exchange rates and the movement in the Total Consumption Poverty Line (TCPL) published by ZIMSTAT monthly in ZWL. The Total Consumption Poverty Line (TCPL) measures the amount that an individual requires to purchase both non-food and food items and was used to adjust the last published CPI by the monthly movement of the TCPL.

The analysis below seeks to show the sensitivity of the indices used in comparison to the indices derived using the official exchange rate movement.

CPI Sensitivity	Index based on TCPL	Index based on Official Exchange Rate	Impact of changes in the conversion factor (%)
Estimated Index Feb 2023	13,849	15,426	11%
Estimated Index March 2023	13,950	16,133	16%
Average March 2023	11,547	11,860	3%

Impact of the change in conversion factor if the Index based on the official rate is used instead of the Index based on TCPL.

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

2.2 Basis of accounting for Associates and Joint Ventures
The Company's inflation adjusted financial statements comprise the inflation adjusted financial statements of the Company and its associates and joint venture as of 31 March 2023. Refer to note 2.3a) for further details on accounting for associates and joint venture.

In the prior period these financial statements were referred to as a consolidated set. The Company has only investments in equity accounted investees and therefore does not prepare consolidated financial statements. Inappropriate references to consolidated have been removed in the current period.

2.3 Summary of significant accounting policies

a) Investments in associates and joint venture
An associate is an entity over which the Company 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

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

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 Company'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 Company'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 Company'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 Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associates or joint venture are eliminated to the extent of the interest in the associate.

The aggregate of the Company'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 Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investments in its associates and joint venture. At each reporting date, the Company determines whether there is objective evidence that the investments in the associates and joint venture are impaired. If there is such evidence, the Company 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 Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the investment in the associate or joint venture upon loss of significant influence or joint control respectively and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

The Company 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 Company classifies all other liabilities as non-current.

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

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

c) Fair value measurement

The Company measures property, plant and equipment at fair value. The assets are carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.

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

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

Where available, the Company 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 Company Finance Director presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 9.

d) Revenue recognition

The Company is in the business of selling seeds to retailers, farmers and government entities.

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

Revenue from contracts with customers is recognised when control of the seeds is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those seeds. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the seeds before transferring them to the customer.

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

The Company 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 considering the effects of variable consideration and the existence of significant financing component.

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

The requirements in IFRS 15 on constraining estimates of variable consideration are largely not applicable for the following reasons:

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

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

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

Significant financing component
Generally, the Company receives payments from its customers within twelve months of the date of delivery. Using the practical expedient in IFRS 15, the Company 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 Company 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 Company'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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract. Prepaid receipts from customers are a contract liability.

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

e) Taxes

Current Income Tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company 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 inflation adjusted carrying amounts for financial reporting purposes at the reporting date.

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

Value Added Tax (VAT)
Expenses and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included

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

f) Foreign currency translation

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

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

g) Dividend distribution to equity holders of the parent

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

h) Property, plant and equipment

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

All other classes of property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency, annually, 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. 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 buildings	40-60years
Motor vehicles	5-7years
Plant and machinery	5-10years
Office furniture and equipment	5-10years

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

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

i) 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.

j) Financial instruments – initial recognition and subsequent measurement

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

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

Financial assets
Initial recognition and measurement
On initial recognition, a financial asset is classified as measured at amortised cost.

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

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

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

Derecognition of financial assets

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

Impairment of financial assets
The Company recognises that credit losses on financial assets are measured and recognised using the 'expected credit loss (ECL) approach. Credit losses are the difference between the present value (PV) of all contractual cash flows and the PV of expected future cash flows.

For trade and other receivables excluding prepayments, the Company applies a simplified approach in calculating ECLs. A loss allowance is recognised based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 365 days past due for Growers, Traders 90 days, Related parties 90 days and Government 270 days due to the seasonal nature of the business. This rebuts the presumption in IFRS 7.35F (a) (ii), which states that significant increases in credit risk is considered when financial assets are more than 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The General approach is used for the RBZ currency swap transaction. The Pert Method is used to come up with Provision Weighted Expected credit loss. This non-current financial asset is with a quasi-government organisation therefore was considered risk free. A Loss allowance is recognized in the amount of 12-month expected credit loss.

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 Company. 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

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in profit or loss.

Further disclosures relating to impairment of financial assets are also provided in note 12.

Financial liabilities
Initial recognition and measurement
Financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

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

Subsequent measurement
Financial liabilities are measured at amortised cost unless the fair value option is applied.

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 considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in profit or loss.

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

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

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the Company's 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.

k) 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: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

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

l) 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.

m) Impairment of non-financial assets

The Company 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 Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset 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 group 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 considered. If no such transactions can be identified, an

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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 Company estimates the assets 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.

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

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

Further disclosures relating to impairment of non-financial assets are provided in note 9.

n) Cash and cash equivalents

Cash and cash equivalents comprise of 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. Cash & cash equivalents are held for the purpose of meeting short term cash commitments.

o) Provisions

Provisions are recognised when the Company 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 Company 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.

p) Pensions and other post-employment benefits

Retirement benefits are provided for Company 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. The Company provides for leave pay in accordance with the conditions of employment.

q) Share based payment transactions

Senior executives of the Company 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

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

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 Company'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 considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company'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.

r) Nature and purpose of reserves

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 relate to an increase on the same asset previously recognised in equity.

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

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

2.4 Changes in accounting policies and disclosures

The Company applied for the first time, certain standards, and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3 – Reference to the Conceptual Framework
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract
The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract)

Annual Improvements to IFRS Standards 2018–2020
The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a).

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

2.5 Standards and interpretations in issue not yet effective

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

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors do not anticipate that the application of the amendments in the foreseeable future will have an impact on the Company's financial statements.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

Non-current Liabilities with Covenants was issued in October 2022 and further deferred the effective date to annual reporting periods beginning on or after 1 January 2024.The amendments are applied retrospectively, with early application permitted. The Directors do not anticipate that implementation of these amendments will have a material impact on the Company's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies
The amendments change the requirements in IAS 1 with regard to the disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted, and are applied prospectively. The Directors have early adopted this amendment in the prior year. Impact of this amendment has been immaterial.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

•A change in an accounting estimate that results from new information or new developments is not the correction of an error.
•The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. The Directors do not anticipate that implementation of this amendment will have a material impact on the Company's financial statements.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Under the new amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. An entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria of IAS 12.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The Directors do not anticipate that implementation of this amendment will have a material impact on the Company's financial statements.

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

In December 2021, the International Accounting Standards Board (IASB) issued Initial Application of IFRS 17 and IFRS 9— Comparative Information (Amendment to IFRS 17). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. IFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023

Reference to the Conceptual Framework – Amendments to IFRS 3

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Company.

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
• Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
• Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
Effective for annual periods beginning on or after 1 January 2023.The amendments are not expected to have a material impact on the Company.

Lease Liability in a Sale-and-Leaseback (Amendments to IFRS 16, Leases)
The amendment effective 1 January 2024 requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows.

- On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognized.

Seller-lessees are required to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

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:

3.1 Revaluation of property, plant and equipment

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

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

Refer to note 2.3c, note 2.3h and note 9 for more information on the estimates and assumptions used to determine the fair value of property, plant and equipment and note 9 for the carrying amount of property, plant and equipment.

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

3.2 Share based payments.

The Company measures the cost of equity-settled transactions with employees by references to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate inputs to the valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The value of the share options granted is determined using the Black Scholes model. Significant inputs and key assumptions used to determine fair value are further disclosed in note 16.

3.3 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 Company 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 Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer to note 7 for more information on taxation.

3.4 Provision for expected credit losses of Trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groups 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 Company's historical observed default rates. The Company 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 Company'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 Company's trade receivables is disclosed in note 12.

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

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

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

3.6 Restatement of historical cost financial statements in preparation of inflation – adjusted financial statements.

Since the adoption of IAS 29 on 1 October 2018, the Company adopted the Zimbabwe consumer price index (CPI) as the general price index to prepare inflation adjusted financial statements up to 31 January 2023. On the 3rd of March 2023, government issued SI 27 of 2023, which defined the term "rate of inflation" and introduced a new inflation rate measurement method. Consequently, ZIMSTATS stopped reporting ZW$ inflation and CPI figures and only released blended CPI figures. This change created a challenge for the Company, as it had been using the ZW$ CPI for reporting inflation adjusted historical figures. In order to comply with International Accounting Standard (IAS29) - "Financial Reporting in Hyperinflationary Economies" in the preparation of its financial statements, the Company estimated and applied inflation rates for February

SEED CO LIMITED

COMPANY ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

2023 and March 2023 based on the Total Consumption Poverty Line published by ZIMSTAT. The estimation of the consumer price index is permitted by IAS 29 where a general consumer price index is not readily available.

3.7 Going Concern

While the business looks set to be operating in an unfavourable economic environment, there is no doubt that the company will continue to operate profitably. Agriculture remains one of the top three cornerstones of the Zimbabwe economy and the Government thrust on growing the industry brings hope and an opportunity for the company to enhance its market standing while further exploring ways to sustain its operations to ensure stakeholder interests remain safe.

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4 COMPANY INFORMATION

4.1 The holding company

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

4.2 Entity with significant influence over the Company

Vilmorin & Cie owns 29.17% of the ordinary shares in Seed Co Limited (2022: 29.17%).

4.3 Associates and joint venture

The financial statements of the Company include:

				% of equity interest	
Name		**Activities**	**Incorporation**	**2023**	**2022**
Seed Co International Limited	Associate	Field seeds	Botswana	27%	27%
Niculata Investments (Pvt) Ltd t/a Prime Seed Co Zimbabwe	Joint Venture	Vegetable seeds	Zimbabwe	51%	51%
Quton Seed Company (Pvt) Ltd t/a Quton Zimbabwe	Associate	Cotton seeds	Zimbabwe	40%	40%

4.4 Related parties

Related parties comprise the following entities and persons:

4.4.1 Related entities

Name	Nature of relationship	principal place of business
Vilmorin & Cie	Shareholder with significant influence	France
Mahyco	companies	India
HM Clause	Joint venture partner	France
Seed Co International Limited	Associate	Botswana
Quton Zimbabwe	Associate	Zimbabwe
Prime Seed Co Zimbabwe	Joint venture	Zimbabwe
Seed Co-Ghana	Seed Co International Subsidiary	Ghana
Seed Co South Africa	Seed Co International Subsidiary	South Africa
Seed Co Zambia	Seed Co International Subsidiary	Zambia
Seed Co Malawi	Seed Co International Subsidiary	Malawi
Seed Co Tanzania	Seed Co International Subsidiary	Tanzania
Agri Seed Co Kenya	Seed Co International Subsidiary	Kenya
Seed Co Rwanda	Seed Co International Subsidiary	Rwanda
Nigeria	Seed Co International Subsidiary	Nigeria

4.4.2

Related persons

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

4.4.3

Related parties transactions and balances are disclosed in notes 13, 19 and 21.

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
5.1 Product	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Maize seed		26,488,301,933	19,902,541,279	25,253,699,350	4,469,679,745
Soybean seed		6,444,265,657	2,779,604,400	6,194,230,147	765,743,820
Wheat seed		5,572,439,456	3,553,883,598	2,939,652,922	764,268,091
Sorghum & Millet		587,275,074	35,184,565	574,713,475	30,753,121
Beans		1,655,450,805	538,554,804	1,639,366,109	470,724,614
Barley		251,930,570	43,725,594	109,606,647	38,218,419
Other seeds		1,653,554,521	401,581,411	1,508,085,055	351,002,820
		42,653,218,015	**27,255,075,652**	**38,219,353,705**	**6,890,390,630**
5.2 Geographical markets					
Zimbabwe		42,653,218,015	27,255,075,652	38,219,353,705	6,890,390,630
		42,653,218,015	**27,255,075,652**	**38,219,353,705**	**6,890,390,630**
5.3 Timing of revenue recognition					
Goods transferred at a point in time		42,653,218,015	27,255,075,652	38,219,353,705	6,890,390,630
		42,653,218,015	**27,255,075,652**	**38,219,353,705**	**6,890,390,630**
6 INCOME AND EXPENSES					
6.1 Other income					
Dividends received	21.1	15,723,485	9,525,888	14,781,158	2,376,180
Royalty income	21.1	1,819,589,276	988,684,016	1,602,956,492	253,571,816
Sale of non-seed/commodity sales		1,997,639,865	173,256,400	1,781,904,749	(127,314,210)
Net exchange gains	6.11	32,872,995,710	4,056,378,039	31,292,002,053	1,267,384,852
Sundry income	6.1.2	95,047,717	244,271,432	52,208,799	74,828,712
		36,800,996,053	**5,472,115,775**	**34,743,853,251**	**1,470,847,351**

6.1.1 Net exchanges gains were on the revaluation of USD balances at the closing interbank rate .ZWL25,143,743,919 was unrealised and ZWL6,148,258,134 was reaslised as at 31 March 2023.

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

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

			INFLATION ADJUSTED		HISTORICAL COST	
6.2	**Operating Expenses by nature**		**2023**	**2022**	**2023**	**2022**
6.2.1	*Included in operating expenses are*	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	Research & Development		3,485,908,746	2,243,121,561	3,049,968,808	581,411,437
	Marketing & Sales		1,433,675,753	1,143,637,423	1,255,460,496	304,676,388
	Finance & accounting		1,605,650,441	1,339,252,866	1,341,807,612	348,781,530
	Group costs		1,787,473,526	552,141,756	1,663,755,950	140,520,120
	Information services		389,668,866	243,938,643	353,579,631	65,525,763
	Internal audit		227,100,201	185,220,097	192,676,058	47,593,960
	Administration		3,380,596,993	2,170,368,948	2,262,096,392	573,939,774
	Agronomy		158,938,464	140,747,775	139,243,317	36,615,344
	Product development		215,158,048	142,595,712	190,196,905	37,563,236
	Loss on asset disposals		132,570,995	285,468,035	16,354,283	10,319,568
	Movement in expected credit losses		5,549,398,903	173,228,439	5,549,398,903	59,184,526
	Total operating exenses		**18,366,140,936**	**8,619,721,255**	**16,014,538,356**	**2,206,131,647**
	Included in operating cost are		6,627,545,057	2,323,378,756	5,007,122,670	790,455,330
6.2.2	Short-term employee benefits		6,110,230,277	2,192,774,672	4,616,290,388	749,174,503
6.2.3	Post-employment benefits		189,106,745	97,877,879	142,870,499	33,440,559
6.2.4	Share based payments expense		328,208,035	32,726,205	247,961,783	7,840,268
	Directors' fees	21.1.1	61,236,655	34,792,014	57,057,799	9,511,153
	Depreciation	9.2	530,408,436	865,828,867	385,679,141	184,509,841
	Audit fees		64,494,402	77,004,375	56,356,650	24,400,209

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

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

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

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

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	**2022**	**2023**	**2022**
6.3	**Finance income**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	Interest income from financial assets	4,750,583	6,664,257	4,009,811	2,066,459
		4,750,583	**6,664,257**	**4,009,811**	**2,066,459**
	All interest is recognised on an EIR basis				
6.4	**Finance cost**				
	Interest expense on financial liabilities	11,147,133,806	2,499,680,057	10,086,833,283	631,241,649
		11,147,133,806	**2,499,680,057**	**10,086,833,283**	**631,241,649**

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

		Note	INFLATION ADJUSTED 2023 ZWL	INFLATION ADJUSTED 2022 ZWL	HISTORICAL COST 2023 ZWL	HISTORICAL COST 2022 ZWL
7	**INCOME TAX**					
7.1	**The major components of income tax expense are:**					
	Current income tax		2,389,526,118	1,417,076,990	2,389,526,118	484,152,778
	Deferred tax	7.4	4,054,390,848	2,098,754,461	4,624,609,679	157,952,668
		7.2	**6,443,916,966**	**3,515,831,451**	**7,014,135,797**	**642,105,446**
7.2	**Reconciliation of tax expense and the accounting profit**					
	Accounting profit before income tax		22,236,186,629	1,326,321,147	34,282,699,111	2,823,329,054
	Share of profit from associates and joint ventures already taxed		(1,867,874,059)	(850,368,566)	(3,104,372,900)	(454,244,821)
	Accounting profit for tax calculation purposes		20,368,312,570	475,952,581	31,178,326,211	2,369,084,233
	Tax at statutory income tax rate of 24.72% (2022: 24.72%)		5,035,046,867	117,655,478	7,707,282,239	585,637,622
	Effect of different tax rate used		-	-	-	-
	Effect of income that is not taxable	7.2.1	(9,615,336,694)	(436,623,366)	(7,264,404,834)	(58,116,823)
	Effect of expenses that are not deductible	7.2.2	8,697,871,800	579,185,508	6,571,258,392	114,584,647
	Inflation restatement		2,326,334,993	3,255,613,831	-	-
	Tax at effective income tax rate		**6,443,916,966**	**3,515,831,451**	**7,014,135,797**	**642,105,446**

7.2.1 Income that is not taxable includes unrealised exchange gains

7.2.2 Non-dedutible expenses include donations, depreciation , provisions, and legal fees.

		INFLATION ADJUSTED 2023 ZWL	INFLATION ADJUSTED 2022 ZWL	HISTORICAL COST 2023 ZWL	HISTORICAL COST 2022 ZWL
7.3	**Income tax liability reconciliation**				
	Balance at the beginning of the year	284,478,377	1,626,921,216	284,478,377	555,847,305
	Tax expense/(income) recognised in profit or loss	2,389,526,118	1,417,076,990	2,389,526,118	484,152,778
	Payments	(851,646,969)	(2,211,352,438)	(851,646,969)	(755,521,706)
	Balance at the end of the year	**1,822,357,526**	**832,645,767**	**1,822,357,526**	**284,478,377**
7.4	**Deferred tax expense/(income) relates to the following:**				
	Accelerated depreciation for tax purposes	(1,632,883,067)	2,558,496,347	292,426,003	38,258,635
	Prepayments	21,862,756	7,641,378	-	-
	Provisions	(1,122,891,922)	(5,906,040)	(480,194,791)	(18,698,452)
	Investments in associates and joint venture	1,613,474,854	(427,137,052)	-	-
	Inventories	362,449,760	(397,057,072)	-	-
	Unrealised exchange gains	4,812,378,467	362,716,900	4,812,378,467	138,392,486
		4,054,390,848	**2,098,754,461**	**4,624,609,679**	**157,952,669**
7.5	**Deferred tax liability relates to the following:**	-		-	
	Opening balance				
	Accelerated depreciation for tax purposes	8,962,808,634	5,425,276,881	8,503,052,429	1,309,167,673
	Prepayments	19,252,034	7,641,378	-	-
	Provisions	(1,164,536,347)	(121,889,947)	(1,164,536,348)	(41,644,425)
	Investments in associates and joint venture	1,613,474,854	332,210,678	-	-
	Inventories	144823043.3	636,976,232	-	-
	Unrealised exchange gains	6,282,992,881	491,659,000	6,215,533,497	167,978,220
		15,858,815,100	**6,771,874,222**	**13,554,049,577**	**1,435,501,468**
7.6	**Deferred tax liability reconciliation**	-	-	-	
	Balance at the beginning of the year	6,771,874,222	3,605,527,061	1,435,501,468	519,165,511
	Tax expense/(income) recognised in profit or loss	4,054,390,848	2,098,754,461	4,624,609,679	157,952,668
	Tax expense recognised in other comprehensive income	5,032,550,031	1,067,592,700	7,493,938,429	758,383,288
	Balance at the end of the year	**15,858,815,100**	**6,771,874,222**	**13,554,049,577**	**1,435,501,468**

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	**2022**	**2023**	**2022**
8.1 The following table reflects the income and share data used in the basic and diluted EPS compu		**ZWL**	**ZWL**	**ZWL**	**ZWL**
Profit attributable to ordinary equity holders of the parent for basic earnings		**15,792,269,663**	**(2,189,510,305)**	**27,268,563,314**	**2,181,223,608**
Effect of dilution		-	-	-	-
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution		**15,792,269,663**	**(2,189,510,305)**	**27,268,563,314**	**2,181,223,608**
Non-recurring and non-operational items		(1,997,639,865)	372,638,650	(1,781,904,749)	127,314,210
Headline earnings		**13,794,629,798**	**(1,816,871,655)**	**25,486,658,565**	**2,308,537,818**
	Note				
Weighted average number of ordinary shares for basic earnings per share	8.2			**248,777,638**	**247,682,968**
Equity settled share appreciation rights with dilutive impact	16.4			7,344,624	7,179,508
Weighted average number of ordinary shares adjusted for the effect of dilution				**256,122,262**	**254,862,476**

Reconciliation on how the weighted average number of ordinary shares for basic				
8.2 earnings per share is derived is shown below:	**Date**	**Number of shares**	**Number of days**	**Weighting**
Balance at	**31-Mar-22**	247,682,968	365	247,682,968
Share appreciation rights issues during the year	**2-Aug-22**	1,657,902	241	1,094,670
Balance at	**31-Mar-23**	**249,340,870**	**365**	**248,777,638**

9 PROPERTY, PLANT AND EQUIPMENT (PPE)

INFLATION ADJUSTED	**Note**	**Land and buildings**	**Plant and machinery**	**Motor vehicles**	**Computers and office equipment**	**Capital work-in-progress**	**Total**
				ZWL			
9.1 Cost or valuation							
At 1 April 2022		9,277,937,647	6,635,195,680	1,838,689,176	751,660,119	610,831	18,504,093,453
Additions		53,834,301	76,260,492	164,408,111	138,650,901	315,930,735	749,084,540
Disposals/Transfers		-	(8,195,965)	(144,804,511)	(27,438,374)	-	(180,438,850)
Revaluation		9,177,861,567	7,587,609,269	852,433,286	476,215,999	-	18,094,120,121
		18,509,633,515	**14,290,869,477**	**2,710,726,063**	**1,339,088,644**	**316,541,565**	**37,166,859,264**
						-	
Depreciation and impairment							
At 1 April 2022							-
Current Charge		79,739,368	363,628,653	603,978,132	393,718,934	-	1,441,065,087
Revaluation reversal		(79,739,368)	(361,226,223)	(591,528,640)	(386,530,810)	-	(1,419,025,040)
Disposals		-	(2,402,430)	(12,449,492)	(7,188,125)	-	(22,040,047)
		(0)	**(0)**	**(0)**	**0**	**-**	**(0)**
At 31 March 2023		**18,509,633,515**	**14,290,869,477**	**2,710,726,063**	**1,339,088,644**	**316,541,565**	**37,166,859,264**
Cost or valuation							
At 1 April 2021		5,323,534,124	1,870,904,618	998,426,176	709,565,337	4,972,553,545	13,874,983,801
Additions		4,993,544	5,828,954,203	313,343,409	99,880,132	(4,971,942,714)	1,275,228,575
Disposals/Transfers		-	-	(119,792,656)	-	-	(119,792,656)
Revaluation		3,949,409,979	(1,064,663,142)	646,712,247	(57,785,350)	-	3,473,673,734
At 31 March 2022		**9,277,937,647**	**6,635,195,680**	**1,838,689,176**	**751,660,119**	**610,831**	**18,504,093,453**
Depreciation and impairment							
At 1 April 2021							
Current Charge		95,001,605	317,684,044	361,083,355	122,419,505	-	896,188,509
Revaluation Reversal		(95,001,605)	(317,457,847)	(312,326,304)	(120,281,181)	-	(845,066,936)
Disposals		-	(226,197)	(48,757,051)	(2,138,324)	-	(51,121,573)
		-	-	-	-	-	-
At 31 March 2022		**9,277,937,647**	**6,635,195,680**	**1,838,689,176**	**751,660,119**	**610,831**	**18,504,093,453**
Net carrying amount							
At 31 March 2023		**18,509,633,515**	**14,290,869,477**	**2,710,726,063**	**1,339,088,644**	**316,541,565**	**37,166,859,264**
At 31 March 2022		**9,277,937,647**	**6,635,195,680**	**1,838,689,176**	**751,660,119**	**610,831**	**18,504,093,453**

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	HISTORICAL COST	**Note**	**Land and buildings**	**Plant and machinery**	**Motor vehicles**	**Computers and office equipment**	**Capital work-in-progress**	**Total**
9.2	**Cost or valuation**				**ZWL**			
	At 1 April 2022		3,169,862,554	2,272,584,771	626,370,936	249,792,157	196,300	6,318,806,718
	Additions		48,317,057	75,207,319	124,646,183	121,106,723	306,477,341	675,754,622
	Disposals/Transfers		-	(2,800,200)	(49,473,322)	(9,374,484)	-	(61,648,006)
	Revaluation		15,291,453,904	11,943,854,712	2,204,057,962	784,711,429	-	30,224,078,006
			18,509,633,515	**14,288,846,601**	**2,905,601,759**	**1,146,235,825**	**306,673,641**	**37,156,991,340**
	Depreciation and impairment							
	At 1 April 2022		-				-	-
	Current Charge		30,340,106	125,663,703	212,858,102	141,956,532	-	510,818,444
	Revaluation reversal		(30,340,106)	(123,261,273)	(201,212,612)	(134,861,377)	-	(489,675,369)
	Disposals		-	(2,402,430)	(11,645,490)	(7,095,156)	-	(21,143,075)
			-	-	-	-	-	-
	At 31 March 2023		**18,509,633,515**	**14,288,846,601**	**2,905,601,759**	**1,146,235,825**	**306,673,641**	**37,156,991,340**
	Cost or valuation							
	At 1 April 2021		1,996,908,436	150,567,191	209,351,864	51,355,064	336,810,365	2,744,992,920
	Additions		1,423,059	555,109,502	142,935,144	30,717,780	(336,614,065)	393,571,420
	Disposals/Transfers		-	(163,501)	(35,242,812)	(1,545,634)	-	(36,951,947)
	Revaluation		1,171,531,060	1,561,363,576	311,962,748	175,551,367	-	3,220,408,751
	At 31 March 2022		**3,169,862,554**	**2,266,876,768**	**629,006,944**	**256,078,577**	**196,300**	**6,322,021,143**
	Depreciation and impairment							
	At 1 April 2021		-	-	-	-	-	-
	Current Charge		18,810,953	66,971,055	73,552,131	25,175,702	-	184,509,841
	Revaluation reversal		(18,810,953)	(66,924,129)	(60,872,588)	(24,898,125)	-	(171,505,795)
	Disposals		-	(46,926)	(12,679,543)	(277,577)	-	(13,004,046)
			-	-	-	-	-	-
	At 31 March 2022		**3,169,862,554**	**2,266,876,768**	**629,006,944**	**256,078,577**	**196,300**	**6,322,021,143**
9.3	**Net carrying amount**							
	At 31 March 2023		**18,509,633,515**	**14,288,846,601**	**2,905,601,759**	**1,146,235,825**	**306,673,641**	**37,156,991,340**
	At 31 March 2022		**3,169,862,554**	**2,266,876,768**	**629,006,944**	**256,078,577**	**196,300**	**6,322,021,143**

		INFLATION ADJUSTED		**HISTORICAL COST**	
		2023	**2022**	**2023**	**2022**
		ZWL	**ZWL**	**ZWL**	**ZWL**
9.4	Had the assets been measured using the cost model, the carrying amount would have been:	2,823,370,393	3,673,749,743	670,021,833	545,590,585
9.5	Borrowing costs capitalised during the year were	-	69,413,504	-	23,715,536

9.6 Description of significant unobservable inputs to valuation

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

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Fair value measurement hierarchy	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
INFLATION ADJUSTED				**Total**
Land and buildings				
At 31 March 2023			18,509,633,515	**18,509,633,515**
At 31 March 2022			9,277,937,647	**9,277,937,647**
Plant and machinery				
At 31 March 2023			14,290,869,477	**14,290,869,477**
At 31 March 2022			6,635,195,680	**6,635,195,680**
Motor vehicles				
At 31 March 2023			2,710,726,063	**2,710,726,063**
At 31 March 2022			1,838,689,176	**1,838,689,176**
Computer and office equipment				
At 31 March 2023			1,339,088,644	**1,339,088,644**
At 31 March 2023			751,660,119	**751,660,119**
HISTORICAL COST	**Level 1**	**Level 2**	**Level 3**	**Total**
Land and buildings				
At 31 March 2023			18,509,633,515	**18,509,633,515**
At 31 March 2022			3,169,862,554	**3,169,862,554**
Plant and machinery				
At 31 March 2023			14,288,846,601	**14,288,846,601**
At 31 March 2022			2,266,876,768	**2,266,876,768**
Motor vehicles				
At 31 March 2023			2,905,601,759	**2,905,601,759**
At 31 March 2022			629,006,944	**629,006,944**
Computer and office equipment				
At 31 March 2023			1,146,235,825	**1,146,235,825**
At 31 March 2022			256,078,577	**256,078,577**

The group's land, buildings, property and equipment are all categorised as Level 3 in the fair value hierarchy .Unobservable inputs are used to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

10.1	**Note**	**INFLATION ADJUSTED**				**UNAUDITED HISTORICAL COST**			
		ASSOCIATES		**JOINT VENTURE**		**ASSOCIATES**		**JOINT VENTURE**	
		Seed Co International	**Quton Zimbabwe**	**Prime Seed Co Zimbabwe**	**Total**	**Seed Co International**	**Quton Zimbabwe**	**Prime Seed Co Zimbabwe**	**Total**
			ZWL				**ZWL**		
At 1 April 2022		**21,445,327,880**	**1,744,003,912**	**533,481,189**	**23,722,812,981**	**1,928,905,145**	**282,863,192**	**32,761,831**	2,244,530,168
Share of profit/(loss)	10.2	564,848,845	49,739,790	235,779,934	850,368,569	192,983,966	209,358,431	51,902,424	454,244,821
Share of Other Comprehensive Income	10.2	470,780,004	-	(212,905,433)	257,874,570	160,844,787	-	37,604,709	198,449,496
Exchange differences		4,226,346,436	-	-	4,226,346,436	1,443,956,385	-	-	1,443,956,385
Additional investment		(6,954,892)	-	-	(6,954,892)	(2,376,180)	-	105,478,475	103,102,295
Inflation adjusted reversal		(15,799,574,702)	-	-	(15,799,574,702)				-
At 31 March 2022		**10,900,773,570**	**1,793,743,702**	**556,355,689**	**13,250,872,962**	**3,724,314,103**	**492,221,623**	**227,747,439**	**4,444,283,165**
Share of profit/(loss)	10.2	468,233,030	1,296,210,398	103,430,631	1,867,874,059	468,233,030	2,248,989,179	387,150,692	3,104,372,900
Share of Other Comprehensive Income	10.2	(2,139,011,251)	-	(59,757,751)	(2,198,769,002)	(2,139,011,251)	-	224,087,275	(1,914,923,976)
Exchange differences		12,493,453,643	-	-	12,493,453,643	19,669,913,110	-	-	19,669,913,110
At 31 March 2023		**21,723,448,992**	**3,089,954,100**	**600,028,569**	**25,413,431,661**	**21,723,448,992**	**2,741,210,802**	**838,985,405**	**25,303,645,199**

	ASSOCIATES				**JOINT VENTURES**		**GROUP**	
	Seed Co International		**Quton Zimbabwe**		**Prime Seed Co Zimbabwe**			
Group's equity interest	**27%**	**27%**	**40%**	**40%**	**51%**	**51%**		
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
10.2 Summarised balance sheets:								
INFLATION ADJUSTED				**ZWL**				
Non-current assets	48,341,716,629	24,451,785,781	1,896,900,826	228,943,568	941,086,473	515,202,830		
Current assets	97,543,156,513	41,707,821,558	11,226,436,211	4,091,729,244	4,653,119,522	1,918,468,707		
Non-controlling Interest	(1,197,178,470)	(399,836,585)	-	-	-	-		
Non-current liabilities	(10,966,957,444)	(6,404,570,833)	-	(126,760,543)	(916,138,760)	(271,828,078)		
Current liabilities	(54,668,884,999)	(19,687,173,746)	(5,935,693,579)	(261,354,088)	(3,001,450,709)	(945,884,623)		
Total equity	**79,051,852,229**	**39,668,026,175**	**7,187,643,459**	**3,932,558,182**	**1,676,616,526**	**1,215,958,835**		
Group's equity interest	21,723,448,992	10,900,773,570	2,875,057,383	1,573,023,274	855,074,428	620,139,006		
Inflation restatements			214,896,717	220,720,429	(255,045,859)	(63,783,317)		
Investment carrying amount	**21,723,448,992**	**10,900,773,570**	**3,089,954,100**	**1,793,743,702**	**600,028,569**	**556,355,689**	**25,413,431,661**	**13,250,872,961**
UNAUDITED HISTORICAL COST					**ZWL**			
Non-current assets	48,341,716,629	8,354,097,977	1,711,964,013	50,998,894	906,012,034	164,212,833		
Current assets	97,543,156,513	14,249,725,187	11,081,728,531	1,312,169,255	4,839,406,366	589,200,178		
Non-controlling Interest	(1,197,178,470)	(136,606,546)	-	-	-	-		
Non-current liabilities	(10,966,957,444)	(2,188,159,700)	(270,956,657)	(43,308,493)	(1,098,898,263)	(76,686,257)		
Current liabilities	(54,668,884,999)	(6,726,239,950)	(5,664,736,923)	(89,305,596)	(3,001,450,710)	(230,163,146)		
Total equity	**79,051,852,229**	**13,552,816,968**	**6,857,998,963**	**1,230,554,061**	**1,645,069,427**	**446,563,608**		
Group's equity interest	21,723,448,992	3,724,314,103	2,741,210,802	492,221,623	838,985,405	227,747,439		
Investment carrying amount	**21,723,448,992**	**3,724,314,103**	**2,741,210,802**	**492,221,623**	**838,985,405**	**227,747,439**	**25,303,645,199**	**4,444,283,165**

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

			INFLATION ADJUSTED		HISTORICAL COST	
11	**INVENTORIES**		**2023**	**2022**	**2023**	**2022**
11.1		**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	Finished Goods (Parent and commercial seed)		9,329,827,196	7,199,276,227	8,855,087,777	1,901,931,782
	Raw Materials and Consumables		1,490,108,729	2,494,061,996	1,378,994,413	529,487,872
			10,819,935,925	**9,693,338,223**	**10,234,082,190**	**2,431,419,654**
			-	-	-	-
11.2	**Inventory recognized as an expense during the year:**					
	Opening balance of inventory		9,693,338,223	10,625,914,763	2,431,419,654	778,593,643
	Production, purchases and value-addition processes		26,327,001,673	17,291,559,491	23,490,181,454	4,809,672,921
	Closing balance of inventory	11.1	(10,819,935,925)	(9,693,338,223)	(10,234,082,190)	(2,431,419,654)
	Cost of sales		**25,200,403,970**	**18,224,136,031**	**15,687,518,918**	**3,156,846,910**
			-	-	-	-
11.3	Inventory write-downs included in cost of sales		-	66,074,943	-	16,482,031

Write-downs result when inventory fails quality standards including genetic and purity tests.

12	**OTHER FINANCIAL ASSETS AND TRADE AND OTHER RECEIVABLES**					
		Note				
	Non current financial assets	12.1	111,093,612	93,204,305	111,091,493	31,843,092
	Current financial assets	12.2	3,985,121,734	1,786,555,317	3,985,121,734	610,387,245
	Other financial assets		**4,096,215,346**	**1,879,759,622**	**4,096,213,227**	**642,230,337**
	Trade receivables	12.3	23,159,568,277	2,487,178,849	23,159,568,277	849,759,440
	Prepayments	12.4	778,951,305	459,767,932	701,070,909	157,082,447
	Seed grower advances	12.5	21,069,409,745	7,262,257,710	21,069,409,745	2,481,193,521
	Other Receivables	12.6	399,148,973	-	399,148,973	-
	Allowance for credit losses		(3,039,005,758)	(353,997,147)	(3,039,005,758)	(131,506,403)
	Trade and other receivables		**42,368,072,542**	**9,855,207,345**	**42,290,192,145**	**3,356,529,005**

12.1 Non current financial assets are Long-term fixed investments held with various financial institutions attracting interest at 8% per annum with a tenures from 10-14 years.

12.2 The current financial asset are funds advanced to the RBZ on a currency swap transaction. The Group has a loan payable with the same bank as disclosed in note 17.15.

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

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

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

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12.7 TRADE AND OTHER RECEIVABLES

The maturity analysis of trade and other receivables as at 31 March is as follows :

			Days past due			
At 31 March 2023	**Current**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**< 90 days**	**Total**
			ZWL			
Trade receivables	934,945,962	1,494,193,744	2,025,211,943	10,883,885,760	7,821,330,868	**23,159,568,277**
Amounts due from related entities	4,415,882,880	732,908,057	965,216,144	1,568,631,154	4,039,389,963	**11,722,028,197**
Seed grower advances	268,355,526	-	58,821,628	3,247,458,087	17,494,774,504	**21,069,409,745**
Other receivables	411,895	2,902,832	5,061,565	-	356,052	**8,732,344**
Total Aged	5,619,596,262	2,230,004,633	3,054,311,281	15,699,975,001	29,355,851,386	**55,959,738,563**
Expected credit loss on:			**ZWL**			
Trade receivables	108,665,405	149,282,033	223,923,049	373,205,082	637,744,758	**1,492,820,328**
Amounts due from related entities	18,533,634	25,461,080	38,191,620	63,652,700	108,771,766	**254,610,800**
Seed grower advances	83,661,564	114,932,330	172,398,496	287,330,826	491,000,089	**1,149,323,305**
Other receivables	10,354,761	14,225,133	21,337,699	35,562,831	60,770,902	**142,251,326**
Total Expected credit loss	221,215,364	303,900,576	455,850,864	759,751,439	1,298,287,514	**3,039,005,758**

			Days past due			
At 31 March 2022	**Current**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**> 90 days**	**Total**
			ZWL			
Trade receivables	-	1,608,842	4,575,977	260,283,358	583,291,264	**849,759,440**
Amounts due from related entities	-	118,412,913	24,557,509	22,076	600,079,839	**743,072,336**
Seed grower advances	56,069,920	180,530,689	-	(19,492,161)	2,264,085,073	**2,481,193,521**
Other receivables	-	-	-	648,086,787	1,681,816	649,768,603
Total Aged	56,069,920	300,552,443	29,133,486	888,900,059	3,449,137,992	**4,723,793,900**
Expected credit loss on:			**ZWL**			
Trade receivables	-	116,975	332,708	18,924,548	42,409,641	**61,783,872**
Amounts due from related entities	-	-	-	-	490,824	**490,824**
Seed grower advances	-	1,606,530	4,819,590	(558,495)	63,854,905	**69,722,531**
Other receivables	-	-	-	7,538,282	926	7,539,209
Total Expected credit loss	-	1,723,505	5,152,298	25,904,336	106,756,296	**139,536,436**

The significant increase in contract debtors in 2023 was mainly due to outstanding Government and seed grower advances paid out to growers during the year.

	INFLATION ADJUSTED		**HISTORICAL COST**	
	2023	**2022**	**2023**	**2022**
12.8 Movement in expected credit losses reconciliation:	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Balance at beginning of the year	353,997,147	235,993,002	139,536,436	80,628,412
Charge for the year through profit or loss	5,549,398,903	173,228,439	5,549,398,903	59,184,526
Written off	(2,649,929,581)	(809,300)	(2,649,929,581)	(276,502)
Recovered during the year	-	-	-	-
Inflation restatement	(214,460,711)	(54,414,994)	-	-
Balance at the end of the year	**3,039,005,758**	**353,997,147**	**3,039,005,758**	**139,536,436**
	-			
12.9 Foreign currency sensitivity				
US$ denominated trade and other receivables	46,716,581	22,616,176	46,716,581	22,616,176
Closing exchange rate	930	142	930	142
PBT Sensitivity				
Local currency weakening against US$ by 10%	4,343,996,399	322,107,949	4,343,996,399	322,107,949
Local currency strengthening against US$ by 10%	(4,343,996,399)	(322,107,949)	(4,343,996,399)	(322,107,949)
PAT Sensitivity				
Local currency weakening against US$ by 10%	3,270,160,490	242,482,864	3,270,160,490	242,482,864
Local currency strengthening against US$ by 10%	(3,270,160,490)	(242,482,864)	(3,270,160,490)	(242,482,864)

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

			INFLATION ADJUSTED		HISTORICAL COST	
13	**AMOUNTS DUE FROM RELATED ENTITIES**		**2023**	**2022**	**2023**	**2022**
13.1			**ZWL**	**ZWL**	**ZWL**	**ZWL**
	Seed Co International(Associate)		5,543,263,649	2,522,386,822	5,543,263,649	628,704,677
	Seed Co Mozambique		2,319,351,768	-	2,319,351,768	-
	Seed Co Zambia		1,346,742,538	0	1,346,742,538	-
	Agri Seed Co Kenya		773,345,332	250,486,774	773,345,332	62,482,546
	Seed Co Tanzania		767,931,593	31,887,164	767,931,593	7,954,077
	Seed Co Malawi		509,777,093	111,009,926	509,777,093	27,690,815
	Vilmorin		302,470,821	913,542	302,470,821	227,878
	Prime Seed Co Zimbabwe(Joint Venture)		87,137,165	64,192,011	87,137,165	16,012,344
	Seed Co Nigeria		47,235,994		47,235,994	
	Seed Co Ghana		24,772,244		24,772,244	
	Gross carrying amount	21.2.1	**11,722,028,197**	**2,980,876,238**	**11,722,028,197**	**743,072,337**
	Allowance for credit losses	12.2	5,903,396,050	(805,962,124)	(5,688,935,339)	(139,812,938)
			17,625,424,247	**2,174,914,114**	**6,033,092,858**	**603,259,399**

		2023	2022	2023	2022
13.2	**Related Party Foreign currency sensitivity**				
	US$ denominated amounts due from related entities	12,512,495	20,478,925	12,512,495	5,104,909
	PBT Sensitivity				
	Closing exchange rate	930	142	930	142
	Local currency weakening against US$ by 10%	1,163,489,103	291,668,423	1,163,489,103	72,705,999
	Local currency strengthening against US$ by 10%	(1,163,489,103)	(291,668,423)	(1,163,489,103)	(72,705,999)
	PAT Sensitivity				
	Local currency weakening against US$ by 10%	875,874,597	219,567,989	875,874,597	54,733,076
	Local currency strengthening against US$ by 10%	(875,874,597)	(219,567,989)	(875,874,597)	(54,733,076)

14 CASH AND CASH EQUIVALENTS

		2023	2022	2023	2022
14.1	Cash at banks and on hand	740,200,583	759,215,860	740,200,583	259,390,612

Included in cash and cash equivalents are balances with local banks . These are used for transacting on a daily basis

14.2 There were no cash and cash equivalents pledged as security for liabilities.

		2023	2022	2023	2022
14.3	**Cash & Cash Equivalents Foreign currency sensitivity (Impact on PBT)**				
	PBT Sensitivity				
	US$ denominated cash and cash equivalents	214,279	3,262	214,279	3,262
	Closing exchange rate	930	142	930	142
	Local currency weakening against US$ by 10%	19,924,973	46,460	19,924,973	46,460
	Local currency strengthening against US$ by 10%	(19,924,973)	(46,460)	(19,924,973)	(46,460)
	PAT Sensitivity				
	Local currency weakening against US$ by 10%	4,925,453	11,485	4,925,453	11,485
	Local currency strengthening against US$ by 10%	(4,925,453)	(11,485)	(4,925,453)	(11,485)
		-	-		

. **SEED CO LIMITED**
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15 SHARE CAPITAL

		2023	2022
		ZWL	ZWL
At 1 April		2,472,027	2,472,027
Exercise of share options		1,658	-
At 31 March		**2,473,685**	**2,472,027**
Issued and fully paid up shares		**Number**	**Number**
At 1 April		247,682,968	247,154,240
Exercise of share options	16.4	1,657,902	528,728
(Cancellation)/Issue of shares		-	-
At 31 March		**249,340,870**	**247,682,968**
Authorised number of shares		500,000,000	500,000,000

As at March 2023, 250,659130 (2022:252,317.032) unissued shares under the control of the Directors of which 21,584,290 (2022:23,277,279) are commited to the share option scheme.

16 SHARE BASED PAYMENTS

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
16.1		ZWL	ZWL	ZWL	ZWL
	Carrying amount of the share based payment reserve:	504,636,992	293,741,405	96,666,472	13,410,079
16.2	Expense recognised for employee services rendered during the year:	214,288,370	32,726,206	84,595,781	7,840,268
		-	-	-	-

		2023	2022
		Number	Number
16.3	Share options vested during the year	**1,693,089**	**528,728**

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

	2023		2022	
	Number	**WAEP (ZWL$)**	**Number**	**WAEP (ZWL$)**
Outstanding at 1 April	**7,179,508**	**5.00**	**6,669,312**	**2.09**
New options granted during the year	**2,112,477**	**179.72**	**1,065,287**	**21.61**
Options forfeited to date	**(254,271)**	**1.99**	**(26,364)**	**1.06**
Options exercised during the year	**(1,693,089)**	**1.79**	**(528,728)**	**1.95**
Outstanding at 31 March	**7,344,624**	**56.10**	**7,179,508**	**5.00**
Exercisable at 31 March	**1,693,089**	-	-	-

		2023	2022
16.5	The following tables list the inputs to the models used for the share options for the Group:	**2023**	**2022**
	Weighted average fair values at the measurement date	56.10	21.61
	Dividend yield (%)	0.00%	0.00%
	Expected volatility (%)	120.60%	95.92%
	Risk–free interest rate (%)	33.43%	76.45%
	Expected life of SARs (years)	3.00	3.00
	Weighted average share price (ZWL$)	118.00	100.76

^No dividend was declared by the Company in FY23 and FY22
*Volatility was computed from the Company's share on the ZSE over a 1-year period preceding the measurement date
#The risk-free rate is a synthesised rate deduced from the parity inflation differential of the USA and Zimbabwe at the measurement date added to the US risk-free rate plus the rating based default spread for Zimbabwe as measured by Damodaran in January 2022
NB: In terms of the scheme, 30%, 30% and 40% of rights vest after the 3rd, 4th and 5th anniversary from the date of grant respectively and must be exercised after from the time of vesting and no later than the end of 10 years from the date of grant.

	2023	2022
-The weighted average share price at exercise date of the options	118	86
- The weighted average remaining contractual life of share options outstandii	3,9 years	3,9 years
- The weighted average fair value of options granted during the year;	180	21
- The range of exercise prices for options outstanding; and	ZWL$1,43 to ZWL$179.72	ZWL$1,43 to ZWL$21,61

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17 LOANS AND BORROWINGS

17.1 The terms and conditions of outstanding loans are as follows :

Bank	Currency	Interest rate	Year of Maturity	31 March 2023 ZWL Face Value	ZWL Carrying Amount	31 March 2022 ZWL Face Value	ZWL Carrying Amount
Proparco	USD	5%	31-Mar-23	11,623,272,500	**10,566,611,360**	1,780,296,250	**1,443,837,340**
RBZ	ZWL	0%	31-Mar-27	4,649,309,000	**3,578,990,332**	712,118,500	**508,755,395**
Standard Chartered Bank	ZWL	90%	31-Oct-23	3,206,000,000	**3,206,000,000**	300,000,000	**20,000,000**
Stanbic Bank	USD	9%	31-Jan-24	2,789,585,400	**2,789,585,400**	-	**-**
CBZ Bank	ZWL	103%	31-Aug-23	2,000,000,000	**1,721,641,536**	-	**-**
NMB	ZWL	90%	31-May-23	2,000,000,000	**1,329,300,000**	300,000,000	**200,000,000**
Steward Bank	ZWL	85%	31-Jul-23	1,000,000,000	**844,767,389**	-	**-**
Ecobank	ZWL	75%	31-Aug-23	916,730,000	**823,532,476**	-	**-**
Nedbank (Unsecured)	ZWL	100%	31-Mar-23	200,000,000	**-**	200,000,000	**807,975**
FBC Bank (Unsecured)	ZWL	90%	30-Jun-23	1,000,000,000	**-**	800,000,000	**465,159,565**
Stanbic Bank	ZWL	85%	30-Sep-23	2,375,000,000	**-**	544,500,000	**250,000,000**
AFC Bank	ZWL	104%	14-Mar-23	780,000,000	**-**	300,000,000	**200,000,000**
Total Interest bearing liabilities	ZWL			32,539,896,900	**24,860,428,493**	4,936,914,750	**3,088,560,275**

17.2 Loans and Borrowings

Reconciliation of movements of cashflows arising from financing activities	**Bank Overdrafts ZWL**	**Other Loans and Borrowings ZWL**	**Total ZWL**
Balance as at 1 April 2022	**465,967,541**	**2,622,592,734**	**3,088,560,275**
Changes from financing cashflows			-
Proceeds from loans and borrowings		18,280,317,485	18,280,317,485
Changes in bank overdrafts	1,255,673,995	-	1,255,673,995
Repayment of borrowings	-	(5,756,002,024)	(5,756,002,024)
Total changes from financing cash flows	**1,721,641,536**	**15,146,908,196**	**16,868,549,731**
The effect of changes in foreign exchange rates	-	7,991,878,762	7,991,878,762
Balance as at 31 March 2023	**1,721,641,536**	**23,138,786,958**	**24,860,428,493**
Other Changes : Liability -related			-
Interest expense	2,057,154,845	8,029,678,438	10,086,833,283
Interest paid	(2,057,154,845)	(7,212,288,628)	(9,269,443,473)

Reconciliation of movements of cashflows arising from financing activities	**Bank Overdrafts ZWL**	**Other Loans and Borrowings ZWL**	**Total ZWL**
Balance as at 1 April 2021	**-**	**2,271,189,605**	**2,271,189,605**
Changes from financing cashflows			-
Proceeds from loans and borrowings		1,223,742,419	1,223,742,419
Changes in bank overdrafts	465,967,541	-	465,967,541
Repayment of borrowings	-	(1,540,751,899)	(1,540,751,899)
Total changes from financing cash flows	**465,967,541**	**1,954,180,124**	**2,420,147,665**
The effect of changes in foreign exchange rates	-	668,412,610	668,412,610
Balance as at 31 March 2022	**465,967,541**	**2,622,592,734**	**3,088,560,275**
Other Changes : Liability -related			-
Interest expense	208,304,862	422,936,787	631,241,649
Interest paid	(208,304,862)	(379,350,755)	(587,655,617)

17.3 The maturity analysis of borrowings are shown below

COST	**On demand**	**< 3 months**	**3-12 months ZWL**	**1-5 years**	**Total**
At 31 March 2023	-	6,203,599,865	10,203,539,547	8,453,289,081	**24,860,428,493**
At 31 March 2022	-	-	389,713,230	2,698,847,045	**3,088,560,275**

	INFLATION ADJUSTED 2023 ZWL	**2022 ZWL**	**HISTORICAL COST 2023 ZWL**	**2022 ZWL**
Non-current Loans and Borrowings	8,453,289,081	4,225,997,999	8,453,289,081	1,443,837,340
Current Loans and Borrowings	16,407,139,412	4,813,974,290	16,407,139,412	1,644,722,935
	24,860,428,493	**9,039,972,289**	**24,860,428,493**	**3,088,560,275**

Borrowings Interest Rate Sensitivity	**INFLATION ADJUSTED 2023 ZWL**	**2022 ZWL**	**HISTORICAL COST 2023 ZWL**	**2022 ZWL**
17.4 **PBT Sensitivity**				
Increase in interest rates by 50 basis points	(124,302,142)	(15,442,801)	(124,302,142)	(15,442,801)
Decrease in interest rates by 50 basis points	124,302,142	15,442,801	124,302,142	15,442,801
PAT Sensitivity	-	-		
Increase in interest rates by 50 basis points	(93,574,653)	(11,625,341)	(93,574,653)	(11,625,341)
Decrease in interest rates by 50 basis points	93,574,653	11,625,341	93,574,653	11,625,341
17.5 **Borrowings Foreign currency sensitivity**				
US$ denominated borrowings	14,363,636	10,137,620	14,363,636	10,137,620
Closing exchange rate	930	142	930	142
PBT Sensitivity	-	-		
Local currency weakening against US$ by 10%	(1,335,619,676)	(144,383,734)	(1,335,619,676)	(144,383,734)
Local currency strengthening against US$ by 10%	1,335,619,676	144,383,734	1,335,619,676	144,383,734
PAT Sensitivity	-	-		
Local currency weakening against US$ by 10%	(1,005,454,492)	(108,692,075)	(1,005,454,492)	(108,692,075)
Local currency strengthening against US$ by 10%	1,005,454,492	108,692,075	1,005,454,492	108,692,075

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

			INFLATION ADJUSTED		HISTORICAL COST	
18	**TRADE AND OTHER PAYABLES**		**2023**	**2022**	**2023**	**2022**
18.1		**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	Trade and other payables		8,351,951,960	940,165,104	8,351,951,960	321,213,004
			8,351,951,960	**940,165,104**	**8,351,951,960**	**321,213,004**

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

	On demand	< 3 months	3-12 months	1-5 years	Total
INFLATION ADJUSTED			**ZWL**		
At 31 March 2023	97,409,003	3,039,177,833	5,215,365,124	-	**8,351,951,960**
At 31 March 2022	-	195,671,450	744,493,654	-	**940,165,104**

	On demand	< 3 months	3-12 months	1-5 years	Total
HISTORICAL COST			**ZWL**		
At 31 March 2023	97,409,003	3,039,177,833	5,215,365,124	-	**8,351,951,960**
At 31 March 2022	-	66,852,314	254,360,690	-	**321,213,004**

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	**2022**	**2023**	**2022**
18.3	**Payables Foreign currency sensitivity**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	US$ denominated trade and other payables	8,440,578	6,009	6,162,502	6,009
	Closing exchange rate	930	142	930	142
	PBT Sensitivity				
	Local currency weakening against US$ by 10%	(784,857,071)	(250,501)	(573,027,564)	(85,585)
	Local currency strengthening against US$ by 10%	784,857,071	250,501	573,027,564	85,585
	PAT Sensitivity				
	Local currency weakening against US$ by 10%	(590,840,403)	(188,577)	(431,375,150)	(64,429)
	Local currency strengthening against US$ by 10%	590,840,403	188,577	431,375,150	64,429

19	**AMOUNTS DUE TO RELATED ENTITIES**				
19.1					
	Seed Co Zambia	-	15,347,375	-	5,243,522
		-	**15,347,375**	**-**	**5,243,522**

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

	On demand	< 3 months	3-12 months	1-5 years	Total
INFLATION ADJUSTED			**ZWL**		
At 31 March 2023	-	-	-	-	**-**
At 31 March 2022	15,347,375	-	-	-	**15,347,375**

	On demand	< 3 months	3-12 months	1-5 years	Total
HISTORICAL COST			**ZWL**		
At 31 March 2023	-	-	-	-	**-**
At 31 March 2022	5,243,522	-	-	-	**5,243,522**

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	**2022**	**2023**	**2022**
19.3	**Amount due to Related entities Foreign currency sensitivity**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	US$ denominated amounts due to related entities	-	108,080	-	36,926
	Closing exchange rate	930	142	930	142
	PBT Sensitivity				
	Local currency weakening against US$ by 10%	-	(1,534,738)	-	(524,352)
	Local currency strengthening against US$ by 10%	-	1,534,738	-	524,352
	PAT Sensitivity				
	Local currency weakening against US$ by 10%	-	(1,155,350)	-	(394,732)
	Local currency strengthening against US$ by 10%	-	1,155,350	-	394,732

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
20 PROVISIONS		ZWL	ZWL	ZWL	ZWL
20.1 Provisions are made up of:	**Note**				
Leave pay	20.3	99,182,973	84,670,170	99,182,973	28,928,067
Bonus	20.4	1,341,881,465	575,566,367	1,341,881,465	196,645,671
Audit fees & publication of financials	20.5	32,496,006	47,439,002	32,496,006	16,207,817
Depot commission	20.6	101,744,818	42,265,236	101,744,818	14,440,169
Publication of financial statements	20.7	96,596,533	-	96,596,533	-
		1,671,901,795	**749,940,775**	**1,671,901,795**	**256,221,724**
20.2 Provisions reconciliation					
At 1 April		749,940,774	435,104,140	256,221,723	86,079,941
Arising during the year		4,880,850,326	1,608,393,422	3,687,491,538	369,715,541
Utilised during the year		(3,007,022,966)	(868,216,467)	(2,271,811,468)	(199,573,759)
Inflation restatement		(951,866,340)	(425,340,321)	-	-
At 31 March		**1,671,901,794**	**749,940,774**	**1,671,901,794**	**256,221,723**
20.3 Leave pay provision reconciliation					
At 1 April		84,670,170	61,642,002	28,928,067	12,195,103
Arising during the year		105,669,380	376,955,916	79,833,414	86,649,484
Utilised during the year		(12,678,337)	(304,161,601)	(9,578,508)	(69,916,520)
Inflation restatement		(78,478,239)	(49,766,148)	-	-
At 31 March		**99,182,973**	**84,670,170**	**99,182,973**	**28,928,067**

Leave pay for employees is provided on the basis of leave days accumulated at an expected rate of payment.
The timings of the cash out-flows are by their nature uncertain.

	INFLATION ADJUSTED 2023 ZWL	INFLATION ADJUSTED 2022 ZWL	HISTORICAL COST 2023 ZWL	HISTORICAL COST 2022 ZWL
20.4 Bonus provision reconciliation				
At 1 April	575,566,367	346,270,181	196,645,671	68,505,247
Arising during the year	1,872,981,163	565,283,866	1,415,040,767	129,939,745
Utilised during the year	(357,120,193)	(7,827,683)	(269,804,973)	(1,799,321)
Inflation restatement	(749,545,872)	(328,159,996)	-	-
At 31 March	**1,341,881,465**	**575,566,367**	**1,341,881,465**	**196,645,671**

Bonus provision for employees is provided on the basis of annual performance accumulated at an expected performance rate at year end.
The timings of the cash out-flows are by their nature uncertain.

	INFLATION ADJUSTED 2023 ZWL	INFLATION ADJUSTED 2022 ZWL	HISTORICAL COST 2023 ZWL	HISTORICAL COST 2022 ZWL
20.5 Audit fees provision reconciliation				
At 1 April	47,439,002	48,927,051	16,207,817	9,679,608
Arising during the year	134,407,060	480,573,399	101,544,785	110,467,658
Utilised during the year	(112,847,630)	(452,173,380)	(85,256,596)	(103,939,449)
Inflation restatement	(36,502,426)	(29,888,068)	-	-
At 31 March	**32,496,006**	**47,439,002**	**32,496,006**	**16,207,817**

Audit fees are provided on the basis of the agreed upon fees based on the hours to be spent on the audit.
The timings of the cash out-flows are by their nature uncertain.

	INFLATION ADJUSTED 2023 ZWL	INFLATION ADJUSTED 2022 ZWL	HISTORICAL COST 2023 ZWL	HISTORICAL COST 2022 ZWL
20.6 Depot commission provision reconciliation				
At 1 April	42,265,235	(35,588,506)	14,440,169	(7,040,743)
Arising during the year	2,547,107,071	185,580,241	1,924,344,150	42,658,654
Utilised during the year	(2,431,548,590)	(92,130,675)	(1,837,039,501)	(21,177,742)
Inflation restatement	(56,078,899)	(15,595,824)	-	-
At 31 March	**101,744,818**	**42,265,235**	**101,744,818**	**14,440,169**

Depot commission is provided on the basis of the agreed commision rates and sales for the period of which the exact amount is not known as at 31 March
The timings of the cash out-flows are by their nature uncertain.

	INFLATION ADJUSTED 2023 ZWL	INFLATION ADJUSTED 2022 ZWL	HISTORICAL COST 2023 ZWL	HISTORICAL COST 2022 ZWL
20.7 Publication of financial statements provision reconciliation				
At 1 April	-		-	-
Arising during the year	220,685,652		166,728,423	-
Utilised during the year	(92,828,215)		(70,131,890)	-
Inflation restatement	(31,260,904)			-
At 31 March	**96,596,533**	**-**	**96,596,533**	**-**

Provision relates to the publication of financial statements , the timing of the cash out - flows are by their nature uncertain

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21 RELATED PARTIES' TRANSACTIONS AND BALANCES

21.1 Related party transactions

INFLATION ADJUSTED	Sales of goods	Purchase of goods	Dividends received	Dividends paid	Royalties earned	Management fees incurred
2023			ZWL			
Seed Co International(Associate)	5,543,263,649	-	-	-	1,819,589,276	1,044,575,973
Seed Co Zambia	1,346,742,538	-	15,723,485	-	-	-
Seed Co Tanzania	767,931,593	-	-	-	-	-
Agri-Seed Co Kenya	773,345,332	-	-	-	-	-
Seed Co Malawi	509,777,093	-	-	-	-	-
Seed Co Mozambique	2,319,351,768	-	-	-	-	-
Seedco -Ghana	24,772,244	-	-	-	-	-
Seedco Nigeria	47,235,994	-	-	-	-	-
Prime Seed Co Zimbabwe	87,137,165	-	-	-	-	-
Limagrain	302,470,821	-	-	-	-	-
	11,722,028,197	**-**	**15,723,485**	**-**	**1,819,589,276**	**1,044,575,973**
2022			ZWL			
Seed Co International(Associate)	2,522,386,822	-	-	-	1,354,168,089	360,580,210
Seed Co Zambia	-	-	9,525,888	-	-	-
Seed Co Malawi	111,009,927	-	-	-	-	-
Seed Co Tanzania	31,887,162	-	-	-	-	-
Agri Seed Co Kenya	250,486,773	-	-	-	-	-
Seed Co Rwanda	-	-	-	-	-	-
Prime Seed Co Zimbabwe	62,224,344	-	-	-	-	-
Limagrain	913,542	-	-	-	-	-
Inflation adjusted	(803,994,456)	-	-	-	(365,484,074)	(97,319,030)
	2,174,914,114	**-**	**9,525,888**	**-**	**988,684,016**	**263,261,180**

HISTORICAL COST	Sales of goods	Purchase of goods	Dividends received	Dividends paid	Royalties earned	Management fees incurred
2023			ZWL			
Seed Co International(Associate)	5,543,263,649	-	-	-	1,602,956,492	1,044,575,973
Seed Co Zambia	1,346,742,538	-	14,781,158	-	-	-
Seed Co Tanzania	767,931,593	-	-	-	-	-
Agri-Seed Co Kenya	773,345,332	-	-	-	-	-
Seed Co Malawi	509,777,093	-	-	-	-	-
Seed Co Mozambique	2,319,351,768	-	-	-	-	-
Seedco -Ghana	24,772,244	-	-	-	-	-
Seedco Nigeria	47,235,994	-	-	-	-	-
Prime Seed Co Zimbabwe	87,137,165	-	-	-	-	-
Limagrain	302,470,821	-	-	-	-	-
	11,722,028,197	**-**	**14,781,158**	**-**	**1,602,956,492**	**1,044,575,973**
	-		-		-	

	Sales of goods	Purchase of goods	Dividends received	Dividends paid	Royalties earned	Management fees incurred
2022			ZWL			
Seed Co Malawi	27,690,815	-	-	-	253,571,816	-
Seed Co Zambia	-	-	2,376,180	-	-	-
Seed Co Tanzania	7,954,077	-	-	-	-	-
Agri-Seed Co Kenya	62,482,546	-	-	-	-	-
Seed Co International(Associate)	629,195,501	-	-	-	-	89,944,748
Prime Seed Co Zimbabwe	15,521,520	-	-	-	-	-
Limagrain	227,878	-	-	-	-	-
	743,072,337	**-**	**2,376,180**	**-**	**253,571,816**	**89,944,748**

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	**2022**	**2023**	**2022**
21.1.1 Directors' emoluments	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Directors' fees	75,523,042	38,129,337	57,057,799	9,511,153

21.2 Related party balances

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.
Related party balances are disclosed in notes 13 and 19.

22 COMMITMENTS AND CONTINGENCIES

	2023	2022
22.1 Commitments	**US$**	**US$**
Capital expenditure commitments approved by the directors but not yet contracted for	3,615,201	2,041,068

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23 FINANCIAL RISK MANAGEMENT

The Company's financial assets comprise of loans ,long-term fixed deposits and trade and other receivables (note 12).
; amounts due from related entities

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

The Company's policy prohibits trading in financial instruments.

23.1 Fair values

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

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

23.2 Financial instruments risk management objectives and policies

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

23.2.1 Market risk

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

The following assumptions have been made in the sensitivity analyses:
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 2022
- There is no impact on equity besides the increase/decrease in retained earnings due to change in profit or loss.

23.2.1a) Interest rate risk

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

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

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

23.2.1b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (trade receivables,borrowings ,amounts due to related parties and from related parti denominated in foreign currency).
The Company manages its foreign currency risk by balancing its foreign denominated assets and liabilities so that any negative movements in one are compensated by positive movements in the other.

Foreign currency rate sensitivity

Notes 12.9, 13.2, 14.3, 17.5, 18.3 and 19.3 demonstrates the sensitivity to a reasonably possible change in ZWL$ dollar exchange rate against other currencies with all other variables held constant, on the Company's profit before tax.

	Note	2023 US$	2022 US$
US$ denominated trade and other receivables	12.9	46,716,581	22,616,176
US$ denominated amounts due from related entities	13.2	12,512,495	5,104,909
US$ denominated cash and cash equivalents	14.3	214,279	3,262
US$ denominated borrowings	17.5	(14,363,636)	(10,137,620)
US$ denominated trade and other payables	18.3	(6,162,502)	(6,009)
US$ denominated amounts due to related entities	19.3	-	(36,926)
Net US$ Denominated balances		38,917,216	17,543,792
Closing exchange rate		930	142
PBT Sensitivity			
Local currency weakening against US$ by 10%		3,618,763,236	249,865,173
Local currency strengthening against US$ by 10%		(3,618,763,236)	(249,865,173)
PAT Sensitivity			
Local currency weakening against US$ by 10%		2,724,204,964	188,098,502
Local currency strengthening against US$ by 10%		(2,724,204,964)	(188,098,502)

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

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

23.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its deposits in the custody of financial institutions.

Trade and other receivables

Customer credit risk is managed subject to the Company'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 Company 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 Company's historical observed default rates. The Company 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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Cash and cash equivalents and other financial assets

Credit risk from balances with the government and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments o surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Company'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 Company evaluates the concentration of risk with respect to bank deposits as low since the Company's cash and cash equivalents balances are spread across the various ban the Company has accounts with.

23.4 Liquidity risk

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

The maturity profiles of the Company's financial liabilities are shown in notes 17.3, 18.2 and 19.2.

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
Loans and Borrowings Note 17.3		6,203,599,865	10,203,539,547	8,453,289,081	24,860,428,493
Trade and other payables Note 18.2	97,409,003	3,039,177,833	5,215,365,124	-	8,351,951,960
Due to Related parties Note 19.2	-	-	-	-	-
Total	97,409,003	9,242,777,698	15,418,904,671	8,453,289,081	33,212,380,453

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

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within six (6) months can be rolled over with existing lenders.

SEED CO LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24 CAPITAL MANAGEMENT

For the purpose of the Company'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 Company's capital management is to maximise the shareholder value. The Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep its gearing ratio below 50%. The Company's net debt definition comprises loans and borrowings less cash and cash equivalents. In order to achieve this overall objective, the Company' capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current and prior periods.

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	**2022**	**2023**	**2022**
		ZWL	**ZWL**	**ZWL**	**ZWL**
Loans and borrowings	17.1	24,860,428,493	9,039,972,289	24,860,428,493	3,088,560,275
Cash and cash equivalents	14.1	(740,200,583)	(759,215,860)	(740,200,583)	(259,390,612)
Net debt		**24,120,227,910**	**8,280,756,429**	**24,120,227,910**	**2,829,169,663**
Capital		79,761,288,644	37,767,456,036	81,282,663,531	12,807,727,884
Gearing		**30%**	**22%**	**30%**	**22%**

25 EVENTS AFTER THE REPORTING DATE

Dividend

25.1 The Board declared a nil (2022: nil) dividend.

25.2 IMPACT OF THE RUSSIA-UKRAINE WAR

The most notable twin business risks for the Company manifesting from the crisis in Europe are as follows:

- Rising cost of doing business across the value chain due to escalating costs of imported key production inputs (fuel, chemicals and commodities) and general cost of living leading to wage pressure. In response central banks have been hiking interest rates thereby raising the cost of borrowing.
- Supply chain bottlenecks causing shortages of the aforementioned inputs constraining seed production activities.

The conflict has however presented an opportunity for increased agricultural activity particularly in Africa to fill the food supply gap created by Russia and Ukraine. The Company is better positioned to benefit from the potential increase in seed demand as countries on the continent seek food self-sufficiency. Additionally, selling prices tend to move in line with the imported global inflation. Where possible, the Company procures inputs in advance to lock prices and continues to lobby authorities to prioritise funding towards food production.

CORPORATE INFORMATION

Head Office and Registered Office
Seed Co Limited
Shamwari Road, Stapleford PO Box WGT 64
Westgate Harare Zimbabwe
Tel +263 0242 304841
Cell +263772231841-6, +263772236251-4
Email: seedco@seedco.co.zw

Auditors
Ernst & Young Chartered Accountants
Angwa City Cnr Union / Angwa St,
Harare, **Zimbabwe**

Transfer Secretaries
Corpserve Registrars

Bankers
Stanbic Bank Zimbabwe
Stanbic Centre 59. Samora Machel Avenue
Harare, Zimbabwe

Sustainability Advisors
Institute for Sustainability Africa
22 Walter hill Eastlea, Harare, Zimbabwe
Tel 0242 796 501

SEED CO LIMITED TOP 20 SHAREHOLDERS AS AT 31 March 2023

	Names	Shares	Percentage
1	VILMORIN & CIE C/O STANBIC NOMINEES 16006387001	72,138,256	28.93%
2	STANBIC NOMINEES (PVT) LTD.	37,800,538	15.16%
3	NSSA POBS-PLATINUM	27,619,801	11.08%
4	OLD MUTUAL LIFE ASS CO ZIM LTD	21,724,713	8.71%
5	MEGA MARKET PVT LTD	7,465,806	2.99%
6	MINING INDUSTRY PENSION FUND	7,007,401	2.81%
7	SCB NOMINEES 033663900002	6,274,670	2.52%
8	BURKET ASSOCIATES LIMITED NNR	4,654,447	1.87%
9	CAPERAL LIMITED NNR	3,050,648	1.22%
10	LOCAL AUTHORITIES PENSION FUND	2,583,362	1.04%
11	DEKALB GENETICS CORPORATION	1,656,250	0.66%
12	SEEDCO EMPLOYEES TRUST COMPANY	1,630,793	0.65%
13	DELTA BEVERAGES PENSION FUND	1,620,655	0.65%
14	OLD MUTUAL ZIMBABWE LIMITED	1,403,646	0.56%
15	AMZIM PENSION FUND-INVESCI	1,385,604	0.56%
16	ZIMBABWE ELECTRICITY IND. PF	1,282,381	0.51%
17	TN ASSET MANAGEMENT NOMINEES	1,248,202	0.50%
18	FBC HOLDINGS LIMITED	1,126,118	0.45%
19	PUBLIC SERVICE PENSION FUND-OMIG	1,079,432	0.43%
20	AMZIM PENSION FUND - IMARA	974,984	0.39%
21	Other	45,613,163	18.29%
	Total issued shares	**249,340,870**	**100.00%**

ANNUAL GENERAL MEETING NOTICE TO SHAREHOLDERS

Notice is hereby given that the **28th Annual General Meeting** of Members of Seed Co Limited **("the Company")** will be held physically and virtually on **Wednesday the 20th of September 2023 at 14:00 hours GMT+2(Zimbabwe).** The Annual General Meeting will be hosted at SAZ Office Park, No.1 Northend Close, Northridge Park, Borrowdale, Harare in Zimbabwe as well as online via the Escrow Group virtual platform.

Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below, the details of which are more fully set out below:-

ORDINARY BUSINESS: -

As ordinary resolutions:

1. **Approval of Financial Statements and Reports**
   To receive, consider and adopt the Annual Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2023.

2. **Appointment of Directors**

2.1 To note the retirement of Mr. Michael S. Ndoro from the Board during the year.

2.2 To note the retirement of Mr. David E. B. Long at the end of the AGM in terms of Article 96(g) of the Company's Articles of Association and is not seeking re-election.

2.3 In accordance with Articles 97 and 98 of the Company's Articles of Association, Dr. D. Garwe and Mr. Savin, retire by rotation and being eligible offers themselves for re-election.

NB: In accordance with the Companies and other Business Entities Act (COBE) section 201, the appointment and election of directors is to be voted for individually.

3. **Approval of Directors Fees**
   Members will be asked to approve the payment of directors' fees in respect of the year ended 31 March 2023 amounting to ZWL$57,057,799 (2022: ZWL$9,511,153).

4. **Approval of Auditors' fees and reappointment**

   To approve the remuneration of the auditors paid to KPMG Chartered Accountants (Zimbabwe) amounting to ZWL$ 56,356,650 [2022: ZWL$24,400,209 paid to Ernst & Young, Chartered Accountants (Zimbabwe)] for the past annual audit and re-appoint KPMG Chartered Accountants (Zimbabwe) as auditors for the current year. KPMG have been the Company's auditors for the past one year.

5. **Dividend**
   To preserve cash resources in a challenging and uncertain operating environment, no dividend was declared this year.

6. **Special Business**

6.1 Share Buy Back general mandate renewal

To consider and, if deemed fit, to pass with or without modification the renewal, without any variation of terms, the Share Buy Back mandate granted by to the Directors by shareholders at the previous Annual General Meeting and the renewed mandated shall be utilized on the basis that the Company may, to the fullest extent of the law and listings requirements, buy back at any time such amount of ordinary shares as may be determined by the Directors from time to time subject to the following salient terms of the original mandate:

a) the maximum number of shares so repurchased in any one financial year shall not exceed 10% of the issued ordinary share capital of the Company
b) the share buy-back may not be made at a price greater than 5% above or 5% below the weighted average of the market price for the ordinary shares for the 5 business days immediately preceding the date on which the repurchase transaction is effected
c) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of retained earnings of the Company based on its latest financial statements available up to date of a transaction pursuant to the Share Buy-Back

d) the renewed share buyback mandate shall commence upon the passing of this resolution, until the date of the next Annual General Meeting of the Company or 15 months from the date of the renewal resolution, whichever is the shorter.

Statement by the Directors pursuant to the buyback mandate renewal

In terms of this share buyback renewal resolution, the Directors are seeking authority to allow use of the Company's available cash resources to purchase its own shares in the market in terms of the law and the regulations of the ZSE. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the Directors will duly consider following such repurchase, the ability of the Company to pay its debts in the ordinary course of business for a period of 12 months from the date of the notice of this AGM, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital for a period of 12 months from the date of the notice of this AGM.

Registration of the AGM

•The Annual General Meeting will be held virtually. Members can participate using the following link https://escrowagm.com/eagmZim/Login.aspx. Please contact **Lesley Muzamba** for assistance with registration for the annual general meeting, email: lesley@escrowgroup.org

Annual Report

The Company's Annual Report is now available on the Company's website, **www.seedcogroup.com**, copies of the Annual Report have also been sent to Shareholders whose emails are on record.

By Order of the Board,

Tineyi Chatiza
Group Secretary
29 August 2023

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.

SEED CO

The African Seed Company

FORM OF PROXY FOR THE 28TH ANNUAL GENERAL MEETING OF SEED CO LIMITED

I /We,____(full names) of ________________________________

(full address) being the registered holder/s of

__________________________ ordinary shares in SEED CO LIMITED, do hereby appoint:

____ (full names) of ________________________________

____ (full address) or failing him/her 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 the 20 SEPTEMBER 2023 at 14.00 HRS and at any adjournment thereof.

I/We instruct my/our proxy or proxies to vote in the following way:
(Please mark the appropriate box with an "X" next to each resolution)

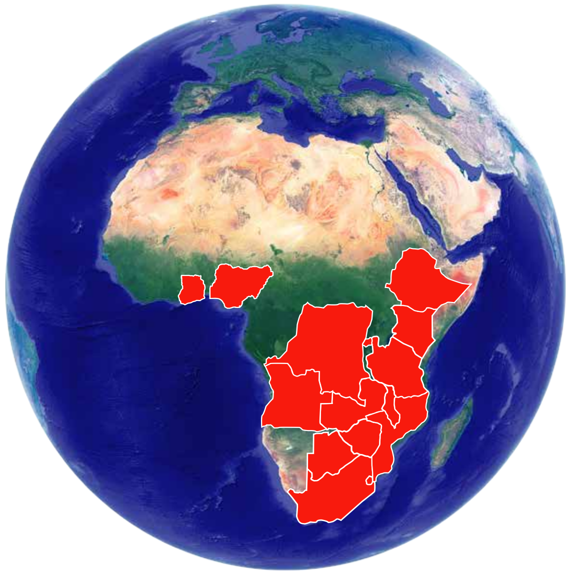
	ORDINARY BUSINESS	For	Against	Abstain
1	THAT the Annual Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2023 be adopted.			
2	THAT Dr. D Garwe (Mrs.) be re-elected as a Director of the Company in terms of the Articles of Association.			
3	THAT Mr. F. Savin be re-elected as a Director of the Company in terms of the Articles of Association.			
4	THAT the remuneration of the Directors be confirmed.			
5	THAT the remuneration of the Auditors, KPMG, for the past audit be confirmed.			
6	THAT Messrs. KPMG be re-appointed as Auditors of the Company for the following year until the conclusion of the next Annual General Meeting.			
	SPECIAL BUSINESS			
7	As a Special Resolution THAT the Company be authorized in terms of Section 129 of the Companies and Other Business Entities Act (Chapter 24:31) to purchase its own shares, subject to certain conditions.			

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this________________________day of______________________2023.

SIGNATURE OF SHAREHOLDER

NOTES:
1. In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company to be received by the Company Secretary not less than 48 hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialed.
5. Anyone signing this proxy form in a representative capacity must be authorized to do so. Please stamp this form with your company or organization's stamp and enclose proof of authorization.
6. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEED CO

The African Seed Company

www.seedcogroup.com