



The African Seed Company

2022

ANNUAL REPORT



It starts with the right seed

THE HOME OF BUMPER HARVESTS





The African Seed Company

About this Report

Seed Co Limited, a Company listed on the Zimbabwe Stock Exchange since 1996 and a leading producer and marketer of certified crop seeds in Africa, is pleased to present the Annual Report for the year ended 31 March 2022. This is our first Annual Report integrating financial and sustainability information to inform stakeholders about our operations, performance, and impacts.

Reporting Scope

This report contains information for Seed Co Limited which is registered and domiciled in Zimbabwe. In this Report, unless otherwise noted, references to "our", "we", "us", "the Group", and "Seed Co" refers to Seed Co Limited and its subsidiaries.

Reporting Frameworks

This report was prepared with due consideration of the following:

- Companies and Other Business Entities Act [Chapter 24:31].
- SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.
- International Financial Reporting Standards (IFRS).
- Global Reporting Initiative (GRI) Standards.

Sustainability Data

Qualitative and quantitative data in this report was extracted from company records, policy documents, management, and personnel responsible for the key performance areas. In some cases, estimations were made and confirmed for consistence with business operations.

Assurance

The financial statements were independently audited by Ernst & Young, Chartered Accountants (Zimbabwe). The Auditor's Report is presented on pages 58 to 63. Sustainability information was verified for compliance with the GRI Standards by the Institute for Sustainability Africa (INSAF) as subject matter experts. A GRI Content Index is presented on pages 89 to 92.

Forward-Looking Statements

This report may contain forward-looking statements. These statements involve risks and uncertainties as they relate to events which depend on circumstances that may or may not occur in the future. Forward-looking statements can contain words such as 'may', 'will', 'should', 'continue', 'projects', 'believes', and 'plans' among others. Future projecting statements are not guarantees of future performance, developments, and results. Readers are cautioned not to place undue reliance on forward-looking statements.

Feedback on the Report

We value your feedback on our report, please contact Tineyi Chatiza, the Group Secretary by email at tineyi.chatiza@seedcogroup.com.

D.E.B Long
Chairman

M. Nzwere
Chief Executive Officer

Welcome to the home of bumper harvests

Our Vision

To dominate the Agro industry in Africa.

Our Mission

We breed seed, feed and lead in Africa.

Our Brands

Specially bred for Africa hence assuring farmers highest yield.

Core Values

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



Contents



OUR BUSINESS VALUE CHAIN

Our teams in Zimbabwe combine their local knowledge with our assets and expertise in tailoring solutions that create value for farmers



PRODUCT DEVELOPMENT

Promoting use of new improved seeds. Best farming practices and information sharing.



SOCIO-ECONOMIC DEVELOPMENT

The Group contributes toward socio-economic development through partnerships with the Government and non-governmental organisations

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SEED-**CO** evolution

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.

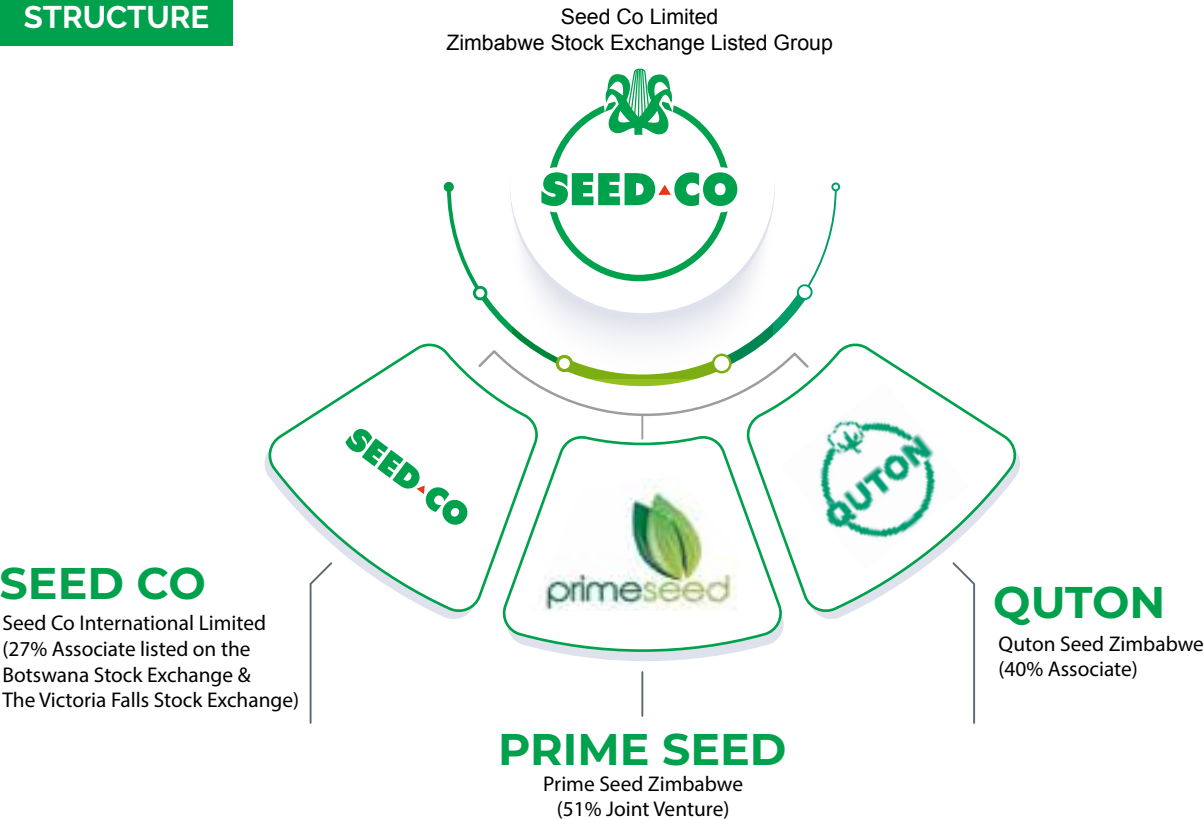




SEED CO LIMITED AT A GLANCE

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

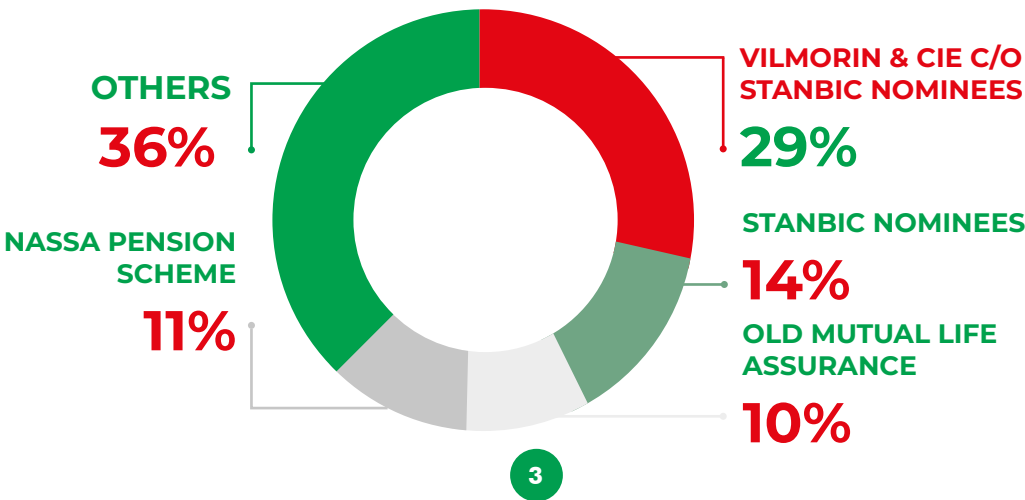


Seed Co International Limited – is an associate Group of Seed Co Limited that develops and markets certified crop seeds on the African continent.

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 2022 are shown below:



OUR BRANDS

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



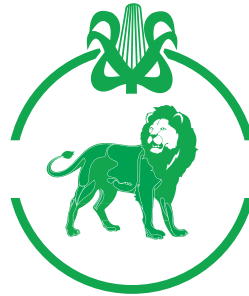
300 Series



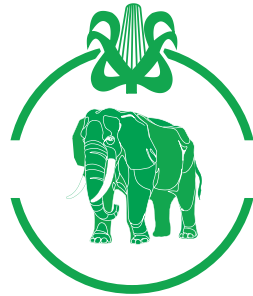
400 Series



500 Series



600 Series



700 Series



OUR PRODUCTS



Hybrid maize



Soyabean



Wheat



Sorghum



Groundnuts



Vegetables



Cotton

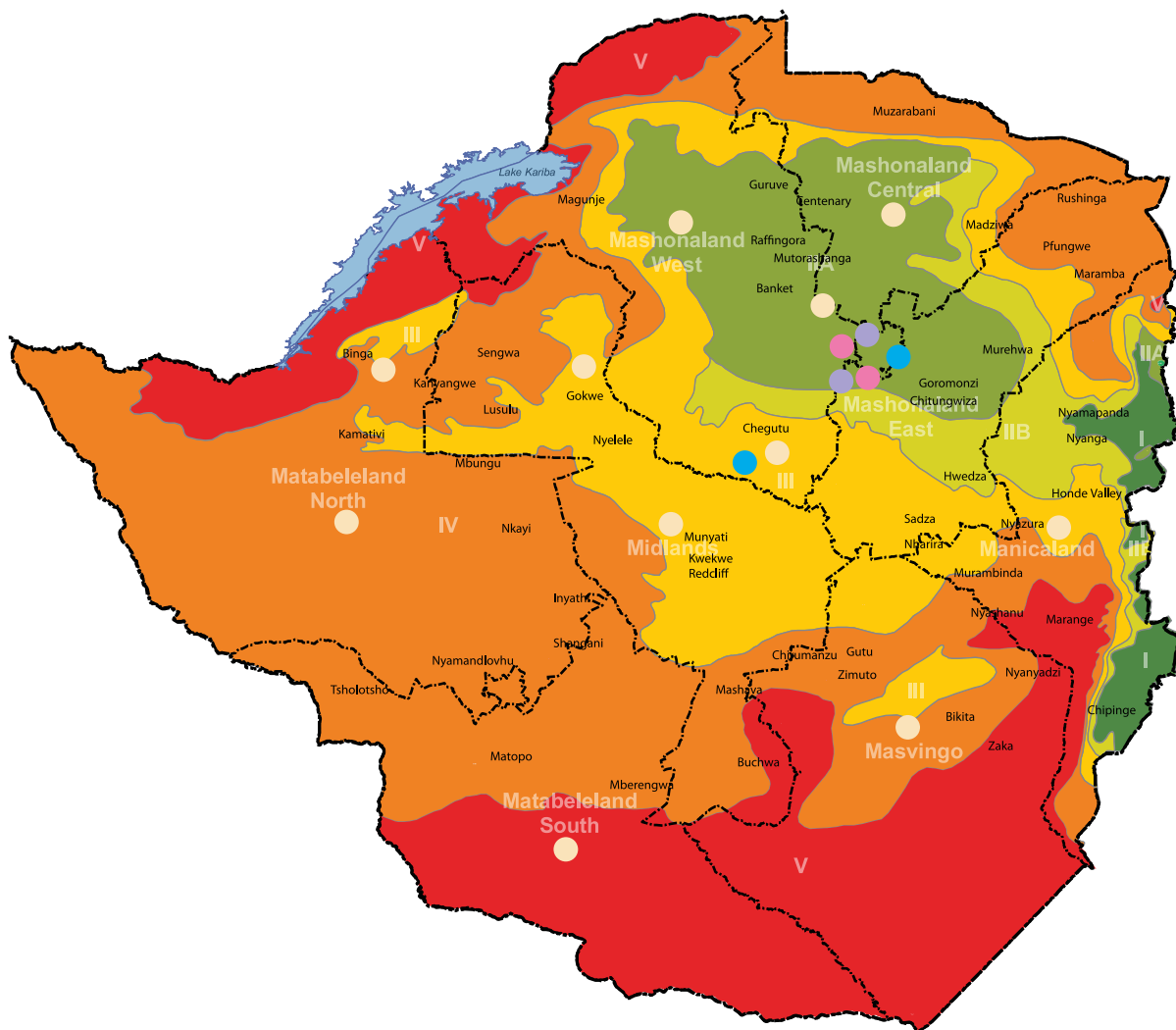


Rice

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



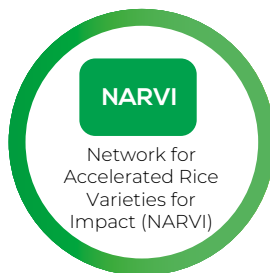
Natural Farming Regions

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

CORPORATE MEMBERSHIPS AND CERTIFICATIONS

SEED-**CO**

INTERNATIONAL AND LOCAL MEMBERSHIPS



SEED-**CO**

CORPORATE AWARDS AND CERTIFICATIONS

AGRICULTURE AND WHEAT VALUE CHAIN AWARDS

- Agricultural Inputs sector (Winner) - Zimtrade Exporter Awards 2021.
- Special Recognition Award in recognition of outstanding contribution to the growth and development of the wheat value chain in Zimbabwe. (Zimbabwe Wheat Board).

GOVERNANCE AWARDS

- Certificate for Corporate Directors' Excellence Honours 2021 in recognition under the Most Innovative Board of the Year - Large and Listed Companies (Winner) Institute of Corporate Directors Zimbabwe (ICDZ).
- Excellence in Corporate Governance Awards - Second Prize in the category of Best Board Practices Disclosures (Listed Companies) Chartered Governance and Accountancy Institute in Zimbabwe (CGAIZ).

PRODUCT AND MARKETING AWARDS

- Crop Production: Agricultural Sector Winner Marketers Association of Zimbabwe - (MAZ).
- 6th position - Business to Business category award. Marketers Association of Zimbabwe (MAZ).

COVID 19 MANAGEMENT AWARDS

- Top COVID19 Fight Supporting Organisation of the Year - CSR Network Zimbabwe.
- Innovative solutions in response to the COVID 19 pandemic - Zimbabwe Agriculture Society (ZAS).

CERTIFICATION

- Seed Testing Laboratory Certificate - Department of Research and Specialist Services

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

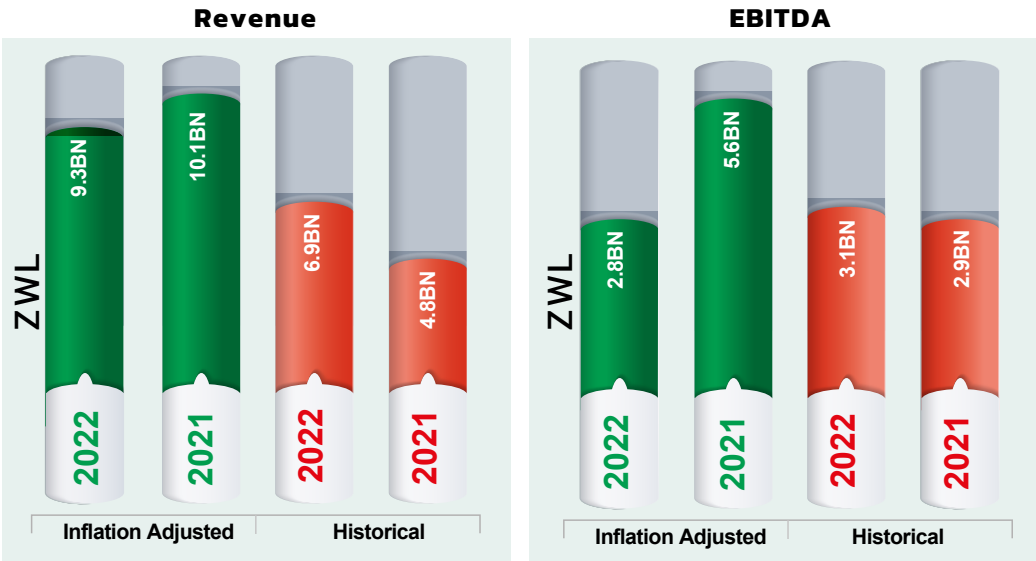
Farmers, communities, employees, shareholders, Government departments, statutory and independent regulatory bodies, agriculture colleges & other agricultural focussed development partners.

Collaborating with stakeholders to promote use of improved certified seeds.

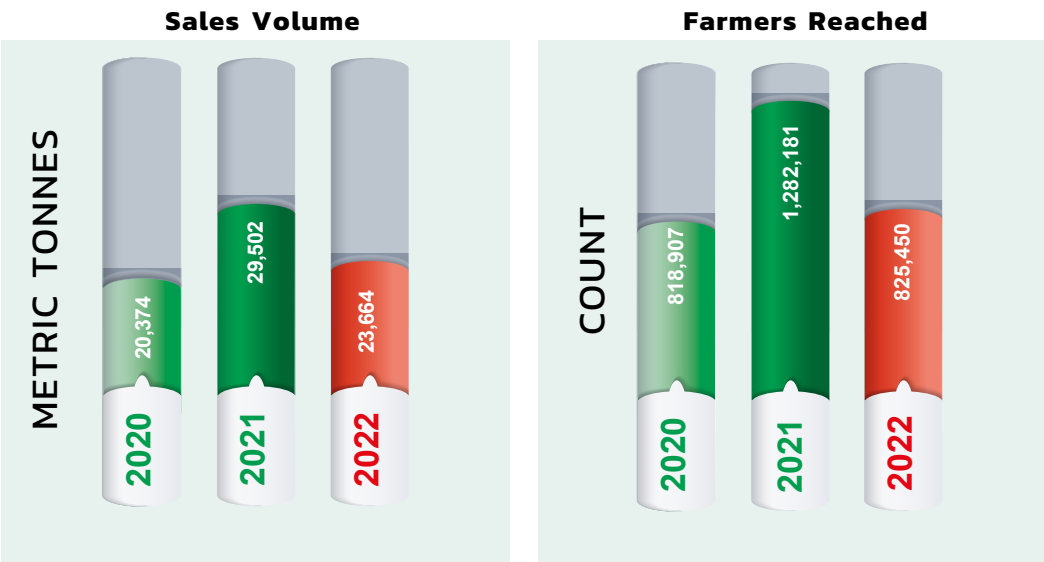


PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS



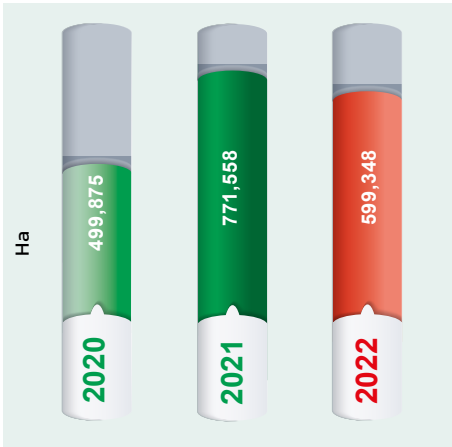
OPERATIONAL HIGHLIGHTS



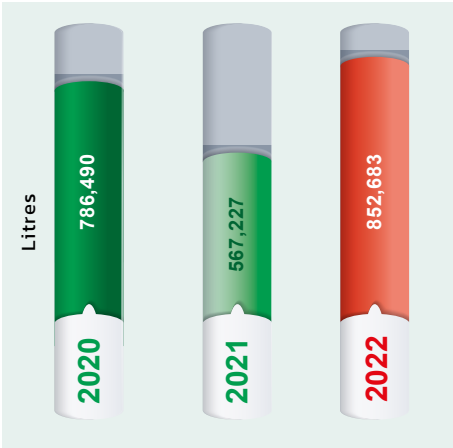
PERFORMANCE HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

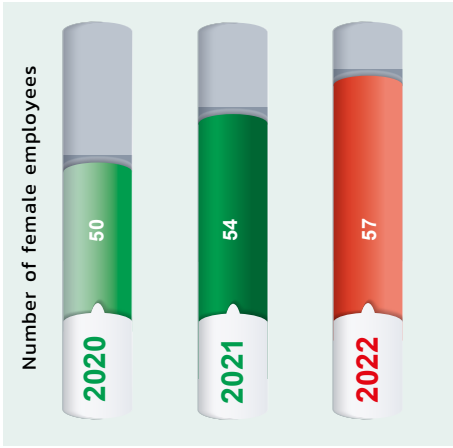
Estimated crop acreage



Total Fuel Consumption



Female Employees

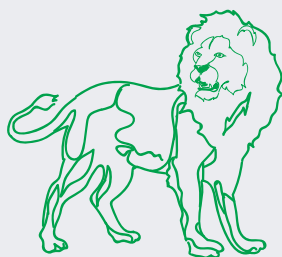


Chairman's Letter



D.E.B Long - Chairman

As we forge ahead as The African Seed Company creating shared value along the way, I would like to acknowledge my fellow directors and our stakeholders including our employees, business partners, development partners, farmers, shareholders, and Governments in all the markets in which we operate



Dear Stakeholders

I am privileged to present the Seed Co Limited Annual Report for the financial year ended 31 March 2022. The just ended financial year (FY22) saw the Covid-19 pandemic continuing to cause disruptions to economies and livelihoods. On top of experiencing adverse effects of climate change in our markets, the exogenous challenges were exacerbated by the war in Ukraine which broke out at the tail end of our financial year putting further pressure on supply chains and the global economy. The Zimbabwean economy also continued to worsen due to challenges associated with increased policy uncertainty, currency crisis, national debt crisis, hyperinflation, dysfunctional service delivery, and high unemployment. Against this global and local socio-economic and climate background, the Company was faced with some unprecedented challenges that saw traded volumes declining compared to prior year.

Operating Environment

The adverse climate change developments, during the last season, notably the late onset of rains, mid-season dry spell, flooding, early and late termination of the season in Zimbabwe, Malawi, Mozambique, and Zambia as well as drought in parts of East Africa negatively impacted yields. On the economic front, the currency crisis, funding shortages, hyperinflation and a plethora of policy directives and reversals in Zimbabwe continued to worsen; constraining the ease of doing business. The election fever gripping Zimbabwe ahead of next year's election is further increasing uncertainty in the operating environment. Global inflation pressures and rising fuel prices could further negatively impact the economic environment unless urgent reforms and policy interventions are undertaken.

On the continent, the election fever in Kenya ahead of elections in August this year, the increasing insurgences in Nigeria ahead of elections in February/- March 2023, security issues in countries in West Africa, the conflict in Ethiopia and unrest in Sudan, impacted our existing and new markets adversely. On a brighter note the change in political leadership in Tanzania and Zambia appear to be ushering in a wave of positive sentiment that have seen the markets reacting favourably.

Financial Performance

The Company posted an inflation-adjusted turnover of ZWL\$9.3BN which is 8% lower than restated prior year's ZWL\$10.1BN with the decline being attributed to the drop in volumes by 20% due to the late onset of rains and pricing confusion at the start of the selling season.

Inflation adjusted PBT reduced from prior year's ZWL\$1.9BN to ZWL\$0.9BN due to:

- 8% drop in revenue as volumes declined by 20% *owing to late rains and pricing confusion in the market.*
- margin shrinkage from 64% down to 33% in a distorted market with *de facto* price controls.
- 15% increase in overheads benchmarked at alternative market exchange rates went up significantly.
- reduced contribution from associates and the joint venture contribution mainly because the continental associate, Seed Co International, posted 35% reduction in profit from US\$11.1M to US\$7.1M in FY22.

The impact of deferred tax on revalued assets reversed the PBT into an inflation-adjusted net loss of ZWL0.6BN compared to a restated inflation-adjusted ZWL\$1.4BN prior year net profit.

Production and Quality

Economic and climate challenges continue to affect seed production plans. Despite these challenges, the seed inventory available for sale in FY22 was adequate to meet demand in Zimbabwe albeit with some varietal shortages. The regional markets also had adequate stocks save for Kenya and Nigeria which experienced shortages because of prior season drought and excessive rains respectively. Seed production for other crops remained in a satisfactory position. Despite the largely exogenous challenges, the Company always factors buffer stock in its production planning, and this helped to mitigate the impact of erratic rains on seed production. We are increasing our investment in the production of in-demand crops like soybean and wheat in response to the global supply shocks.

Seed quality continues to improve as the Group reaps the benefits of continuous investment in quality control systems, human resources, and modern laboratory equipment.

Research and Development

The Company released several new seed varieties all of which seek to provide solutions to our farmers to deal with the adverse effects of climate change. We continue to invest in research and development as we pursue our vision,, anticipating future needs due to climate change as well as changing eating habits. Our aim is to always be ready through the adoption of modern breeding technologies and maintaining a pipeline of product innovations that help us to shorten the time from concept to market.

Business Development

The Company through its regional associate, Seed Co International, continues to be exposed to the development of new markets and exciting progress is taking place in Mozambique, Nigeria, Ghana, and some parts of West Africa. It has however been challenging to make meaningful advances in Ethiopia, Sudan, Mali, and Burkina Faso due to conflicts.

We are also fast embracing the digital ecosystem in our business development efforts, and this has seen us invest in modern value chain systems, including agronomy deployment apps, digital marketing, and online retail shops to enable wider direct access and a personalised offering to existing and new farmers for value adding engagement and building long lasting relationships.

Prospects

Whilst we are still grappling with the Covid-19 pandemic and Zimbabwe's own economic challenges, a war with global supply chain ramifications has started in Ukraine. The duration and scale of this conflict is unpredictable, as are its implications for commodity costs and shortages. Economies like Zimbabwe that were fragile already are likely to bear the brunt of the war as they have limited resilience to withstand imported global inflation as well as food, energy, and chemical shortages. There are however opportunities for primary food and commodity producers in African countries to step up and fill the Russia and Ukraine supply void. Africa is set to benefit largely from its minerals, and this has been the reason regional currencies have been somewhat resilient amidst the upheaval in global financial markets. The agricultural sector is now receiving more attention in Africa in a bid to enhance production and reduce import dependence.

Seed Co's positioning at the genesis of the food chain is expected to be supported by the anticipated forced import substitution and increased investment in agriculture to plug the gap that used to be met by imports from Ukraine and Russia. The extent of the growth opportunity is however expected to be diluted by unavoidable imported inflation that will offset higher commodity prices and increased investment in agriculture. Monetary tightening to curb inflation will also give rise to higher interest rates translating to increased cost of funding business operations.

The impact of the war on Seed Co's performance is difficult to quantify at this stage as there is a plethora of counteracting factors at play regionally and globally because of conflict. The Russo-Ukraine war reinforces our embraced long-term view taken at the time of formulating measures to respond to the Covid pandemic, i.e., continuing to leverage business continuity response mechanisms underpinned by our human capital base, brand equity and intellectual property to take advantage of the food security prioritisation amidst global conflict and the pandemic.

In the face of these unprecedented challenges, we however soldier on in doing our best to build and nurture our capabilities in order to continue serving our farmers and communities. Our resilience stems from continued investment in our people, our systems, our brand and in R&D to continuously produce innovative climate-smart seed products. These conscious efforts will drive our Company's prospects and position it to grow and prosper for years to come.



Responsible and sustainable business

Seed Co's strength reflects the vitality of the environment and communities we do business in, as we support important environment and community development efforts. We proactively conduct our business in a socially responsible and sustainable manner. To this end, Seed Co has embraced responsible practices for optimal integrated management of economic, environmental, social and governance (ESG) impacts and opportunities to deliver sustainable value to all stakeholders.

We respond to various community needs through corporate social investments designed to cushion our communities against socio-economic disadvantages. During the year, the Group donated various goods and services and supported government efforts in the fight against the Covid-19 pandemic and its impacts while meeting social welfare and community needs.

Human Capital

Seed Co is committed to being a great place to work and pursue dreams. Given prevailing general market conditions, the fact that we have been able to maintain our market position is testimony to the strength and quality of our products and most importantly our staff. Our staff remain core to the sustainable standing of the business, and we continue to support this pillar of our strategy by prioritising the welfare of our employees, promoting, and embedding career long skills development and renewal. Our talent retention and development policies have resulted in seamless succession planning.

Appreciations

As we forge ahead as The African Seed Company creating shared value along the way, I would like to acknowledge my fellow directors and our stakeholders including our employees, business partners, development partners, farmers, shareholders, and Governments in all the markets in which we operate; and to thank them for their unstinting support.

D.E.B Long
Chairman

Chief Executive Officer's Review



Morgan Nzwere
Group Chief Executive

“Against all odds, 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.”



Overview

The period under review was characterized by an unstable economic environment highlighted by the fast depreciation of the Zimbabwean currency both on official and alternative markets, pricing distortions due to monetary and fiscal regulations not in sync with market developments, hyperinflation, continued erosion of disposable incomes and general anxiety in the economy. The foregoing was made worse by Covid-19 induced economic constraints as well as adverse seasonal weather, the global increase in fertilizer prices and the eruption of war in Ukraine towards the end of the financial year further crippling global supply chains.

On the continent, the effects of the Covid-19 pandemic continued to bedevil economies and livelihoods, and this was not helped by erratic rains and drought in Southern Africa and East Africa respectively.

The demand for seed during the selling season was affected by the adverse rainfall season outturn, in Zimbabwe and Southern Africa at large, that was not in line with forecasted normal to above normal rainfall. Rains delayed until January 2022 affecting seed purchases for planting by farmers. The rains came with incidences of flooding and ended early and late in some regions.

Group Financial Review

Introduction

The Group's presentation currency is the ZWL in line with Zimbabwean statutory requirements. Financial reporting continues to be challenging in Zimbabwe given the prevailing hyperinflation fueled by the movement in exchange rates and imported inflation.

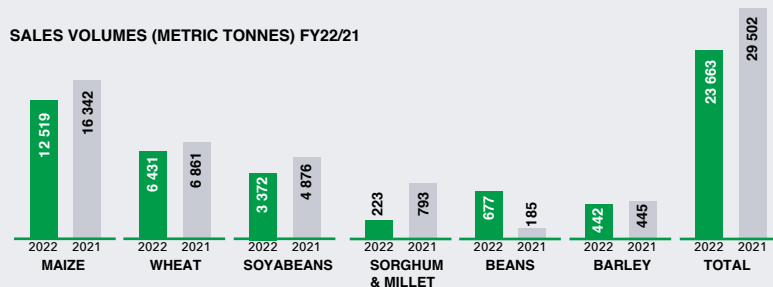
The financial commentary below is based on inflation adjusted results.

Income Statement

Revenue

Revenue was up by 8% compared to prior year while overall volumes dropped by 20% due to late rains and pricing challenges. Maize seed sales volumes were down by a third due to late rains that led to delayed planting and subdued seed uptake. Local wheat seed sales grew by 32% but total wheat volume was 6% lower than prior year in the absence of exports. In prior year we exported close to 2000mt to Nigeria.

SALES VOLUMES (METRIC TONNES) FY22/21



Other income

Increase in other income was due to exchange gains on foreign denominated receivables as well as increased non-seed sales and inputs distributed to our growers.

Operating expenses

Operating costs increased by 12% in line with the general increases in the price of goods and services in a hyperinflationary environment as well as increased depreciation on revalued assets.

CHIEF EXECUTIVE OFFICER'S REVIEW

Finance costs

The finance costs were higher than prior year due to rising interest rates as guided by Central Bank policy rate hikes. In addition, the Company received US\$12.5m 7-year Drier Project funding from Proparco towards the end of prior year whose full cost in terms of interest was incurred in FY22.

Associates and joint venture operations

The contribution from associates and joint ventures declined in inflation-adjusted terms mainly due to:

- 35% profit decline in the continental associate, Seed Co International, caused by reduced volume uptake, adverse exchange rate movements in Zambia, and lower margin on lower economies of scale;
- the foreign exchange induced loss in the local vegetable joint venture, Prime Seed Co Zimbabwe; and
- as well as the reduced profitability from the cotton seed associate, Quton, owing to monetary losses.

Profit

The Group registered an inflation-adjusted Loss After Tax of ZWL\$0.65BN compared to a restated inflation-adjusted prior year Profit After Tax of ZWL\$1.4BN. The loss outturn is attributable to reduced turnover, margin correction, growth in overheads and the reduced contribution from the continental associate, Seed Co International.

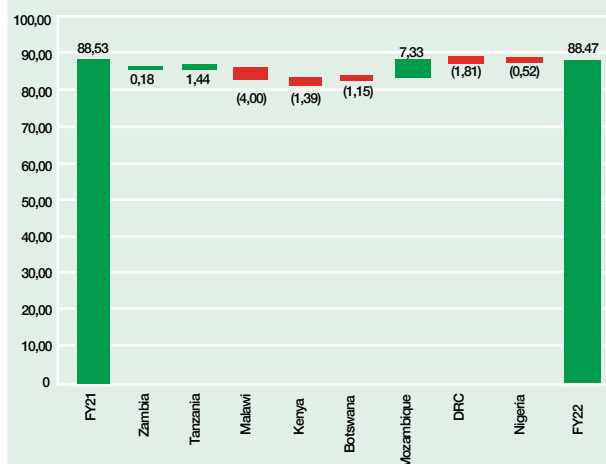
Associates and joint venture performance overview

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

Seed Co International - Continental Associate			
	FY22	FY21	Variance
	US\$'M	US\$'M	%
Revenue	88.46	88.53	(0.1%)
Operating profit	13.8	18.1	(24%)
Profit before tax	10.5	15.3	(31%)
Profit after tax	7.1	11.1	(35%)
% shareholding	27.48%	27.30%	
Share of profit	1.8	3.0	(35%)
34Sales volumes	44,836mt	49,375mt	(9%)

- The continental associate's turnover was flat on prior year driven by pricing adjustments in regional local currencies and translation gains in Zambia which helped to offset the 9% volume loss

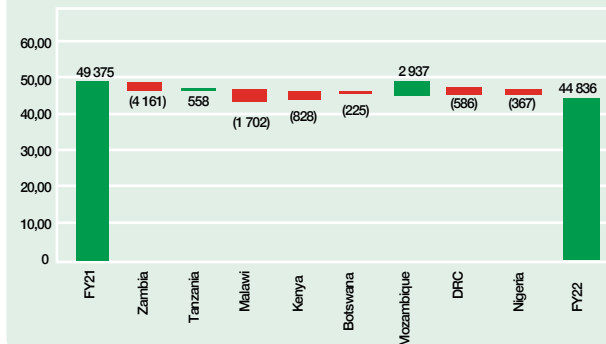
SCI FY21-FY22 SBUs revenue evolution [US\$'M]



- The reduction in volume is attributable to reduced government support, late rains and drought in some markets which dampened uptake of seed.

- ✓ for maize, volume dropped by 19% but lower margin legumes growth curtailed total volume loss to 9% from 49,375mt prior year to 44,836mt in FY22

SCI FY21-FY22 SBUs volume evolution [MT]



- A combination of reduced economies of scale on lower volume, escalating inbound logistical costs and the adverse effect of a stronger Zambian kwacha on translating the cost of goods sold to USD contributed to margin shrinkage to 45% compared to 49% prior year
- Margin shrinkage and increased overheads owing to a marketing deployment that anticipated a normal season as well as general inflation resulted in profitability falling by 35% from US\$11.1M prior year to US\$7.1M in FY22

CHIEF EXECUTIVE OFFICER'S REVIEW

• Key highlights by SBUs were as follows:-

- ✓ Mozambique nearly trebled its turnover to US\$11.1M following growth in volume by nearly the same rate from 1,801mt prior year to 4,738mt driven legume sales (soybean, cowpeas, and beans) to deliver a PAT of US\$0.8M significantly up from US\$0.2M prior year
- ✓ Tanzania defied incidences of drought to grow both volume and turnover by about 8% to \$19.1M and 8,706mt respectively resulting in profitability increasing from US\$3.2M to US\$3.4M
- ✓ Turnover in Zambia was flat at US\$35M driven by translation gains as volume suffered significant decline of 15% to 23,902mt because of late rains. Rising prices of inbound logistics and a stronger kwacha had an adverse translation impact on cost of goods thereby reducing margins and profitability from US\$6.1M prior year to US\$4.7M in FY22;
- ✓ The halving of the government subsidy contribution in Malawi saw both volume and turnover declining by about 20% to 7,871mt and US\$15.4M respectively. The revenue reduction against increasing overheads saw profitability falling from US\$3.5M to US\$1.7M
- ✓ Kenya turnover dropped due to product unavailability and drought to close the year 11% lower at US\$11.2M as volume declined by 13% to 5,336mt. Frugality in view of the forecasted drought saw the business increasing its PAT by 9% to close the reporting year at US\$1M
- ✓ Tanzania sales increased by 7% to \$17.7M due to attractive grain prices which improved seed uptake & planted area
- ✓ Late rains and pricing challenges in Botswana reduced volume and turnover by 13% and 21% to 1,690mt and US\$4.3M respectively to deliver a slightly reduced PAT of US\$0.9M that is just 3% lower owing to cost containment
- ✓ Nigeria was affected by product shortages following a bad prior year production season. Its volume and turnover declined 24% and 26% to 1,147mt and US\$1.5M and the net result also came down from US\$0.4M prior year to US\$0.2M
- ✓ DRC faced stiff tender undercutting competition and lost volume resulting in turnover declining by close to 60% to US\$1M and posted a loss of US\$0.2M compared to US\$0.5M profit prior year.

Quton Seed Company - Cotton Seed Associate

	FY22	FY21*	Decline
	ZWL'BN	ZWL'BN	%
Revenue	1.65	2.48	(33%)
Operating profit	0.76	1.63	(53%)
Profit before tax	0.19	0.73	(74%)
Profit after tax	0.04	0.40	(90%)
% shareholding	40%	40%	
Share of profit	0.02	0.16	(90%)
34Sales volumes	7,506mt	8,041mt	(7%)

*Restated in accordance with IAS 29

7,506mt cotton seed sales 7% lower than 8,041mt sold in prior year. Inflation adjusted financial performance was weighed down by reduced volume, lower margins because of pricing challenges and a ZWL\$0.6BN monetary loss that was however lower than the ZWL\$0.9BN restated prior monetary loss

Prime Seed Zimbabwe - Vegetable Joint Venture

	FY22	FY21*	Growth
	ZWL'BN	ZWL'BN	%
Revenue	1.09	0.79	39%
Operating profit	(0.13)	(0.34)	(138%)
Profit before tax	(0.10)	0.28	(134%)
Profit after tax	(0.16)	0.24	(165%)
% shareholding	51%	51%	
Share of profit	(0.08)	0.12	165%

*Restated in accordance with IAS 29

- Sales and general performance were higher despite the foreign currency shortages needed to import vegetable seeds and the pricing challenges on the local market
- The business was helped by growing USD revenue (local and export sales) that helped mitigate pricing challenges in Zimbabwe and most importantly helped to fund the import of vegetable seeds
- Increased local and export sales invoiced in hard currency saw the business turning around from a restated ZWL\$0.24BN prior year loss to post a ZWL\$0.16BN profit
- Going forward, prospects are better as the pricing regime in Zimbabwe is now dual-based and the demand for vegetable seeds on the export market remains promising.

Group Financial Position

Non-current assets

Non-current assets decreased from prior year restated ZWL\$12.8BN to ZWL\$10.9BN mainly due to revaluations trailing hyperinflation in a market with structural pricing distortions.

Inventories and biological assets

The increase in inventories and biological assets was mainly due to higher wheat stocks at year end in preparation for the FY23 winter selling season as well as unsold maize seed carried over.

Trade and other receivables

Receivables decreased because of collections towards the end of the financial year. A significant portion of the balance of receivables outstanding at year end has now been collected.

Equity

The decrease in equity is due to the impact of inflation on asset values which could not be fully recouped by revaluations.

CHIEF EXECUTIVE OFFICER'S REVIEW

Seed supply

Late termination of prior year rainfall season impacted the dry down of seed and increased incidences of cob rots in maize seed. This delayed processing and distribution of seed slowing down early seed sales before the onset of the rainfall season. By the time seed was placed in the market it was clear that the rains were late, and this discouraged farmers from purchasing seed.

The production plan for the FY21/22 season incorporated some buffer and indications from ongoing deliveries are showing that the Company will have adequate seed for the upcoming season despite the challenges of erratic rains. The company is busy mobilising working capital to fund seed intake and processing ahead of next selling season.

New Seed Drying and Processing facilities

The new seed drying facilities at the Company's Stapleford premises near Harare were successfully commissioned and operationalized. Seed that matured early was processed through these facilities and the functionality as well as benefits of the drier have started to bear fruit. These facilities are addressing the following challenges that are emerging with climate change:

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



After harvesting, seeds are brought to the seed processing unit from the field are frequently at high moisture content



Seeds are put onto conveyer belt to go into sorting shed



Seed dropping from conveyer belt into seed cleaning section



Seed cleaning involves the use of equipment to make various size and density separations of material so that the healthy seed is separated from the trash

Research & development

Seed Co's ESG innovation pillar remains our uppermost priority to deliver climate-smart crop high-yielding seed solutions, agronomic support, and training for the efficient utilization 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. The aim is to release at least 5 new improved maize hybrid varieties every year and at least one new improved variety from each of the other crop categories.

Last financial year, the Group released the following new products in the various markets it operates:

Maize variety	Zimbabwe	Malawi	Zambia	Nigeria
1) SC449			✓	
2) SC 547	✓		✓	
3) SC 553	✓		✓	
4) SC 555	✓	✓	✓	
5) SC 559		✓		
6) SC 665		✓		
7) SC 710 new prolific yellow	✓			
8) SC 729	✓	✓		
9) SC 735			✓	✓

NB: SC547, SC553, SC555, SC559, SC665 and SC729 were listed on the SADC catalogue

CHIEF EXECUTIVE OFFICER'S REVIEW

In addition, the Group released the following new and existing products in various markets:

- A new determinate Soyabean variety, SC SZ04 was officially released in Zimbabwe. The variety tolerates high plant densities
- SC PV02, new bean stem maggot tolerant variety released in Zimbabwe under license
- Efforts to find a solution to fall army worm and cob rot tolerant germplasm continue
- MLND breeding program in Kenya is beginning to output proprietary MLND hybrids that are better than local check hybrids
- 4 rice varieties were licensed for commercialization in Zimbabwe, Zambia, and Malawi and pilot productions are ongoing
- SC POT102 (Soly007), a true potato seed variety was released in Zimbabwe under license from Solynta, a Dutch company.
- Several vegetables hybrids were commercialized in various markets

Outlook

Global supply shocks from the Covid-19 pandemic and war in Ukraine, giving rise to imported inflation, are expected to continue impacting the cost of doing business and compound the effects of climate change in Africa to already fragile African economies. Specific to our markets, the following socio-economic developments will have a bearing on our operations going forward:

- the challenging Zimbabwean economic situation is not expected to end soon with increasing uncertainty in view of the upcoming elections next year.
- the continuation of the gap between the official and alternative market exchange rates in Zimbabwe is set to continue weighing down real profitability as it is not easy to de-link selling prices from the official exchange rates given the sensitivities around staple seeds in the country.
- further currency headwinds are expected in Malawi following the recent 25% devaluation
- uncertainty hovering in Kenya (August 2022) and Nigeria (Feb/March 2023) ahead of elections
- Zambia showing signs of recovery as it works with the international community to work out a debt rescue package
- Tanzania continuing to show signs of stability
- continuation of development partner activities in Mozambique to help mitigate national budgetary constraints

Zimbabwe and continental food security will however remain top of the agenda to mitigate global supply shocks as African governments activate import substitution local production strategies. The Group is better positioned to leverage the strong brand and intellectual property to actively contribute to primary food production to plug supply gaps.

Zimbabwe value preservation:

- Good opening stocks and early processing owing to artificial dryer
- We are expanding our open market direct sales and reach to create a sustainable business
- Opening own selling depots for direct cash sales
- Renegotiating distribution agreements to ensure we earn and collect real value from the sale of our products
- Winter cereal sales showing encouraging hard currency denominated revenue
- Leveraging the continental associate to harness export opportunities

Margin recovery measures:

- Reconfiguring the distribution model to manage associated costs to viable levels
- Increasing own production as a way to have more control of the cost of production and product availability
- Localizing borrowings to manage exchange losses
- Converting revenue quickly to stocks and other inputs to lock value
- Leveraging COMESA & SADC movement of goods protocols to move stock where it is needed
- Harnessing the opportunity in Mozambique for long-term sustainability
- Exploring new markets in West, Central, East, and North Africa and new products like rice, potato, cowpea, etc.
- Continuation of development partner activities in Mozambique

Acknowledgement

We are operating in increasingly difficult times for businesses, with climate change now a reality compounding socio-economic challenges already bedeviling Zimbabwe and the continent at large. Against all odds, 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. I am therefore greatly indebted to the team I lead for its resilience and innovativeness in delivering climate-smart seed solutions to the continent. I also acknowledge and appreciate the Board of Directors for the continued support and guidance during these challenging times.

M. Nzwere



Group Chief Executive

GROUP LEADERSHIP

BOARD OF DIRECTORS AND PROFILES



David E. B. Long

**Independent Non - Executive
Group Chairman**

Age: 69

Tenure: 26 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**

Age: 66

Tenure: 9 years

Key Skills: Economics

Qualifications

MBA, BSc (Hon) degree in Economics

Other Commitments:

Director: Zambeef Products PLC.



Morgan Nzwere

Group Chief Executive Officer

Age: 56

Tenure: 12 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**

Age: 54

Tenure: 16 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**

Age: 51

Tenure: 6 years

Key Skills: Accounting and Finance

Qualifications:

B.Comm (Hon) Finance (NUST), ACIMA.

Other Commitments

Financial Controller and Director of Unki Mines, Principal Officer of the Anglo American Pension Funds, Generation Medical Aid Fund and CABS.



Regis Fournier

**Non-Independent Non-Executive
Director**

Age: 54

Tenure: 1 year

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

Age: 55

Tenure: 11 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:

General Manager of the Tobacco Research Board, Director - Minerva Risk Advisers -Harare Institute of Technology and the Research Council of Zimbabwe.



Patrick Spadin

Non Independent Non-Executive Director

Age: 56

Tenure: 3 years

Key Skills: Agronomy and Business Administration

Qualifications

MBA, MSc Agronomy, BSc Agronomy

Other Commitments:

Head of Development (M&A) & Strategic Intelligence at Limagrain.



Michael S Ndoro

Independent Non-Executive Director

Age: 56

Tenure: 12 years

Key Skills: Agronomy

Qualifications

BSc in Agric Economics, MBA - Finance and Marketing.

Other Commitments:

Chief Executive Officer/Owner of Interfruit (Private) Limited, CEO of Utopia Fresh Exporters (Private) Limited, founding member of Utopia Power Group Limited, Director Imara Asset Management and Imara Capital Zimbabwe, Imara Africa Series, African Opportunities Fund. Director Bain and Company



Frederick Savin

Non-Independent Non-Executive Director

Age 61

Tenure: 3 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
Marjorie Mutemererwa	Senior Manager Public Relations & Special Programs
Tirivacho Vushemasimba	Quality Assurance Manager
Charles Pitara	Operations 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.

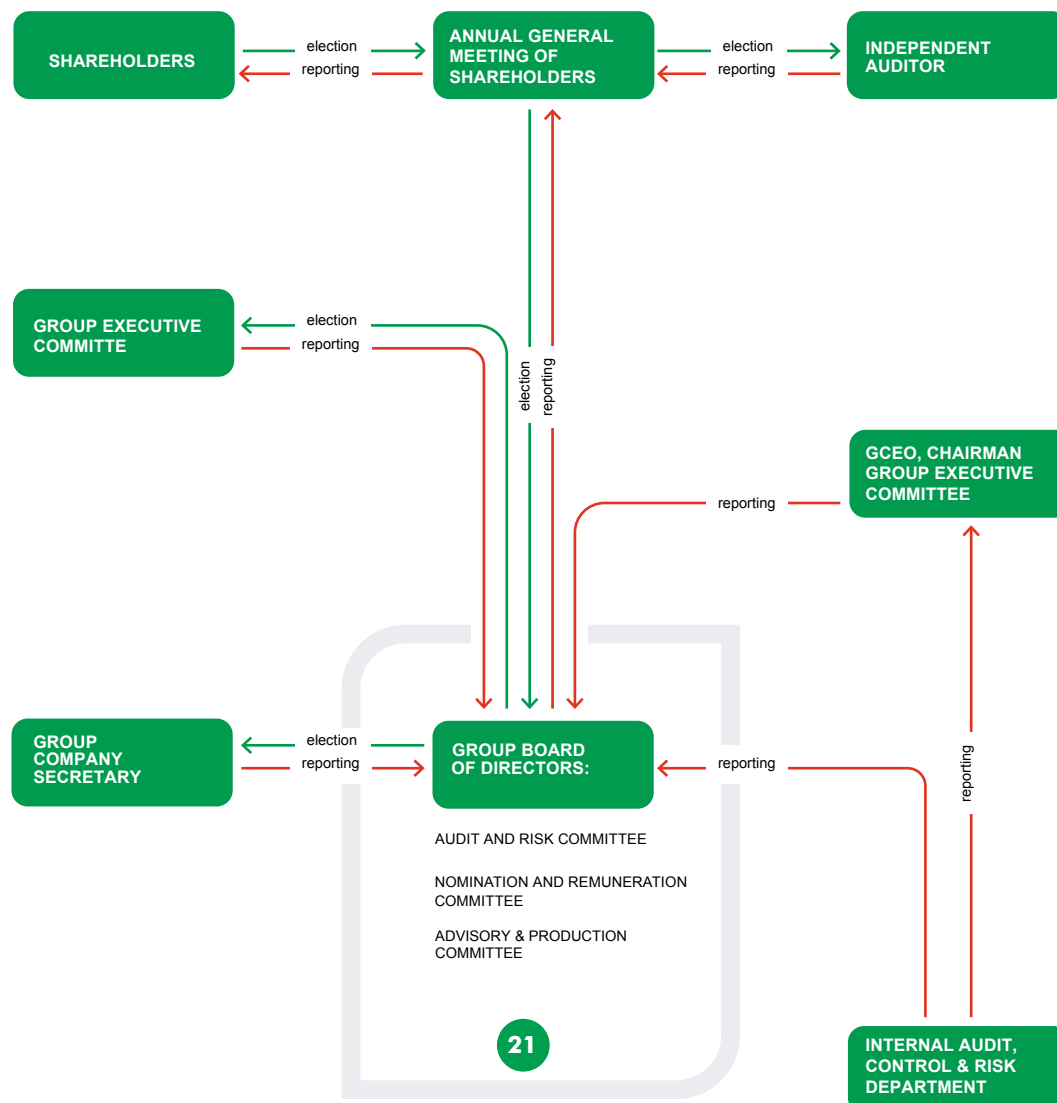
Corporate Governance Framework.

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.

Daniel Jacquemond retired from the Board in 2021. He contributed to the definition and deployment of the Group's finance, development, and innovation strategy.

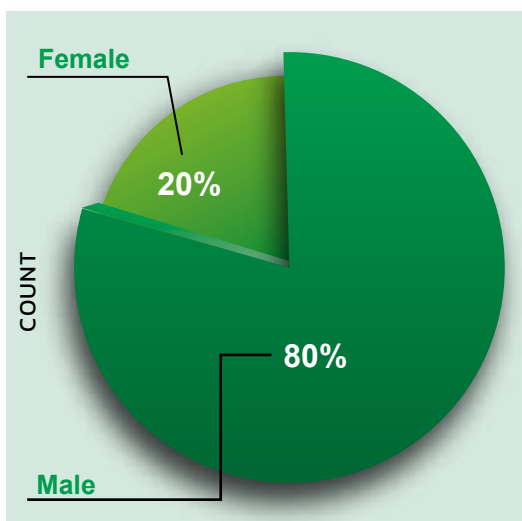
Early 2022, Seed Co Limited co-opted Régis Fournier as a Non-Executive Board member for the Group. Régis Fournier is French and CEO of Limagrain Field Seeds. He studied agronomy in Montpellier and Paris, and holds a Master in Agronomy. He has extensive experience in agronomy and business administration from his work in Maisadour, a cooperative group in the South of France, the trade association for the seed industry in Europe, and member (previously Chairman) of Union Française des Semenciers (UFS), the French seed association for seed companies & plant breeders.

GOVERNANCE

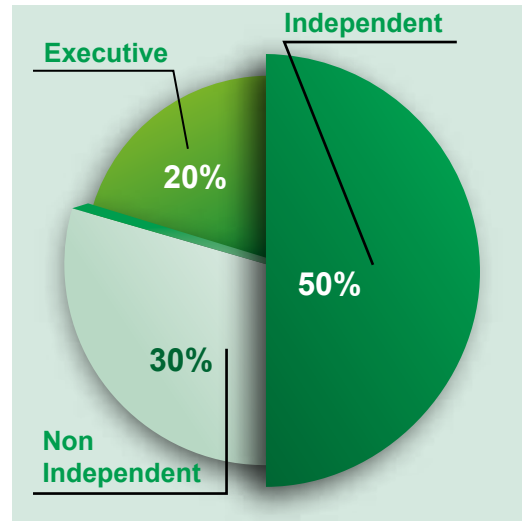
BOARD COMPOSITION

The Seed Co Limited Board consists of twelve (10) Directors, five (5) 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.

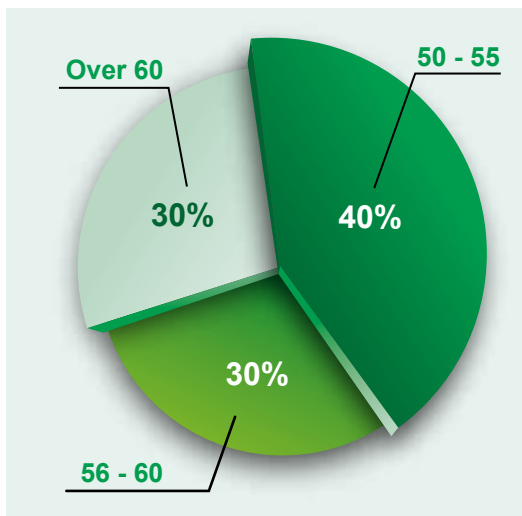
Board Gender Composition



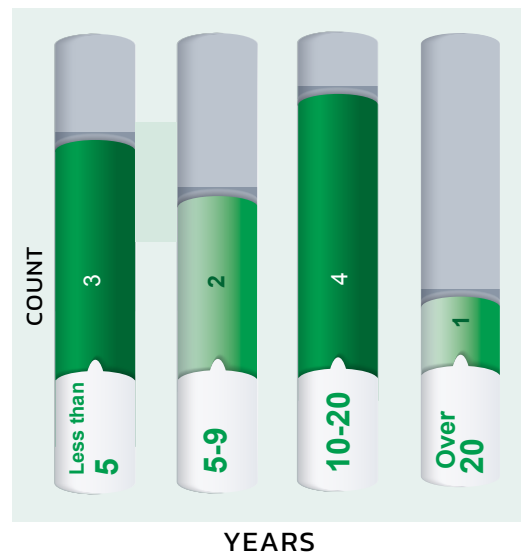
Board Composition



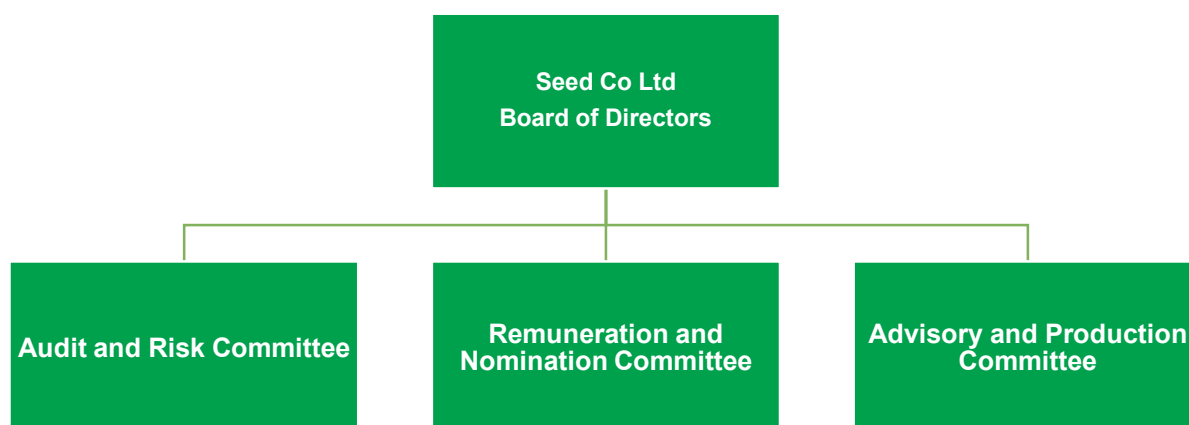
Board Age Ranges



Tenure On The Board



BOARD STRUCTURE



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	<p>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.</p> <p>Summary of responsibilities</p> <ul style="list-style-type: none"> 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	<p>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.</p> <p>Summary of responsibilities</p> <ul style="list-style-type: none"> 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	<p>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.</p>

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	2/4			
D. Garwe	4/4			4/4
P. Spadin	3/4	3/4		
M.S. Ndoro	4/4	2/4	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.

A handwritten signature in black ink, appearing to read "D.E.B Long".

D.E.B Long
Chairman

A handwritten signature in black ink, appearing to read "M. Nzwere".

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.

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. More details are contained on pages 85 to 86 of the financial statements.

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.

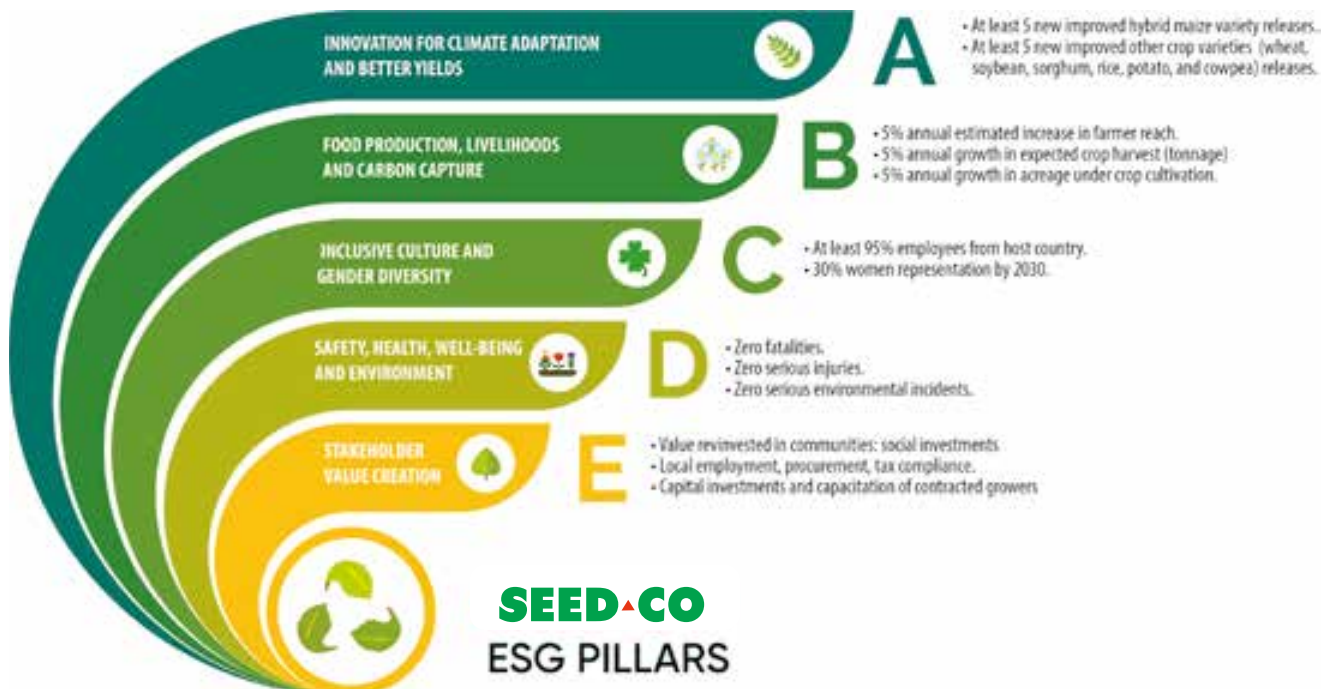
We are committed to sound environmental stewardship. We aim to use the natural resources our business depends on responsibly, care for the environment in our operational and surrounding areas and limit the impact of our operations on our host communities. We do this by promoting farming practices that 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.

GOAL TRACKER

- ✓ Released 5 new maize hybrids SC547, SC553, SC555, SC710 and SC729 in Zimbabwe and SC559, SC665, SC735 on the continent
- ✓ 4 rice varieties were licensed for commercialization in Zimbabwe, Zambia, Ghana, Nigeria, and Malawi
- ✓ 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
- ✓ Several vegetables hybrid seeds were trialed and successfully commercialized in our markets

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	Issues raised by the stakeholder.	Our Response/Action	Engagement Channel	Frequency
Employees	<ul style="list-style-type: none"> Wages and Salary reviews. Employee welfare. 	<ul style="list-style-type: none"> Frequent salary reviews. Housing Schemes – 55 Houses built in Norton, 100% funeral, transport, uniforms, meals support. Engagement of an in-house doctor for staff. 	<p>Emails Staff briefing meetings.</p> <p>Workers Committees. Open Door Grievances Policy.</p>	<p>Fortnightly. Ad-hoc.</p>
Suppliers	<ul style="list-style-type: none"> Failure to deliver goods and services on time. Price fluctuation. 	<ul style="list-style-type: none"> Early procurement initiatives for foreign purchases. Paying on delivery and agreed credit period of 7 working days. 	<p>Meetings, weekly reports.</p> <p>Emails, phone calls, meetings.</p>	<p>Monthly.</p> <p>Regularly.</p>
Distributors/ Retailers	<ul style="list-style-type: none"> Retailer 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. 	<ul style="list-style-type: none"> 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. 	<p>Sales agronomists and representatives.</p> <p>Key accounts personnel, sales office and depot management.</p>	Ongoing.
Customers (Farmers)	<ul style="list-style-type: none"> Product complaints. Availability of online seed shopping options and diaspora support. 	<ul style="list-style-type: none"> 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. 	<p>Preseason, In season and post-season.</p> <p>Pre-planting meetings, farmer testimonials.</p> <p>Post season: Field days, Harvesting tips.</p> <p>In season: Farmer visits.</p>	<p>On-going. Seasonally. Ad-hoc.</p>
Government and Regulators	<ul style="list-style-type: none"> Timeous availability and pack size variety of seed for the Presidential Input Scheme. 	<ul style="list-style-type: none"> Early engagement with the government to forecast demand and pack size requirements 	<p>Ministry stakeholders Meetings.</p>	On-going.
Shareholders and Potential Investors	<ul style="list-style-type: none"> Clarity on dividend policy 	<ul style="list-style-type: none"> Dictated by the economic environment 	<p>AGMs, Analyst Briefing, Ad-hoc.</p>	Quarterly and Annual.
Local Communities	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<p>Formal requests.</p> <p>Meetings between Sales Agronomists and Community heads.</p> <p>Invitations to business events.</p>	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

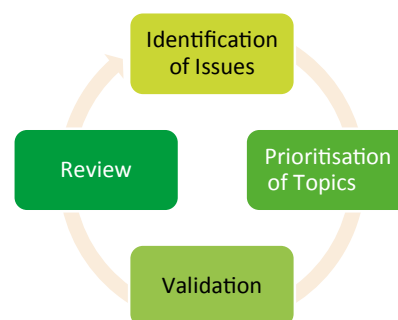
Our materiality process is made up of four phases: 1. Identification of stakeholder issues 2. Prioritisation of topics 3. Validation 4. Review, these stages are further explained below. During the reporting period, the materiality assessment was conducted through a survey of senior executives within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

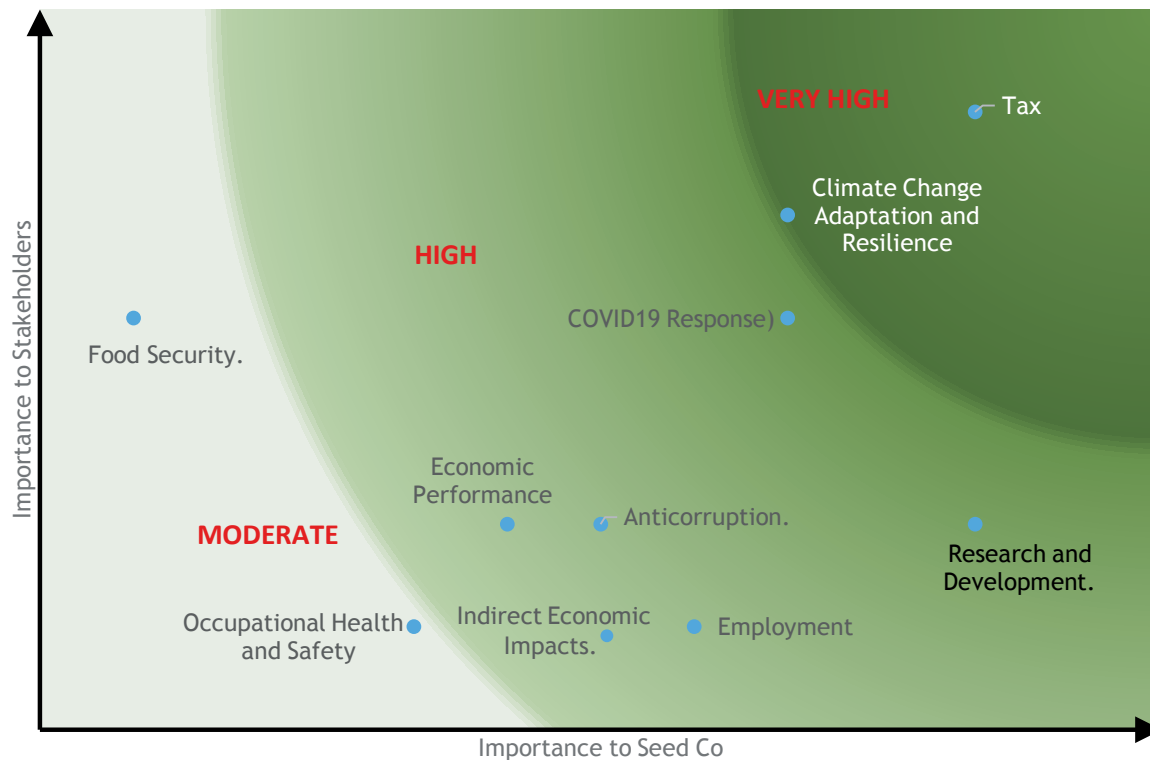
During the materiality identification process, 25 topics were recognised as significant to the business and stakeholders. These topics were categorised into the following three pillars:

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> Climate Change Adaptation and Resilience. Water. Responsible Agriculture and Land use. Raw Materials. Waste. Responsible Sourcing. Energy. Biodiversity. 	<ul style="list-style-type: none"> COVID19 Response. Anticorruption. Employment. Food Security. Occupational Health and Safety. Local Communities. Training and Education. Security Practices. Freedom of Association and Collective Bargaining. Child Labour. 	<ul style="list-style-type: none"> Tax. Research and Development. Economic Performance. Indirect Economic Impacts. Procurement Practices.

Materiality Matrix

The materiality matrix below presents 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.

Materiality Analysis



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	2022	2021	2020
Sales Volumes	Mt	23,664	29,502	20,374
Total Farmers reached	Count	825,450	1,282,181	818,907
Estimated crop acreage from seed sold	Ha	599,348	771,558	499,875

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	2022	2021	2020
Non-renewable materials used				
Packaging -plastics LD plastics rolls	KG	54,764.88	54,764.88	43,132.14
Maxim	Litres	15,559.40	12,844.31	12,628.10
Dye	Litres	29,562.86	19,266.47	18,942.15
Super Guard	Litres	622.38	513.78	505.12
Anchor Red	Litres	16,297.8	7,202.40	13,932.00
Poly woven Bag	Bags	426,818	426,818	451,462
Recycled Input Materials				
Poly woven Bag	Bags	745,530	447,709	445,725

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.

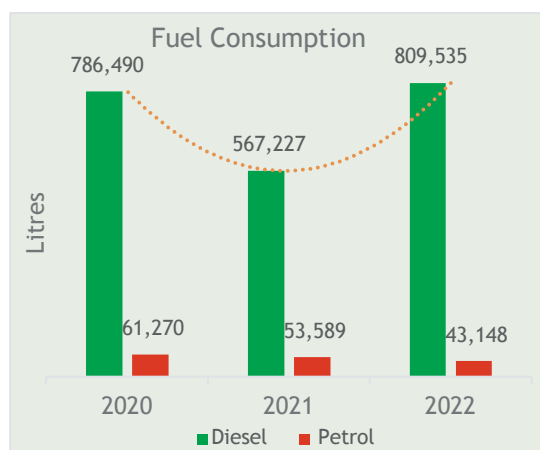
The business is developing and implementing an energy management strategy that embraces cleaner energy (solar). This strategy will promote cleaner energy production.

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	2022
Electricity	kWh	9,692,578

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 maintains 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-forestation/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:

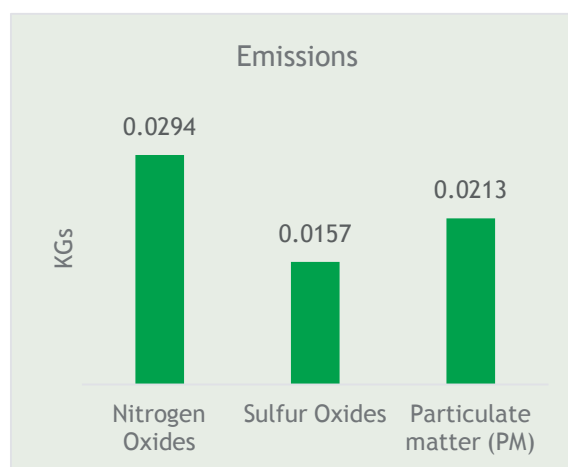
- Routine maintenance of boilers and generators so that the emission levels remain at an acceptable level.
- The Group developed and implemented initiatives for reducing and eliminating emissions to the atmosphere i.e. cleaner energy options and stack/chimney scrubbers to capture pollutants like particulate 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	2022	2021	2020
Diesel (Kg CO ₂ e litres)	2,033,819	1,290,428	1,821,992
Petrol (Kg CO ₂ e Litres)	94,646	117,549	134,397
Total Scope 1 Emissions (Kg CO ₂ e)	2,128,465	1,407,977	1,956,389

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	2022
Electricity (Kg CO ₂ e Kwh)	9,946,524

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	2022	2021	2020
New Suppliers Screened	27	20	22
New suppliers not screened	-	-	-
Total New suppliers	27	20	22
Proportion suppliers screened (%)	100	100	100

Negative environmental impacts in the supply chain and actions taken

Indicator	2022	2021	2020
Suppliers assessed for environmental impacts	22	16	16
Suppliers with significant actual and potential environmental impacts	5	3	4
Total suppliers	27	19	20
Suppliers with significant impacts with improvements agreed after assessment	-	-	-
Suppliers with significant impacts with which the relationship was terminated because of the assessment.	5	2	1

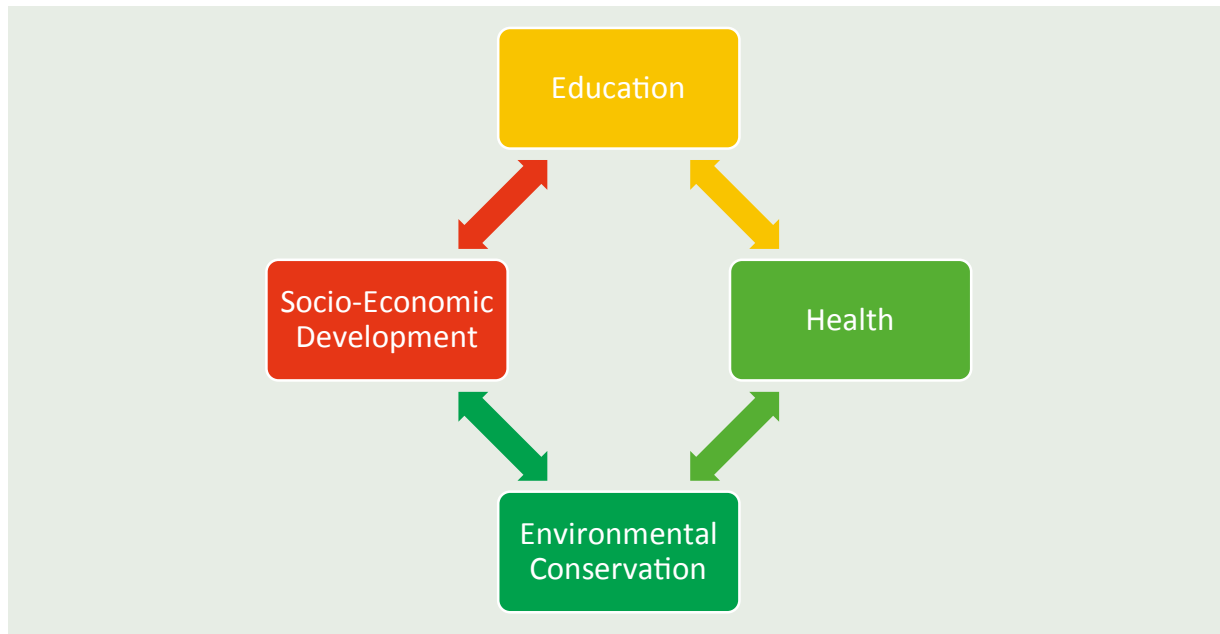
Seed Co does not compromise on quality hence the use of reputable companies with the capacity to deliver supplies effectively and timeously on time at the right quality. The feedback we receive from our customers and stakeholders help us improve and implement policies that ensures we operate responsible 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	3,333,827
Socio Economic Development	Supporting the government and local communities to enhance social economic development.	Community based institutions	Maize Seed.	3,290,040
	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.	559,320
Health	Ensuring access to nutritious foods in hospitals.	Parirenyatwa Group of Hospitals, Sally Mugabe Hospital and Mbuya Dorcas Hospital.	Butternuts.	468, 800
	Complementing government efforts to fight the COVID19 pandemic.	Mandebvu Community. Agritex Officers.	Covid 19 Sinovac Vaccines.	3,710,548
Total				11,362,535

Seed Co initiatives and projects are a deliberate process informed by stakeholder engagement policies. The Group works with Government and Non-Governmental Organisations 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
	End poverty in all its forms everywhere.	<p>Our business is 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.</p> <p>In addition, through our socio-economic development initiatives, we supported 259 growers who are mostly communities and we also utilized ZW\$559,320 in support vulnerable groups.</p>
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	<p>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.</p> <p>We do support communities with maize seeds as donations to help improve socio-economic livelihoods while also alleviation hunger. Crop seed worth ZW\$3,290,040 was donated to communities for food security.</p>
	Ensure healthy lives and promote well-being for all at all ages.	<p>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.</p> <p>In addition, we are supporting some of the public hospitals and clinics with vegetables to help them meet the nutritious needs of patients, during the year we donated butternuts and vegetables worth ZW\$528,600 to hospitals while ZW\$3,710,548 was spend procuring COVID19 vaccines which were donated.</p>
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<p>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.</p> <p>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\$3,333,827</p>

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	2022	2021
Total Tests conducted	Count	474	816
Positive Cases	Count	73	15
Negatives Cases	Count	401	801
Deaths due to COVID19	Count	1	0
Vaccinated Employees	Count	158	33

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.

Our Community COVID19 Intervention

Seed Co donated COVID19 vaccines to the Mandebvu Community which were administered in partnership with CIMAS Medical Aid staff. A total of 1 440 people from Mandebvu Community were vaccinated through the programme. An additional 5,000 vaccines were donated to the Ministry of Agriculture to complement Government efforts.

Evaluating our COVID19 Measures and Actions

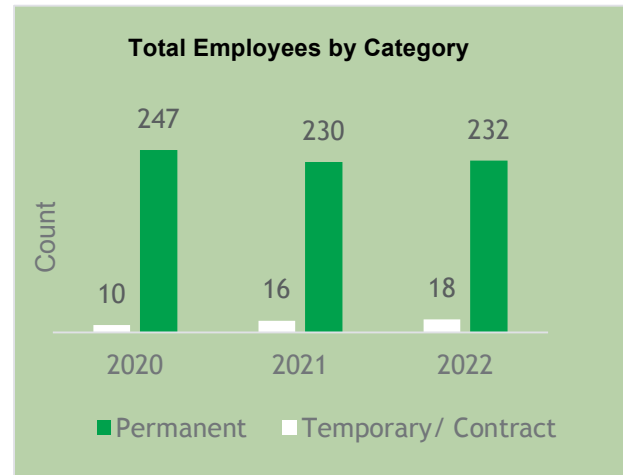
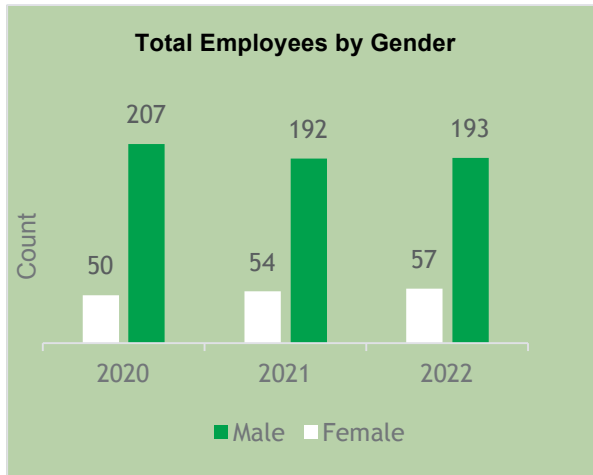
Regular inspections and internal audits of COVID 19 prevention and control measures were used to track the effectiveness of the actions taken to manage COVID 19 and related impacts. The overall goal was to prevent COVID19 related deaths and 100% vaccination of Seed Co employees against the COVID 19 virus.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

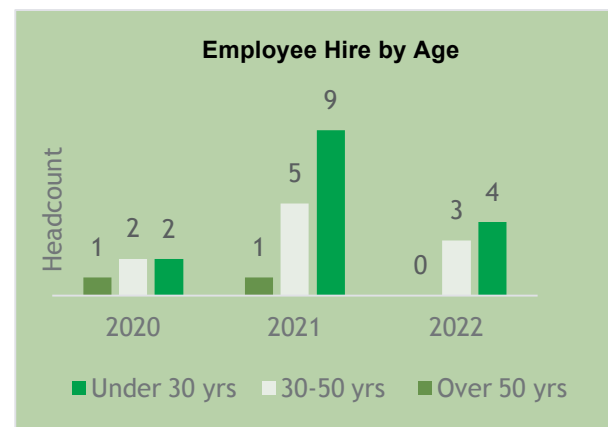
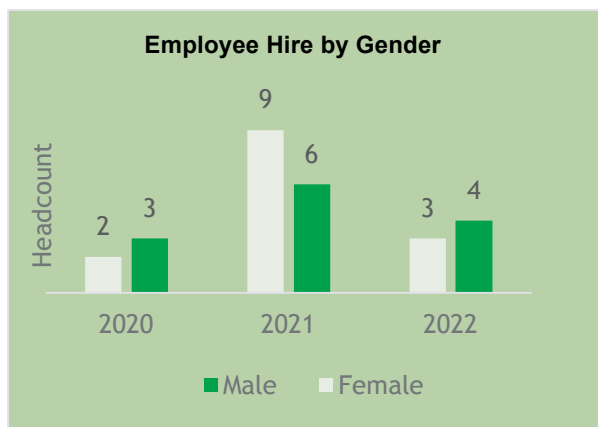
The Group has policies and commitments regarding the management of employment practices in line with the Labour Act [28:01]. Our Human Capital Policies and practices are designed to create conducive work environment for employees to deliver optimum performance and career fulfilment.



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.

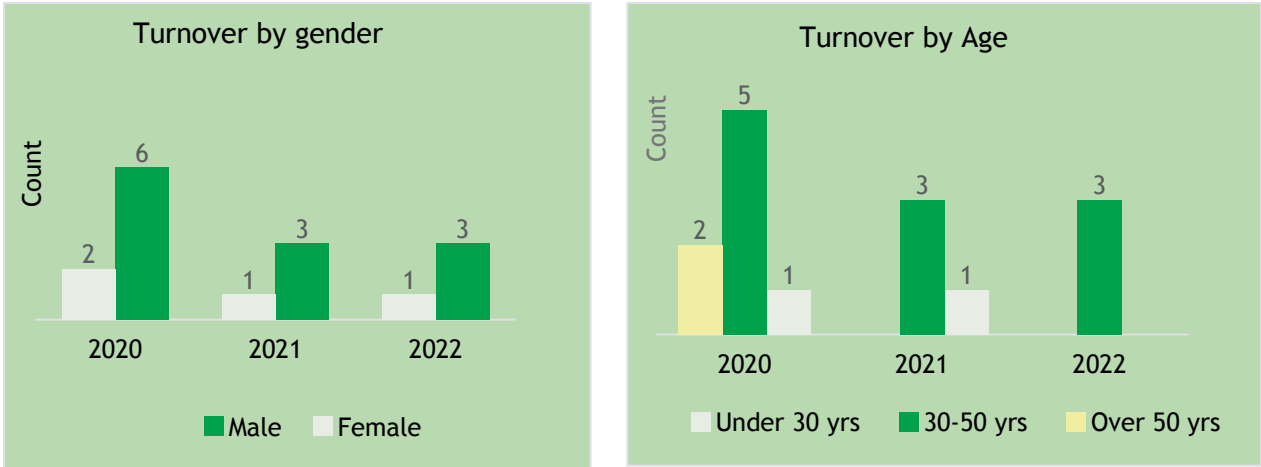
Employment Impacts

New Hires



Employee hire decreased by 53% compared to FY2021 as the graduate trainees from the previous year were employed to permanent positions.

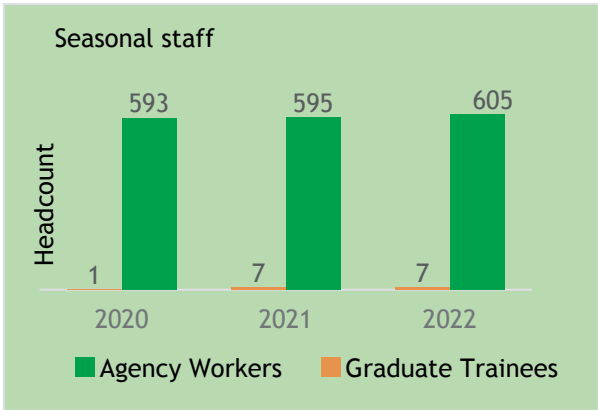
Staff Turnover



Turnover decreased by 25%, compared to 2021, 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 (NIHL), 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 lifting 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 lifting 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.

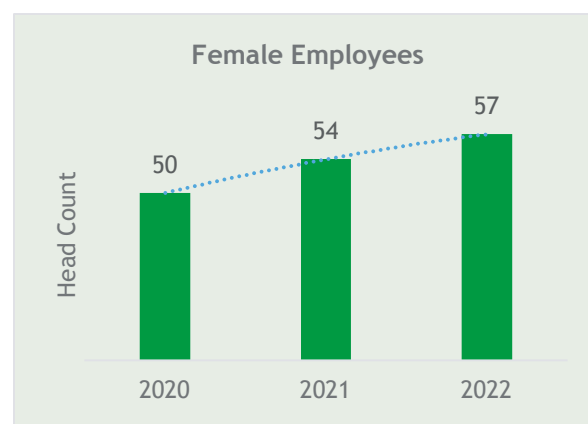
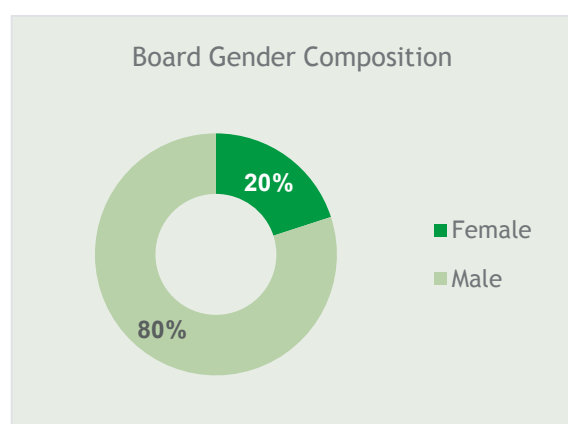
Work Related Injuries

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	2022	2021	2020
Recordable work-related injuries	Count	12	3	10
Recordable work-related injuries rate	Rate	1.69	3.3	11.2

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 6% increase in female employees in 2022. In relation to total employees, the proportion of female employees stands at 23%.

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	2022	2021	2020
Male	hrs	17	15	13
Female	hrs	79	52	47

Training hours by Employee Category	Unit	2022	2021	2020
Executive	hrs	8	11	9
Senior Management	hrs	7	17	14
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	2022	2021	2020
% of Employees on Pension	%	47%	48%	48%
National Social Security Authority (NSSA)	ZWL	12,395,479	4,891,000	529,195
Seed Co Pension Fund	ZWL	44,569,527	20,738,807	2,639,283
Grand Total	ZWL	56,965,006	25,629,807	3,168,478

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	2022	2021	2020
Value Added Tax (VAT)	ZW\$	122,403,385	64,220,149	6,350,682
PAYE	ZW\$	219,326,716	105,213,229	7,398,889
Withholding Tax	ZW\$	5,413,738	795,947	146,733
Import Duty	ZW\$	2,647,552	8,871,891	2,915,232
Aids Levy	ZW\$	6,579,801	3,156,397	221,964
Grand Total	ZW\$	356,371,192	182,257,613	17,033,500
Total taxes to revenue	%	5%	4%	3%

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	2022	2021	2020
Spending on local Suppliers	ZW\$	2,002,507,125	72,133,366	464,398,055
Spending on foreign Suppliers	ZW\$	-	482,715	1,133,079
Total Procurement Spend	ZW\$	2,002,507,125	72,616,081	465,531,134
Number of suppliers		12	15	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 27th Directors' Report of your Company along with the financial statements for the financial year ended 31 March 2022.

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 2021	247 169 845
Add: Share option issues	513 123
Issued and fully paid at 31 March 2022	247 682 968

At 31 March 2022, 252 317 032 (2021: 252 830 155) unissued shares were under the control of the Directors of which a total of 23 277 379 (2021: 22 185 728) were committed to the share option scheme as shown below:

Total unissued shares	252 317 032
Already committed to unexercised options	(7 179 508)
Set aside for future options	(16 097 871)
Sub-total: Total shares committed to the share option scheme	(23 277 379)
Balance of uncommitted shares	229 039 653

At 31 March 2022 options for a total of 7 179 508 (2020: 6 669 312) had not been exercised or forfeited and the movement in share options is as shown below:

Granted but unexercised options at 1 April 2021	6 669 312
New Options granted during the year	1 065 287
Options exercised	(528 728)
Options forfeited	(26 364)
Unexercised options at 31 March 2022	7 179 508

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 ZWL9.3bn compared with prior year of ZWL10.1bn (restated) and a loss of ZWL0.65bn compared with prior year profit of ZWL1.4bn (restated).

For further information, kindly refer to Chief Executive's review of operations on page 13.

5. NUMBER OF MEETINGS OF THE BOARD

The Board met four times in financial year as illustrated in the Governance statement on page 25.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

- (i). In the preparation of the financial statements for year ended 31 March 2022, 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, 2021 and of the profit of the Group for that period.
- (iii). The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies and Other Business Entities Act (Chapter 24:31) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv). The Directors have prepared the financial statements for the year ended 31 March 2021 on a 'going concern' basis.
- (v). The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.
- (vi). The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

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 2022.

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 2022 totalled ZWL0.4BN (2021: ZWL0.7BN restated). Capital expenditure for the year to 31 March 2023 is planned at US\$4M (2022: US\$3.8M).

11. BUSINESS RISK MANAGEMENT

The Group takes a proactive approach to risk management. The Board has considered the continued impact of the Covid-19 pandemic induced risks as well as the impact of the emerging global risks because of the war in Ukraine on the business and took appropriate mitigation measures as shown on page 44 of the annual report. This is in addition to the major risks that the Board constantly manages on page 28 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 PERFORMANCE 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 2022: ZWL 26,309,002 (2021: ZWL29,615,937 restated) to outgoing 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

Daniel Jacquemond retired from the Board during the year ended 31 March 2022 and he was replaced by Regis Fournier who was co-opted by the Board.

Members will be asked to approve the payment of directors' fees in respect of the year ended 31 March 2022 amounting to 2022: ZWL11,886,899 (2021: ZWL15,133,373 restated).

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

12 August 2022

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 inconsistencies 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 inconsistencies 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
12 August 2022

Independent Auditor's Report

To the Shareholders of Seed Co Limited

Report on the Audit of the Consolidated Inflation Adjusted Financial Statements

Adverse Opinion

We have audited the consolidated inflation adjusted financial statements of Seed Co Limited and its subsidiaries (the Group), as set out on pages 64 to 87, which comprise the Consolidated inflation adjusted statement of financial position as at 31 March 2022, and the Consolidated inflation adjusted statement of profit or loss and other comprehensive income, Consolidated inflation adjusted statement of changes in equity and Consolidated inflation adjusted statement of cash flows for the year then ended, and notes to the Consolidated inflation adjusted financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying Consolidated inflation adjusted financial statements do not present fairly the financial position of the Group as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Matter 1: Non-compliance with International Financial Reporting Standards IAS 21 - The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Impact of the prior year modification on the current year audit report for the year ended 31 March 2022 and opening balances

a) Historical date of change in functional currency

As explained in note 2.1 to the Consolidated Inflation Adjusted Financial Statements, the Group changed its functional and reporting currency from United States Dollar (US\$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019. We believed that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

Management in compliance with Statutory Instrument 33 of 2019, prospectively applied the change in functional currency from USD to ZWL from 23 February 2019, which we disagreed with. The correct approach would have been a retrospective restatement as a prior period error in terms of IAS 8.

We were unable for the year ended 31 March 2021 to satisfy ourselves concerning Investment in associates and joint venture, Inventories, Foreign currency translation reserve, share premium, share based payment reserve, Asset Revaluation Reserve, retained earnings and deferred tax liabilities on the Consolidated inflation adjusted statement of financial position.

Since opening balances affect the determination of financial performance, we were unable to determine whether adjustments to Deferred tax movement (included in Income Tax Expense), Cost of sales, share of exchange differences on translation of foreign operation income and Share of other comprehensive income on the Consolidated inflation adjusted statement of profit or loss and other comprehensive income and working capital changes on the Consolidated inflation adjusted Statement of cashflows might be necessary for the year ended 31 March 2021.

Our audit opinion on the Consolidated inflation adjusted financial statements for the period ended 31 March 2021 was modified accordingly. Our opinion on the current period's consolidated inflation adjusted financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

b) Use of exchange rates which did not meet IAS21 requirements in prior year

Further contributing to the prior year modified opinion was the translation of foreign denominated transactions and balances to ZWL using exchange rates which did not meet IAS21 requirements. Management has not restated the prior year amounts in line with the requirements of IAS8. As opening balances enter into the determination of financial performance, the following amounts on the Consolidated inflation adjusted statement of profit or loss for the year ended 31 March 2022 are impacted:

- Depreciation (included in other operating expenses) stated at ZWL 306 188 132 (2021: ZWL 690 057 975)
- Deferred tax movement (included in Income Tax Expense) stated at ZWL 717 051 939 (2021: ZWL (584 662 949))
- Cost of sales stated at ZWL 6 226 384 417 (2021: ZWL 3 630 406 949)
- Other income stated at ZWL 1 869 580 886 (2021: ZWL 1 566 566 718)

Consequently, retained earnings stated at ZWL 1 325 239 496 (2021: ZWL 7 398 259 285) on the Consolidated inflation adjusted statement of changes in equity for the year ended 31 March 2022 is impacted. The misstatements could not be quantified as an appropriate exchange rate could not be identified for the period.

Further to the amounts listed above, the following corresponding numbers remain misstated on the Consolidated inflation adjusted financial statements; Property, Plant and Equipment, Inventories, Trade and other receivables, Cash and cash equivalents, foreign trade payables included in Amounts due to related parties, Deferred tax liabilities, long term and short-term borrowings, Revenue and Finance costs. Our opinion on the current period's financial statements is therefore also modified because of the possible effects of this matter on comparability of the current period figures and corresponding figures.

c) Inappropriate accounting for blocked funds

In prior year, the Group's foreign denominated liabilities relating to amounts held with the central bank were inappropriately held at USD1: ZWL1 instead of translating them at an IAS21 compliant exchange rate. Management has not restated the prior year amounts in line with the requirements of IAS 8 to correct this error. Consequently, corresponding amounts for Amounts due to related parties on the Consolidated inflation adjusted statement of financial position remain misstated, impacting comparability of the current year and prior period figures. Further, as opening balances enter the determination of financial performance, exchange gain/loss (included in other income) stated at ZWL 1 483 417 524 (2021: ZWL 178 211 306) on the Consolidated inflation adjusted statement of profit or loss and retained earnings stated at ZWL 1 325 239 496 (2021: ZWL 7 398 259 285) on the Consolidated inflation adjusted statement of changes in equity remain impacted.

d) Inappropriate translation of a foreign associate on consolidation

In prior year, the foreign associate was translated to Group functional and reporting currency of ZWL at an inappropriate exchange rate which did not meet IAS21 requirements. The misstatement could however not be quantified as an appropriate exchange rate has not been identified. Management has not restated the prior year amounts in line with the requirements of IAS 8.

Consequently, the following corresponding numbers remain misstated on the Consolidated inflation adjusted financial statements: Investment in associate and joint venture, share of profit from associates and joint venture, retained earnings and Exchange differences on translation of foreign operations. Our opinion is therefore modified due to the possible effects of this matter on comparability of the current year and prior period figures.

Matter 2: Valuation of land and Buildings

The Group's Property, plant and equipment which is carried at ZWL 6 322 033 536 (2021: ZWL 4 740 470 703) as disclosed on note 9.3 includes land & buildings, plant and machinery, equipment and motor vehicles. The market approach was applied for the valuation of land and buildings and key inputs into the calculations include rentals per square metre and prime yield rates. The cost and market approaches were applied for the remaining asset classes. The valuation was performed based on ZWL Denominated inputs.

We have concerns over the Specialist's assumption on capitalization rates. The capitalization rate applied in ZWL is very close to the USD rates applicable, which is not appropriate given the hyperinflationary environment.

For the property valuations, the valuer used a limited number of transactions in ZWL to derive a ZWL value for the properties. Further, in some instances, offers were used instead of actual sales.

The misstatement can however not be quantified as we could not determine the correct appropriate inputs due to limited data on the market.

Consequently, the following line items are impacted: Property, Plant and Equipment stated at ZWL 6 322 033 536 (2021: ZWL 4 740 470 703) , Asset revaluation reserve stated at ZWL 3 320 525 243 (2021: ZWL 2 282 491 620) and Deferred tax liability stated at ZWL 2 313 651 085 (2021: ZWL 1 231 849 757) on the inflation adjusted consolidated Statement of Financial Position, and depreciation of ZWL 306 188 132 included in operating expenses stated at ZWL 2 847 447 159 (2021: ZWL 2 482 770 708 and revaluation of Property, plant and equipment on the consolidated statement of other comprehensive income of ZWL 1 475 523 422 (2021: ZWL (1 282 048 169)). Our prior year audit report was also modified due to this matter, albeit slightly different. In prior year, the valuation of ZWL 4 740 470 703 included in Property, plant, and equipment, was performed based on USD denominated inputs and converted to ZWL as the presentation currency using the closing weighted average auction rate. We had concerns in applying a conversion rate to USD valuation inputs to calculate ZWL plant and equipment values as this may not have been an accurate reflection of market dynamics as risks associated with currency trading do not reflect the risks associated with plant and equipment trading.

Matter 3: Associate applying inconsistent accounting policies to the Group

Quton Seed, a local associate accounts for its Property, Plant and Equipment (PPE) on the cost model, which is not consistent with the Group accounting policies which require PPE to be revalued annually. The Group has not made any adjustments at consolidation as required by IAS 28. This is a prior period error which has not been corrected in terms of IAS 8 and is continuing in the current year. The impact can however not be quantified on the Share of profit from associates & joint ventures stated at ZWL 290 533 476 (2021: ZWL 406 463 243, and the Investment in associates and joint venture balance stated at ZWL 4 527 239 523 (2021: ZWL 8 105 040 086). The prior year opinion was also modified due to this matter.

Matter 4: Investment in local Associates and Joint venture - Equity Accounted Amounts not correct owing to underlying modified opinions

The Group has one local associate and one joint venture whose functional currency is the ZWL and are equity accounted. The investment in associate and invest in joint venture as disclosed in Note 10.1 to the Statement of Financial position are stated respectively as ZWL 612 843 199 (2021: ZW 595 849 304) and ZWL 190 082 229 (ZWL 182 267 020).

The share of profit is stated as ZWL 16 993 895 (2021: ZWL 161 928 707) and ZWL 80 555 616 (2021: ZWL (123 891 682) for the associate and joint venture respectively, while the share of revaluation gains/losses on PPE revaluation from joint venture is stated as ZWL (72 740 407) (2021: ZWL (79 096 205)), as described in Note 10.

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

Matter 5: Consequential impact of the above matters on IAS 29 (Financial Reporting in Hyperinflationary Economies) accounting

Furthermore, notwithstanding that IAS 29 - Financial Reporting in Hyperinflationary Economies has been applied from 1 April 2019, it is noted that its application was based on prior and current periods' financial information which has been misstated as a result of matters described above. Had the correct base numbers and start date been used, the amounts specified on matters 1 to 4 above as per the Consolidated inflation adjusted financial statements would have been materially different. Consequently, the monetary loss of ZWL995 710 388(2021: ZWL3 298 661 823) on the consolidated inflation adjusted Statement of Profit or Loss and other Comprehensive Income are impacted. Our prior year audit report was also modified due to this matter.

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

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

Key Audit Matters

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

Other information

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

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

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

Responsibilities of the Directors for the Consolidated Inflation Adjusted Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated inflation adjusted Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's report (continued)

Seed Co Limited

- Evaluate the overall presentation, structure and content of the consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated inflation adjusted financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Fungai Kuipa (PAAB Practicing Certificate Number 335).



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

07 July 2022



SEED CO LIMITED
GROUP INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
Revenue from contracts with customers	5	9,311,858,627	10,100,377,954	6,890,390,630	4,773,600,704
Cost of sales	11.2	(6,226,384,417)	(3,630,406,949)	(3,156,846,910)	(1,650,204,318)
Gross profit		3,085,474,210	6,469,971,005	3,733,543,719	3,123,396,386
Other income	6.1	1,869,580,886	1,566,566,718	1,460,527,783	812,380,878
Operating expenses	6.2	(2,847,447,159)	(2,482,770,708)	(2,195,812,079)	(1,060,373,568)
Sales and marketing costs		(429,232,866)	(286,557,693)	(378,854,969)	(143,293,997)
General and administrative costs		(1,543,935,278)	(1,590,023,664)	(1,176,361,147)	(593,692,538)
Research costs		(815,094,489)	(598,639,489)	(581,411,437)	(265,150,750)
Movement in expected credit losses	12.3	(59,184,526)	(7,549,862)	(59,184,526)	(58,236,283)
Operating profit		2,107,607,937	5,553,767,015	2,998,259,423	2,875,403,696
Finance income	6.3	2,276,883	1,282,068	2,066,459	742,388
Finance costs	6.4	(854,030,552)	(777,084,158)	(631,241,649)	(435,402,155)
Monetary loss		(995,710,388)	(3,298,661,823)	-	-
Share of profit from associates and joint venture	10.1	290,533,476	406,463,243	454,244,821	448,566,739
Profit before tax		550,677,356	1,885,766,345	2,823,329,054	2,889,310,668
Income tax expense	7.1	(1,201,204,717)	(453,508,266)	(642,105,446)	(574,425,753)
Profit/(loss) for the year		(650,527,361)	1,432,258,080	2,181,223,608	2,314,884,915
Attributable to:					
Equity holders of the parent		(650,527,361)	1,432,258,080	2,181,223,608	2,314,884,915
Earnings per share - cents	8.1				
Basic, profit/(loss) for the year attributable to equity holders of the parent		(258.43)	579.45	866.50	936.54
Diluted, profit/(loss) for the year attributable to equity holders of the parent		(258.43)	566.67	866.50	915.88
Headline, profit/(loss) for the year attributable to equity holders of the parent		(281.94)	502.92	917.08	892.22

SEED CO LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022 ZWL	Restated 2021 ZWL	2022 ZWL	Restated 2021 ZWL
Profit for the year		(650,527,361)	1,432,258,080	2,181,223,608	2,314,884,915
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	1,443,956,385	2,080,604,560	1,443,956,385	1,204,784,323
Share of other comprehensive loss from associate	10.2	160,844,787	(227,216,933)	160,844,787	(131,571,085)
Net other comprehensive profit that may be reclassified to profit or loss in subsequent		1,604,801,172	1,853,387,626	1,604,801,172	1,073,213,238
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	1,475,523,422	-	3,391,914,545	1,518,029,548
Revaluation reversal	9.1 & 9.2	-	(1,282,048,169)	-	-
Deferred tax on revaluation of property, plant and equipment	7.4	(364,749,390)	316,922,308	(758,383,288)	(343,092,686)
Share of other comprehensive income from associate and joint venture	10.2	(72,740,407)	168,120,155	37,604,709	144,675,178
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		1,038,033,625	(797,005,707)	2,671,135,966	1,319,612,040
Other comprehensive income for the year, net of tax		2,642,834,797	1,056,381,919	4,275,937,138	2,392,825,278
Total comprehensive income for the year		1,992,307,436	2,488,639,999	6,457,160,746	4,707,710,193
Attributable to:					
Equity holders of the parent		1,992,307,436	2,488,639,999	6,457,160,746	4,707,710,193

SEED CO LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

INFLATION ADJUSTED

	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total equity
As at 1 April 2020	47,499,153	2,330,635,346	85,088,334	3,079,497,325	2,321,029,351	5,966,001,205	13,829,750,714
Profit for the year	-	-	-	-	-	1,432,258,080	1,432,258,081
Other comprehensive income	-	-	-	797,005,707	1,853,387,626	-	1,056,381,919
Total comprehensive income/(loss)	-	-	-	(797,005,707)	1,853,387,626	-	2,488,640,000
Share based payments	-	-	4,089,061	-	-	-	4,089,061
Dividend - scrip	-	-	-	-	-	-	-
Dividend - cash	-	-	-	-	-	-	-
As at 31 March 2021	47,499,153	2,330,635,346	89,177,395	2,282,491,619	4,174,416,977	7,398,259,284	16,322,479,775
Inflation adjusted reversal	-	-	-	-	-	(5,420,116,246)	(5,420,116,246)
Loss for year	-	-	-	1,038,033,625	1,604,801,172	(650,527,361)	(650,527,361)
Other comprehensive (loss)/income	-	-	-	1,038,033,625	1,604,801,172	-	2,642,834,797
Total comprehensive (loss)/income	-	-	-	1,038,033,625	1,604,801,172	(6,070,643,607)	(3,427,808,810)
Share based payments	-	-	11,181,102	-	-	(2,376,180)	11,181,102
Dividend - scrip	-	-	-	-	-	-	-
As at 31 March 2022	47,499,153	2,330,635,346	100,358,497	3,320,525,244	5,779,218,150	1,325,239,497	12,903,475,886

SEED CO LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

UNAUDITED HISTORICAL COST

	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total equity
As at 1 April 2020	2,472,027	53,484,674	3,202,020	739,735,757	421,595,378	414,535,210	1,635,025,066
Profit for the year	-	-	-	-	-	2,314,884,915	2,314,884,915
Other comprehensive income	-	-	-	1,319,612,040	1,073,213,238	-	2,392,825,278
Total comprehensive income	-	-	-	1,319,612,040	1,073,213,238	2,314,884,915	4,707,710,193
Share based payments	-	-	2,367,791	-	-	-	2,367,791
As at 31 March 2021	2,472,027	53,484,674	5,569,811	2,059,347,797	1,494,808,616	2,729,420,125	6,345,103,050
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	6,457,160,746
Share based payments	-	-	7,840,268	-	-	(2,376,180)	7,840,268
Dividend - scrip	-	-	-	-	-	-	-
As at 31 March 2022	2,472,027	53,484,674	13,410,079	4,730,483,763	3,099,609,788	4,908,267,552	12,807,727,884

SEED CO LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022	Restated 2021	2022	Restated 2021
	Note	ZWL	ZWL	ZWL	ZWL
ASSETS					
Non-current assets					
Property, plant & equipment (PPE)	9.3	6,322,033,534	4,740,470,702	6,322,021,143	2,744,992,920
Investment in associates & joint venture	10.1	4,527,239,523	8,105,040,086	4,444,283,165	2,244,530,168
Non-current financial assets	12.1	31,843,805	2,905,101	31,843,092	1,681,807
		10,881,116,862	12,848,415,889	10,798,147,400	4,991,204,895
Current assets					
Inventories	11.1	3,311,786,630	2,773,734,642	2,431,419,654	778,593,643
Trade and other receivables	12.1	3,367,090,180	4,936,469,474	3,356,529,005	2,846,914,969
Amount due from related entities	13.1	743,072,337	835,087,374	743,072,337	483,561,459
Other current financial assets		610,387,245	728,774,560	610,387,245	422,000,500
Cash and cash equivalents	14.1	259,390,612	923,354,218	259,390,612	534,672,810
		8,291,727,004	10,197,420,268	7,400,798,853	5,065,743,381
Total assets		19,172,843,866	23,045,836,157	18,198,946,252	10,056,948,276
EQUITY AND LIABILITIES					
Equity					
Share capital		47,499,153	47,499,154	2,472,027	2,472,027
Share premium		2,330,635,346	2,330,635,348	53,484,674	53,484,674
Share based payments reserve	16.1	100,358,497	89,177,395	13,410,079	5,569,811
Asset revaluation reserve		3,320,525,243	2,282,491,620	4,730,483,763	2,059,347,797
Foreign currency translation reserve		5,779,218,150	4,152,319,342	3,099,609,788	1,494,808,616
Retained earnings		1,325,239,497	7,398,259,285	4,908,267,552	2,729,420,125
Total equity		12,903,475,886	16,300,382,143	12,807,727,884	6,345,103,050
Non-current liabilities					
Long-term borrowings	17.1	1,443,837,340	1,832,292,914	1,443,837,340	1,060,998,241
Deferred tax liability	7.4	2,313,651,085	1,231,849,757	1,435,501,468	519,165,511
		3,757,488,425	3,064,142,671	2,879,338,807	1,580,163,752
Current liabilities					
Short-term borrowings	17.1	1,644,722,935	2,090,820,314	1,644,722,935	1,210,699,806
Trade and other payables	18.1	321,212,997	171,279,553	321,213,004	99,180,269
Amount due to related entities	19.1	5,243,522	310,634,003	5,243,522	179,874,150
Provisions	20.1	256,221,724	148,655,917	256,221,724	86,079,941
Income tax payable		284,478,377	959,921,557	284,478,377	555,847,308
		2,511,879,555	3,681,311,343	2,511,879,562	2,131,681,474
Total liabilities		6,269,367,980	6,745,454,014	5,391,218,370	3,711,845,226
Total equity and liabilities		19,172,843,866	23,045,836,157	18,198,946,254	10,056,948,276



D. E. B. Long
Chairman
7 July 2022



M. Nzwere
Chief Executive Officer
7 July 2022

SEED CO LIMITED
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
Operating activities					
Profit before tax		550,677,356	1,885,766,345	2,823,329,054	2,889,310,668
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of PPE	9.2	306,188,132	690,057,975	184,509,841	120,093,417
Loss/(Profit) on disposal of PPE	6.1	27,217,517	15,341,177	10,319,568	1,013,990
Share based payment expense	16.2	11,181,102	4,089,061	7,840,268	2,367,791
Dividend income	6.1	(3,254,576)	(4,100,046)	(2,376,180)	(1,597,330)
Finance income	6.3	(2,276,883)	(1,282,068)	(2,066,459)	(742,388)
Finance costs	6.4	854,030,552	777,084,158	631,241,649	435,402,155
Share of profit from associates and JV	10.1	(290,533,476)	(406,463,243)	(454,244,821)	(448,566,739)
Effects of monetary (losses)/gains		995,710,388	3,298,661,823	-	-
Operating cash flows before working capital changes		2,448,940,112	6,259,155,182	3,198,552,920	2,997,281,564
Working capital changes:					
Decrease/(Increase) in inventories		(538,051,988)	(943,067,002)	(1,652,826,011)	(627,299,487)
Decrease/(Increase) in trade and other receivables		1,569,379,294	(3,641,421,215)	(509,614,036)	(2,631,504,715)
(Increase)/Decrease in related party receivables		92,015,037	(779,323,431)	(259,510,878)	(474,079,654)
Increase in trade and other payables		149,933,444	107,544,419	222,032,735	88,343,085
Increase/(decrease) in related party payables		(305,390,481)	253,572,038	(174,630,628)	170,171,636
(Decrease)/Increase in provisions		107,565,807	(15,022,160)	170,141,783	58,248,989
Cash generated from operations		3,524,391,226	1,241,437,830	994,145,885	(418,838,582)
Income tax paid		(1,159,595,959)	(509,026,273)	(755,521,708)	(118,557,824)
Net cash flows from operating activities		2,364,795,267	732,411,557	238,624,177	(537,396,406)
Investing activities					
Proceeds from disposal of PPE		14,579,666	18,203,762	13,628,335	9,703,353
Purchase of PPE	9.1	(435,689,424)	(682,972,326)	(393,571,420)	(326,828,356)
(Increase)/Decrease in other current financial assets		118,387,315	(728,774,560)	(188,386,745)	(422,000,500)
Decrease/(Increase) in other non-current financial assets		(28,938,704)	27,174,913	(30,161,284)	3,432,732
Dividends received	6.1	3,254,576	4,100,046	2,376,180	1,597,330
Interest received	6.3	2,276,883	1,282,068	2,066,459	742,388
Net cash flows from investing activities		(326,129,688)	(1,360,986,097)	(594,048,475)	(733,353,053)
Financing activities					
Proceeds from borrowings	17.2	7,038,596,900	7,441,390,337	2,742,155,029	2,899,078,641
Repayment of borrowings	17.2	(4,941,864,992)	(1,776,449,084)	(1,925,292,801)	(692,083,786)
Interest paid	6.4	(854,030,552)	(777,084,158)	(631,241,649)	(435,402,155)
Net cash flows generated from financing activities		1,242,701,356	4,887,857,095	185,620,579	1,771,592,700
Net cash flows during the year		3,281,366,935	4,259,282,554	(169,803,719)	588,950,359
Effects of monetary (losses)/gains		(3,800,860,125)	(3,414,207,763)	-	-
Effects of exchange rate		(144,470,415)	(120,677,432)	(105,478,479)	(88,107,118)
Opening cash and cash equivalents	14.1	923,354,218	198,956,858	534,672,810	33,829,569
Closing cash and cash equivalents	14.1	259,390,612	923,354,218	259,390,612	534,672,810

SEED CO LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4 GROUP INFORMATION

4.1 The holding company

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

4.2 Entity with significant influence over the Group

Vilmorin & Cie owns 29.17% of the ordinary shares in Seed Co Limited (2021: 29.17%).

4.3 Associates and joint venture

The consolidated financial statements of the Group include:

Name	Principal Activities	Country of Incorporation	% of equity interest	
			2022	2021
Seed Co International Limited	Field seeds	Botswana	27%	27%
Niculata Investments (Pvt) Ltd t/a Prime Seed Co Zimbabwe	Vegetable seeds	Zimbabwe	51%	51%
Quton Seed Company (Pvt) Ltd t/a Quton Zimbabwe	Cotton seeds	Zimbabwe	40%	40%

4.4 Related parties

Related parties comprise the following entities and persons:

4.4.1 Related entities

Name	Nature of relationship	Country of incorporation and
Vilmorin & Cie	Shareholder with significant	France
Mahyco	Co-shareholder in associate	India
HM Clause	Joint venture partner	France
Seed Co International Limited	Associate	Botswana
Quton Zimbabwe	Associate	Zimbabwe
Prime Seed Co Zimbabwe	Joint venture	Zimbabwe
Seed Co-Ghana	SCI subsidiary	Ghana
Seed Co South Africa	SCI subsidiary	South Africa
Seed Co Zambia	SCI subsidiary	Zambia
Seed Co Malawi	SCI subsidiary	Malawi
Seed Co Tanzania	SCI subsidiary	Tanzania
Agri Seed Co Kenya	SCI subsidiary	Kenya
Seed Co Rwanda	SCI subsidiary	Rwanda
Nigeria	SCI subsidiary	Nigeria

4.4.2 Related persons

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

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

SEED CO LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
5.1 Product					
Maize seed		6,799,821,548	7,227,630,891	4,469,679,745	3,552,391,887
Soybean seed		949,668,368	1,516,608,175	765,743,820	761,905,263
Wheat seed		1,214,205,459	1,097,193,184	764,268,091	323,038,762
Other seeds		348,163,252	258,945,704	890,698,974	136,264,792
		9,311,858,627	10,100,377,954	6,890,390,630	4,773,600,704
5.2 Geographical markets					
Zimbabwe		9,311,858,627	10,100,377,954	6,890,390,630	4,773,600,704
		9,311,858,627	10,100,377,954	6,890,390,630	4,773,600,704
5.3 Timing of revenue recognition					
Goods transferred at a point in time		9,311,858,627	10,100,377,954	6,890,390,630	4,773,600,704
Services transferred over time		-	-	-	-
		9,311,858,627	10,100,377,954	6,890,390,630	4,773,600,704

6 INCOME AND EXPENSES

6.1 Other income					
Dividends received	21.1	3,254,576	4,100,046	2,376,180	1,597,330
Royalty income	21.1	337,789,772	422,037,602	253,571,816	198,747,002
(Loss)/Profit on disposal of property, plant and equipment		(97,531,852)	(15,341,177)	(10,319,568)	(1,013,990)
Profit/(loss) from non-seed/commodity sales		59,194,079	958,178,476	(127,314,210)	109,543,134
Net exchange gains		1,483,417,524	178,211,306	1,267,384,852	493,252,114
Sundry income	6.1.1	83,456,787	19,380,465	74,828,712	10,255,288
		1,869,580,886	1,566,566,718	1,460,527,783	812,380,878
Proceeds from disposal		14,579,666	31,437,021	13,628,335	9,703,353
Net carrying amount	9.1 & 9.2	(112,111,517)	(46,778,198)	(23,947,903)	(10,717,343)
		(97,531,851)	(15,341,177)	(10,319,568)	(1,013,990)

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

6.2 Operating expenses					
Included in operating expenses are	Note				
Employee benefits		793,796,164	633,726,521	790,455,330	322,799,719
6.2.1 Short-term employee benefits		749,174,503	602,918,191	749,174,503	306,889,711
6.2.2 Post-employment benefits		33,440,559	26,720,132	33,440,559	13,542,217
6.2.3 Share based payments expense		11,181,102	4,088,198	7,840,268	2,367,791
Directors' fees	21.1.1	11,886,899	15,133,373	9,511,153	12,202,971
Depreciation	9.2	295,815,580	690,057,974	184,509,841	120,093,417
Audit fees		26,309,002	29,615,937	24,400,209	13,069,992
Loss on disposal of property, plant and equipment		97,531,852	15,341,177	10,319,568	1,013,990

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

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

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

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

6.3 Finance income					
Interest income from financial assets		2,276,883	1,282,068	2,066,459	742,388
		2,276,883	1,282,068	2,066,459	742,388
All interest is recognised on an EIR basis					
6.4 Finance cost					
Interest expense on financial liabilities		854,030,552	777,084,158	631,241,649	435,402,155
		854,030,552	777,084,158	631,241,649	435,402,155



SEED CO LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7 INCOME TAX

7.1 The major components of income tax expense are:

Current income tax
Deferred tax

7.2 Reconciliation of tax expense and the accounting profit

Accounting profit before income tax
Share of profit from associates and joint ventures already taxed
Accounting profit for tax calculation purposes
Tax at statutory income tax rate of 24.72% (2021: 24.72%)
Effect of different tax rate used
Effect of income that is not taxable
Effect of expenses that are not deductible
Inflation restatement
Tax at effective income tax rate

7.2.1 Income that is not taxable includes unrealised exchange gains while

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

7.3 Deferred tax expense/(income) relates to the following:

Accelerated depreciation for tax purposes
Provisions
Investments in associates and joint venture
Inventories
Unrealised exchange gains
Prepayments

7.4 Deferred tax liability relates to the following:

Revaluation
Accelerated depreciation for tax purposes
Prepayments
Provisions
Investments in associates and joint venture
Inventories
Unrealised exchange gains

7.5 Deferred tax liability reconciliation

Balance at the beginning of the year
Tax expense/(income) recognised in profit or loss
Tax expense recognised in other comprehensive income
Balance at the end of the year

Note	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
7.1	484,152,778	1,038,171,215	484,152,778	601,158,158
7.2	717,051,939	(584,662,949)	157,952,668	(26,732,405)
	1,201,204,717	453,508,266	642,105,446	574,425,753
	550,677,356	1,885,766,345	2,823,329,054	2,889,310,668
	(290,533,476)	(406,463,243)	(454,244,821)	(448,566,739)
	260,143,880	1,479,303,102	2,369,084,233	2,440,743,929
	64,307,567	365,683,727	585,637,622	603,351,899
	-	-	-	-
7.2.1	(149,174,969)	(88,575,118)	(58,116,823)	(34,507,830)
7.2.2	197,882,172	14,327,134	114,584,647	5,581,684
	1,088,189,946	162,072,523	-	-
	1,201,204,716	453,508,266	642,105,446	574,425,753
	874,125,487	(1,201,809,484)	38,258,635	(29,296,022)
	(2,017,834)	(39,626,591)	(18,698,452)	(22,945,973)
	(145,933,913)	259,435,666	-	-
	(135,656,909)	353,283,626	-	-
	123,924,385	44,053,835	138,392,486	25,509,590
	2,610,722	-	-	-
	717,051,939	(584,662,949)	157,952,669	(26,732,405)
	1,019,484,131	654,734,741	1,277,548,799	538,268,200
	834,093,967	(40,031,520)	31,618,874	(21,666,306)
	2,610,722	-	-	-
	(41,644,425)	(39,626,591)	(41,644,425)	(22,945,973)
	113,501,753	259,435,666	-	-
	217,626,716	353,283,625	-	-
	167,978,220	44,053,835	167,978,220	25,509,590
7.5	2,313,651,084	1,231,849,755	1,435,501,468	519,165,511
	1,231,849,755	2,133,435,012	519,165,511	202,805,230
	717,051,939	(584,662,949)	157,952,668	(26,732,405)
	364,749,390	(316,922,308)	758,383,288	343,092,686
	2,313,651,084	1,231,849,755	1,435,501,467	519,165,511

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.

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

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
Profit attributable to ordinary equity holders of the parent for basic earnings	(650,527,361)	1,432,258,080	2,181,223,608	2,314,884,915
Effect of dilution				
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	(650,527,361)	1,432,258,080	2,181,223,608	2,314,884,915
Non-recurring and non-operational items	(59,194,079)	(189,175,722)	127,314,210	(109,543,134)
Headline earnings	(709,721,440)	1,243,082,358	2,308,537,818	2,205,341,781

Note

8.2

Weighted average number of ordinary shares for basic earnings per share

Equity settled share appreciation rights with dilutive impact

Weighted average number of ordinary shares adjusted for the effect of dilution

251,727,050	247,174,248
	5,576,264
251,727,050	252,750,512

Reconciliation on how the weighted average number of ordinary shares for basic earnings

8.2 per share is derived is shown below:

Balance at
Share appreciation rights issues during the year
Share appreciation rights issues during the year
Share appreciation rights issues during the year
Share appreciation rights issues during the year
Scrip issues during the year
Share appreciation rights issues during the year
Balance at
Cancellations during the year
Balance at

Date	Number of shares	Number of days	Weighting
31-Mar-21	247,169,845	365	247,169,845
2-Jul-21	228,000	272	169,907
5-Jul-21	99,250	269	73,146
9-Jul-21	22,500	265	16,336
19-Jul-21	64,200	255	44,852
7-Aug-21	2,501,505	236	1,617,411
13-Feb-21	1,674,550	411	1,885,589
31-Mar-22	251,759,850	365	250,977,086
19-May-21	(4,061,277)	316	(32,800)
31-Mar-22	247,698,573	-	251,727,050

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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
9.1 Cost or valuation					ZWL		
At 1 April 2020		3,036,464,414	704,409,451	895,883,038	250,926,651	1,175,465,900	6,063,149,455
Revaluation Reversal		(1,217,647,332)	(65,203,766)	(453,306,670)	(107,530,530)	-	(1,843,688,297)
Additions		-	-	60,504,652	99,031,094	523,436,580	682,972,326
Disposals		-	-	(161,962,782)	-	-	(161,962,782)
At 31 March 2021		1,818,817,082	639,205,685	341,118,239	242,427,216	1,698,902,480	4,740,470,702
Additions		1,706,074	292,594,376	107,055,639	34,124,641	208,694	435,689,424
Transfers from WIP		-	1,698,902,480	-	-	(1,698,902,480)	(0)
Revaluation		1,381,797,262	(255,287,131)	327,661,222	21,352,072	-	1,475,523,425
Disposals		-	-	(40,927,870)	-	-	(40,927,870)
At 31 March 2022		3,202,320,417	2,375,415,411	734,907,229	297,903,929	208,694	5,616,625,001
9.2 Depreciation and impairment							
At 1 April 2020		-	-	-	-	-	-
Depreciation charge for the year		-	32,777,645	562,869,879	94,410,451	-	690,057,975
Disposals		-	-	(128,417,847)	-	-	(128,417,847)
Revaluation adjustment		-	(32,777,645)	(434,452,032)	(94,410,451)	-	(561,640,128)
At 31 March 2021		-	-	-	-	-	-
Depreciation charge for the year		32,457,863	108,538,642	123,366,275	41,825,352	-	306,188,132
Disposals		-	-	(17,465,989)	-	-	(17,465,989)
Revaluation adjustment		-	-	-	-	-	-
At 31 March 2022		32,457,863	108,538,642	105,900,286	41,825,352	-	288,722,143
9.3 Net carrying amount							
At 31 March 2022		3,169,862,554	2,266,876,768	629,006,944	256,078,576	208,694	6,322,033,536
At 31 March 2021		1,818,817,082	639,205,685	341,118,239	242,427,217	1,698,902,480	4,740,470,703

UNAUDITED HISTORICAL COST	Note	Land and buildings	Plant and machinery	Motor vehicles	Computers and office equipment	Capital work-in-progress	Total
9.1 Cost or valuation					ZWL		
At 1 April 2020		636,139,964	119,774,047	152,331,201	42,666,237	80,034,327	1,030,945,776
Revaluation		1,360,768,472	30,007,760	10,612,510	8,254,193	-	1,409,642,935
Additions		-	1,479,600	63,907,728	4,664,990	256,776,038	326,828,356
Disposals		-	(694,216)	(17,499,575)	(4,230,356)	-	(22,424,147)
At 31 March 2021		1,996,908,436	150,567,191	209,351,864	51,355,064	336,810,365	2,744,992,920
Additions		1,423,059	218,299,137	142,935,144	30,717,780	196,300	393,571,420
Transfers from WIP		-	336,810,365	-	-	(336,810,365)	-
Revaluation		1,171,531,060	1,567,071,579	309,326,740	169,264,947	-	3,217,194,325
Disposals		-	(163,501)	(35,242,812)	(1,545,634)	-	(36,951,947)
Impairment		-	-	-	-	-	-
At 31 March 2022		3,169,862,555	2,272,584,771	626,370,936	249,792,157	196,300	6,318,806,719
9.2 Depreciation and impairment							
At 1 April 2020		-	-	-	-	-	-
Depreciation charge for the year		5,573,338	39,705,950	58,487,504	16,326,625	-	120,093,417
Disposals		-	(203,803)	(9,904,847)	(1,598,154)	-	(11,706,804)
Revaluation		(5,573,338)	(39,502,147)	(48,582,657)	(14,728,471)	-	(108,386,613)
At 31 March 2021		-	-	-	-	-	-
Depreciation charge for the year		18,810,953	66,971,055	73,552,131	25,175,702	-	184,509,841
Disposals		-	(46,926)	(12,679,543)	(277,576)	-	(13,004,045)
Revaluation reversal		(18,810,953)	(61,216,127)	(63,508,596)	(31,184,545)	-	(174,720,220)
At 31 March 2022		1	5,708,002	(2,636,008)	(6,286,419)	-	(3,214,424)
9.3 Net carrying amount							
At 31 March 2022		3,169,862,554	2,266,876,768	629,006,944	256,078,576	196,300	6,322,021,143
At 31 March 2021		1,996,908,436	150,567,191	209,351,864	51,355,064	336,810,365	2,744,992,920



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	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
9.4 Had the assets been measured using the cost model, the carrying amount would have been:	3,673,749,743	2,092,186,908	545,590,585	360,476,908
9.5 Borrowing costs capitalised during the year: This relates to the seed drying equipment installation . The capitalisation rate was 45% (2021: 4.28%)	23,715,536	40,955,590	23,715,536	23,715,536
9.6 Property plant and equipment pledged as security for liabilities	-	-	-	-

9.7 Description of significant unobservable inputs to valuation

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

Fair value measurement hierarchy

INFLATION ADJUSTED

	active markets	observable	unobservable	Total
Land and buildings				
At 31 March 2022			3,169,862,554	3,169,862,554
At 31 March 2021			1,818,817,082	1,818,817,082
Plant and machinery				
At 31 March 2022			2,266,876,768	2,266,876,768
At 31 March 2021			639,205,685	639,205,685
Motor vehicles				
At 31 March 2022			629,006,944	629,006,944
At 31 March 2021			341,118,239	341,118,239
Computer and office equipment				
At 31 March 2022			256,078,576	256,078,576
At 31 March 2021			242,427,217	242,427,217

UNAUDITED HISTORICAL COST

	active markets	observable	unobservable	Total
Land and buildings				
At 31 March 2022			3,169,862,554	3,169,862,554
At 31 March 2021			1,996,908,436	1,996,908,436
Plant and machinery				
At 31 March 2022			2,266,876,768	2,266,876,768
At 31 March 2021			150,567,191	150,567,191
Motor vehicles				
At 31 March 2022			629,006,944	629,006,944
At 31 March 2021			209,351,864	209,351,864
Computer and office equipment				
At 31 March 2022			256,078,576	256,078,576
At 31 March 2021			51,355,064	51,355,064



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INFLATION ADJUSTED

UNAUDITED HISTORICAL COST

INVESTMENTS IN ASSOCIATES AND JOINT VENTURE		INFLATION ADJUSTED				UNAUDITED HISTORICAL COST			
10.1	Note	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 2020		4,857,893,561	433,920,597	385,254,905	5,677,069,062	499,201,040	43,411,010	35,462,964	578,075,014
Share of profit/(loss)	10.2	368,426,216	161,928,707	(123,891,680)	406,463,243	213,339,016	239,452,182	(4,224,459)	448,566,739
Share of OC income/(loss)	10.2	19,999,426	-	(79,096,205)	(59,096,779)	11,580,766	-	1,523,326	13,104,092
Exchange differences		2,080,604,560	-	-	2,080,604,560	1,204,784,323	-	-	1,204,784,323
Dividend		-	-	-	-	-	-	-	-
At 31 March 2021		7,326,923,762	595,849,304	182,267,020	8,105,040,086	1,928,905,145	282,863,192	32,761,831	2,244,530,168
Share of profit/(loss)	10.2	192,983,966	16,993,895	80,555,616	290,533,477	192,983,966	209,358,431	51,902,424	454,244,821
Share of OC income/(loss)	10.2	160,844,787	-	(72,740,407)	88,104,380	160,844,787	-	37,604,709	198,449,496
Exchange differences		1,443,956,385	-	-	1,443,956,385	1,443,956,385	-	-	1,443,956,385
Additional investment		(2,376,180)	-	-	(2,376,180)	(2,376,180)	-	105,478,475	103,102,295
Inflation adjusted reversal		(5,398,018,617)	-	-	(5,398,018,617)	-	-	-	-
At 31 March 2022		3,724,314,103	612,843,199	190,082,229	4,527,239,531	3,724,314,103	492,221,623	227,747,439	4,444,283,165

Summarised income

10.2 statements:

Group's equity interest	ASSOCIATES				JOINT VENTURES				GROUP	
	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	Total	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	Total	2022	Restated 2021
	27% 2022	27% Restated 2021	40% 2022	40% Restated 2021	51% 2022	51% Restated 2021				
	ZWL				ZWL					
Revenue	8,899,585,262	10,763,783,601	1,651,281,258	2,478,502,089	1,094,653,143	787,057,359				
Cost of sales	(4,895,808,000)	(5,443,160,161)	(910,998,682)	(1,025,690,530)	(579,819,586)	(671,002,261)				
Gross profit	4,003,777,262	5,320,623,440	740,282,577	1,452,811,558	514,833,558	116,055,097				
Net operating (expenses)/income	(2,619,683,808)	(3,119,994,015)	22,522,050	176,161,285	(386,121,011)	(453,452,806)				
Net finance cost	(308,983,048)	(302,265,850)	6,124,086	(4,250,828)	(112,187,098)	(18,197,574)				
Monetary (loss)/gain	-	-	(577,015,355)	(898,326,478)	80,013,080	75,237,951				
Share of loss from JVs	(24,083,773)	(38,376,068)	-	-	-	-				
Income tax (expense)/income	(337,160,441)	(483,722,508)	(149,428,621)	(321,573,766)	61,413,658	37,432,468				
Loss from discontinued operations	-	(26,566,157)	-	-	-	-				
Profit/(loss) for the year	713,866,192	1,349,698,843	42,484,737	404,821,770	157,952,187	(242,924,865)				
Equity of the parent	702,270,618	1,322,347,950	-	-	-	-				
Non Controlling interest	11,595,574	27,350,891	-	-	-	-				
Share of FCTR loss	585,315,820	(832,390,362)	-	-	-	-				
Share of revaluation gain/(loss)	-	905,656,600	-	-	(142,628,250)	(155,090,598)				
Total comprehensive income/(loss)	1,299,182,012	1,422,965,079	42,484,737	404,821,770	15,323,938	(398,015,463)				
Equity of the parent	1,287,586,438	1,395,614,188	-	-	-	-				
Non Controlling interest	11,595,574	27,350,891	-	-	-	-				
Share of profit/(loss)	192,983,966	368,426,215	16,993,895	161,928,707	80,555,616	(123,891,682)			290,533,476	406,463,243
Share of OC (loss)/income	160,844,787	19,999,429	-	-	(72,740,407)	(79,096,205)			88,104,380	(59,096,780)

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	ASSOCIATES				JOINT VENTURES		GROUP	
	Seed Co International		Quton Zimbabwe		Prime Seed Co Zimbabwe		2022	Restated 2021
	27.48% 2022	27.30% Restated 2021	40.00% 2022	40.00% Restated 2021	51.00% 2022	51.00% Restated 2021		
UNAUDITED HISTORICAL COST					ZWL			
Revenue	8,899,585,262	6,232,821,936	1,264,115,717	1,210,616,997	864,514,355	372,496,299		
Cost of sales	(4,895,808,000)	(3,151,888,714)	(677,539,661)	(496,803,366)	(372,525,711)	(143,169,799)		
Other income/(expense)	492,608,874	135,072,118	279,084,667	192,134,620	11,048,231	3,851,497		
Operating expenses	(3,112,292,682)	(1,941,720,027)	(196,485,469)	(110,926,538)	(295,140,767)	(230,235,279)		
Finance income	31,047,113	30,049,508	11,608,759	16,978	331,792	27,222		
Finance cost	(340,030,161)	(205,078,038)	(7,732,678)	(2,479,608)	(88,497,263)	(8,032,927)		
Share of loss from JVs	(24,083,773)	(22,221,851)	-	-	-	-		
Profit before tax	1,051,026,633	1,077,034,932	673,051,335	792,559,083	119,730,639	(5,062,987)		
Income tax expense	(337,160,441)	(280,101,902)	(149,655,257)	(193,928,628)	(17,961,181)	(3,220,266)		
Loss from discontinued operations	-	(15,383,264)	-	-	-	-		
Profit for the year	713,866,192	781,549,766	523,396,078	598,630,455	101,769,458	(8,283,253)		
Equity of the parent	702,270,618	765,712,097	-	-	-	-		
Non Controlling interest	11,595,574	15,837,668	-	-	-	-		
Share of FCTR loss	585,315,820	(481,999,741)	-	-	-	-		
Share of revaluation gain	-	524,424,917	-	-	73,734,724	2,986,914		
Total comprehensive income	1,299,182,012	299,550,024	523,396,078	598,630,455	101,769,458	(8,283,253)		
Equity of the parent	1,287,586,438	808,137,273	-	-	-	-		
Non Controlling interest	11,595,574	15,837,668	-	-	-	-		
Share of profit	192,983,966	213,339,016	209,358,431	239,452,182	51,902,424	(4,224,459)	454,244,821	448,566,739
Share of OC (loss)/income	160,844,787	11,580,766	-	-	37,604,709	1,523,326	198,449,496	13,104,093

10.3 Summarised balance sheets:

INFLATION ADJUSTED					ZWL			
Non-current assets	8,354,097,977	7,433,824,959	78,219,931	59,293,719	176,022,110	178,601,823		
Current assets	14,249,725,187	12,566,419,187	1,397,963,622	1,884,121,401	655,456,239	600,957,074		
Non-controlling Interest	(136,606,546)	(139,801,698)	-	-	-	-		
Non-current liabilities	(2,188,159,700)	(529,950,722)	(43,308,493)	(42,319,923)	(92,871,679)	(88,604,385)		
Current liabilities	(6,726,239,950)	(7,266,988,639)	(89,293,178)	(618,845,268)	(323,167,105)	(404,787,746)		
Total equity	13,552,816,968	12,063,503,086	1,343,581,882	1,282,249,929	415,439,565	286,166,766		
Group's equity interest	3,724,314,103	331,126,376	537,432,753	512,899,972	211,874,178	145,945,051		
Inflation restatements	-	6,995,797,386	75,410,446	82,949,332	(21,791,949)	36,321,969		
Investment carrying amount	3,724,314,103	7,326,923,762	612,843,199	595,849,304	190,082,229	182,267,020	4,527,239,523	8,105,040,086

UNAUDITED HISTORICAL COST					ZWL			
Non-current assets	8,354,097,977	4,304,592,975	50,998,894	28,243,765	164,212,833	66,222,596		
Current assets	14,249,725,187	7,276,646,955	1,312,169,255	1,061,765,176	589,200,178	283,717,435		
Non-controlling Interest	(136,606,546)	(80,952,862)	-	-	-	-		
Non-current liabilities	(2,188,159,700)	(306,870,577)	(43,308,493)	(24,505,560)	(76,686,257)	(51,306,806)		
Current liabilities	(6,726,239,950)	(4,207,985,582)	(89,305,596)	(358,345,403)	(230,163,146)	(234,394,339)		
Total equity	13,552,816,968	6,985,430,909	1,230,554,061	707,157,978	446,563,608	64,238,886		
Group's equity interest	3,724,314,103	1,928,905,145	492,221,623	282,863,192	227,747,439	32,761,831		
Investment carrying amount	3,724,314,103	1,928,905,145	492,221,623	282,863,192	227,747,439	32,761,831	4,444,283,165	2,244,530,172

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		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022	Restated 2021	2022	2021
11 INVENTORIES		ZWL	ZWL	ZWL	ZWL
11.1	Note				
Parent and commercial seed		2,459,675,522	2,083,257,042	1,901,931,782	536,319,393
Spares and general consumables		852,111,108	690,477,600	529,487,872	242,274,250
		3,311,786,630	2,773,734,642	2,431,419,654	778,593,643
11.2 Inventory recognized as an expense during the year:					
Opening balance of inventory		3,630,406,949	2,223,117,045	778,593,643	151,294,156
Production, purchases and value-addition processes		5,907,764,098	4,181,024,547	4,809,672,921	2,277,503,805
Closing balance of inventory	11.1	(3,311,786,630)	(2,773,734,642)	(2,431,419,654)	(778,593,643)
Cost of sales		6,226,384,417	3,630,406,949	3,156,846,910	1,650,204,318
11.3 Inventory write-downs included in cost of sales		22,574,897	4,127,781	16,482,031	1,126,669
Write-downs result when inventory fails quality standards including genetic and purity tests.					
12 OTHER FINANCIAL ASSETS AND TRADE AND OTHER RECEIVABLES					
12.1	Note				
Treasury bills	12.1.1 & 12.2	31,843,036	16,518	31,843,076	9,565
Loan advance	12.1.2 & 12.2	617,925,527	741,651,478	617,925,527	429,456,943
Long-term fixed deposits and receivable	12.1.3 & 12.2	-	2,887,854	-	1,672,226
Equity investment	12.1.4 & 12.2	769	729	16	16
Allowance for credit losses		(7,538,282)	(12,876,918)	(7,538,282)	(7,456,443)
Other financial assets		642,231,050	731,679,661	642,230,337	423,682,307
Non-current		31,843,805	2,905,101	31,843,092	1,681,807
Current		610,387,245	728,774,560	610,387,245	422,000,500
Other financial assets		642,231,050	731,679,661	642,230,337	423,682,307
Trade receivables	12.2	849,759,440	2,093,284,108	849,759,440	1,212,126,478
Prepayments	12.1.5	167,643,622	430,315,248	157,082,447	237,604,159
Seed grower advances	12.1.6 & 12.2	2,481,193,521	1,289,676,941	2,481,193,521	746,793,788
Other receivables	12.1.7 & 12.2	-	1,247,547,991	-	723,562,513
Allowance for credit losses	12.2 & 12.3	(131,506,403)	(124,354,814)	(131,506,403)	(73,171,969)
Trade and other receivables		3,367,090,180	4,936,469,474	3,356,529,005	2,846,914,969

- 12.1.1 Treasury bills were issued by the government of Zimbabwe as settlement for amounts owed. They earn interest at 5%p.a. (2021: 5%p.a.) mature within three (3) years.
- 12.1.2 Loans advances relate to funds advanced to the RBZ payable. The Group has a loan payable with the same bank as disclosed in note 17.15. (2021: Loans advanced to growers on a long-term basis to acquire irrigation equipment for their farms. Since becoming current, they have now been reclassified to seed grower advances).
- 12.1.3 Long-term fixed deposits are investments held with various financial institutions attracting interest at 8% per annum with a ten (10) year tenure.
- 12.1.4 Prepayments relate to amounts paid in advance for which the related goods will be received within twelve (12) months.
- 12.1.5 Seed grower advances relate to production inputs advanced to contracted seed producers for which the seed will be delivered within twelve (12) months.
- 12.1.6 Items included in other receivables include sundry debtors, staff loans, and VAT claims outstanding.

12.2 Provisioning matrices

INFLATION ADJUSTED & UNAUDITED HISTORICAL COST

At 31 March 2022	Current	< 30 days	30 - 60 days	60 - 90 days	> 90 days	Total
Expected credit loss rate on:			%			
Treasury bills	0%	0%	0%	0%	10%	0%
Loan advances	0%	0%	0%	1%	0%	1%
Trade receivables	7%	0%	0%	3%	0%	7%
Amounts due from related entities	0%	0%	0%	0%	0%	0%
Seed grower advances	0%	1%	0%	3%	3%	3%
Estimated gross carrying amount at default of:			ZWL			
Treasury bills	-	-	-	31,833,511	9,565	31,843,076
Loan advances	-	-	-	616,253,276	1,672,251	617,925,527
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
Expected credit loss on:			ZWL			
Treasury bills	-	-	-	-	926	926
Loan advances	-	-	-	7,538,282	-	7,538,282
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

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INFLATION ADJUSTED

At 31 March 2021

Expected credit loss rate on:

	Current	< 30 days	Days past due 30 - 60 days %	60 - 90 days	> 90 days	Total
Treasury bills	0%	0%	0%	0%	11%	11%
Loan advances	2%	0%	0%	0%	0%	2%
Trade receivables	16%	0%	15%	60%	0%	1%
Seed grower advances	0%	0%	0%	0%	8%	8%

Estimated gross carrying amount at default of:

	Current	< 30 days	Days past due 30 - 60 days %	60 - 90 days	> 90 days	Total
Treasury bills	-	-	-	-	16,518	16,518
Loan advances	741,651,478	-	-	-	-	741,651,478
Trade receivables	5,776,063	-	16,285,645	8,198,284	2,063,024,115	2,093,284,108
Amounts due from related entities	233,208	640,108,774	132,525,241	43,606,216	20,623,591	837,097,030
Seed grower advances	-	-	-	-	1,289,676,941	1,289,676,941
Other receivables	1,247,547,991	-	-	-	-	1,247,547,991

Expected credit loss on:

	Current	< 30 days	Days past due 30 - 60 days %	60 - 90 days	> 90 days	Total
Treasury bills	-	-	-	-	1,746	1,746
Loan advances	12,875,172	-	-	-	-	12,875,172
Trade receivables	936,120	-	2,472,491	4,944,982	6,518,791	14,872,384
Amounts due from related entities	-	-	-	-	2,009,656	2,009,656
Seed grower advances	-	-	-	-	109,482,430	109,482,430
Other receivables	-	-	-	-	-	-

UNAUDITED HISTORICAL COST

At 31 March 2021

Expected credit loss rate on:

	Current	< 30 days	Days past due 30 - 60 days %	60 - 90 days	> 90 days	Total
Treasury bills	0%	0%	0%	0%	11%	11%
Loan advances	2%	0%	0%	0%	0%	2%
Trade receivables	16%	0%	15%	60%	0%	1%
Seed grower advances	0%	0%	0%	0%	8%	8%

Estimated gross carrying amount at default of:

	Current	< 30 days	Days past due 30 - 60 days %	60 - 90 days	> 90 days	Total
Treasury bills	-	-	-	-	9,565	9,565
Loan advances	429,456,943	-	-	-	-	429,456,943
Trade receivables	3,344,658	-	9,430,283	4,747,257	1,194,604,280	1,212,126,478
Amounts due from related entities	135,040	370,658,140	76,739,394	25,250,394	11,942,192	484,725,160
Seed grower advances	-	-	-	-	746,793,788	746,793,788
Other receivables	723,562,513	-	-	-	-	723,562,513

Expected credit loss on:

	Current	< 30 days	Days past due 30 - 60 days %	60 - 90 days	> 90 days	Total
Treasury bills	-	-	-	-	1,011	1,011
Loan advances	7,455,432	-	-	-	-	7,455,432
Trade receivables	542,065	-	1,431,708	2,863,416	3,774,738	8,611,927
Amounts due from related entities	-	-	-	-	1,163,701	1,163,701
Seed grower advances	-	-	-	-	63,396,341	63,396,341
Other receivables	-	-	-	-	-	-

Staging -Treasury Bills						
Internal Rating grade	12 Month Basel PD range	Stage 1	Stage 2	Stage 3	Total	Total
High Grade	0-90 Days	9,540	-	-	9,540	9,540
Standard grade	91-365 day	-	-	-	-	-
Low Grade	365+	-	-	-	-	-
Non Performing						
Individually Impaired	100%	-	-	-	-	-
TOTAL		9,540	-	-	9,540	9,540

12.4 The significant increase in contract debtors in 2022 was mainly due to outstanding Government and seed grower advances paid out to growers during the year.



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12.5 Allowance for credit losses reconciliation:

Allowance for Credit Losses Reconciliation				
	2022	2021	2022	2021
Balance at beginning of the year	139,241,388	58,643,087	80,628,412	22,846,661
Charge for the year through profit or loss	59,184,526	(7,549,862)	59,184,526	58,236,283
Written off	(276,502)	(1,166,699)	(276,502)	(454,532)
Inflation restatement	(58,612,976)	89,314,862	-	-
Balance at the end of the year	12.1 & 13.1 139,536,436	139,241,388	139,536,436	80,628,412

12.6 Foreign currency sensitivity

PBT Sensitivity

Local currency weakening against US\$ by 10%	157,224,464	-	157,224,464	-
Local currency strengthening against US\$ by 10%	(157,224,464)	-	(157,224,464)	-

PAT Sensitivity

Local currency weakening against US\$ by 10%	118,358,576	-	118,358,576	-
Local currency strengthening against US\$ by 10%	(118,358,576)	-	(118,358,576)	-

13 AMOUNTS DUE FROM RELATED ENTITIES

13.1

Seed Co International(Associate)		861,788,453	951,409,825	629,195,501	370,658,140
Seed Co Zambia		0	64,813,019	0	25,250,394
Seed Co Malawi		37,927,201	196,975,610	27,690,815	76,739,394
Seed Co Tanzania		10,894,439	-	7,954,077	-
Agri Seed Co Kenya		85,580,295	-	62,482,546	-
Seed Co Rwanda		-	-	-	-
Prime Seed Co Zimbabwe(Joint Venture)		21,931,582	30,653,364	16,012,344	11,942,192
Vilmorin		312,117	346,622	227,878	135,040
Inflation restatement		(274,870,927)	(407,101,410)		484,725,160
Gross carrying amount	21.2.1	743,563,161	837,097,030	743,563,161	484,725,160
Allowance for credit losses	12.2	(490,824)	(2,009,656)	(490,824)	(1,163,701)

13.2 Foreign currency sensitivity

US\$ denominated amounts due from related entities	6,996,746	14,446,965	5,108,355	5,628,369
<u>PBT Sensitivity</u>				
Local currency weakening against US\$ by 10%	99,650,251	121,354,508	72,755,082	47,278,297
Local currency strengthening against US\$ by 10%	(99,650,251)	(121,354,508)	(72,755,082)	(47,278,297)
<u>PAT Sensitivity</u>				
Local currency weakening against US\$ by 10%	75,016,709	91,355,673	54,770,026	35,591,102
Local currency strengthening against US\$ by 10%	(75,016,709)	(91,355,673)	(54,770,026)	(35,591,102)

14 CASH AND CASH EQUIVALENTS

14.1

Cash at banks and on hand	259,390,612	923,354,218	259,390,612	534,672,810
Short-term deposits	-	-	-	-
	259,390,612	923,354,218	259,390,612	534,672,810



SEED CO LIMITED
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14.2 Cash and cash equivalents pledged as security for liabilities

14.3 Foreign currency sensitivity (Impact on PBT)

Local currency weakening against US\$ by 10%
Local currency strengthening against US\$ by 10%

Foreign currency sensitivity (Impact on PAT)

Local currency weakening against US\$ by 10%
Local currency strengthening against US\$ by 10%

INFLATION ADJUSTED	UNAUDITED HISTORICAL COST
2022	2022
Restated 2021	2021
ZWL	ZWL
-	-

46,460	8,220,270	46,460	2,413,814
(46,460)	(8,220,270)	(46,460)	(2,413,814)
11,485	2,032,051	11,485	596,695
(11,485)	(2,032,051)	(11,485)	(596,695)

15 SHARE CAPITAL

15 Issued and fully paid up shares

At 1 April
Exercise of share options
(Cancellation)/Issue of shares
At 31 March

16.4

2022	2021
Number	Number
247,169,845	247,169,845
528,728	-
-	-
247,698,573	247,169,845

15.1 Authorised number of shares

500,000,000	500,000,000
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16 SHARE BASED PAYMENTS

16.1

Carrying amount of the share based payment reserve:

ZWL	ZWL	ZWL	ZWL
100,358,497	89,177,395	13,410,079	5,569,811

16.2 Expense recognised for employee services rendered during the year:

11,181,102	4,089,061	7,840,268	2,367,791
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16.3 Share options vested during the year

2022	2021
Number	Number
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.

	2022		2021	
	Number	WAEP (ZWL\$)	Number	WAEP (ZWL\$)
Outstanding at 1 April	6,669,312	2.09	6,072,828	1.76
Granted during the year	1,065,287	3.88	1,089,418	3.88
Forfeited during the year	(26,364)	1.92	(525,734)	1.92
Exercised during the year	(528,728)	-	-	-
Cancelled during the year	-	1.43	32,800	1.43
Outstanding at 31 March	7,179,507	2.51	6,669,312	2.09
Exercisable at 31 March	528,728	-	-	-

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

	2022	2021
Weighted average fair values at the measurement date	21.61	3.88
Dividend yield (%)	0.00%	0.00%
Expected volatility (%)	95.92%	62.81%
Risk-free interest rate (%)	76.45%	18.20%
Expected life of SARs (years)	3.00	3.00
Weighted average share price (ZWL\$)	100.76	12.75

^No dividend was declared by the Company in FY22 and FY21

*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 2020

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.

	2022	2021
- The weighted average share price at exercise date of the options	86	N/A
- The weighted average remaining contractual life of share options outstan	3,9 years	3,6 years
- The weighted average fair value of options granted during the year;	21	3
- The range of exercise prices for options outstanding; and	ZWL\$1,43 to ZWL\$1,43	ZWL\$1,43 to ZWL\$3,88

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
17.1	Note	2022	Restated 2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
IDBZ	17.7	-	1,453,214,512	-	5,996,991
Stanbic	17.8	342,416,805	1,658,255,838	250,000,000	299,000,000
FBC	17.9	637,113,810	3,111,470,350	465,159,566	-
Agribank	17.10	273,933,444	164,360,066	200,000,000	120,000,000
Proparco	17.11	1,977,576,676	1,445,000,630	1,443,837,340	1,055,001,250
First Capital	17.12	-	301,802,603	-	223,988,900
ZB Bank	17.13	-	115,681,280	-	84,459,406
Standard Chartered	17.14	27,393,344	85,813,760	20,000,000	62,653,000
RBZ	17.15	-	576,079,978	-	420,598,500
Nedbank		696,825,587	-	508,755,395	-
N M B		275,040,100	-	200,807,974	-
Inflation restatement		(1,141,739,492)	(4,988,565,790)	-	-
		3,088,560,275	3,923,113,228	3,088,560,275	2,271,698,047
Non-current		1,443,837,340	1,832,292,914	1,443,837,340	1,060,998,241
Current		1,644,722,935	2,090,820,314	1,644,722,935	1,210,699,806
		3,088,560,275	3,923,113,228	3,088,560,275	2,271,698,047
17.2 Borrowings reconciliation:					
At 1 April		3,923,113,228	166,080,941	2,271,698,047	64,703,192
Proceeds from borrowings		7,038,596,900	7,441,390,337	2,742,155,029	2,899,078,641
Repayments of borrowings		(4,941,864,992)	(1,776,449,084)	(1,925,292,801)	(692,083,786)
Inflation restatement		(2,931,284,861)	(1,907,908,965)	-	-
At 31 March		3,088,560,275	3,923,113,228	3,088,560,275	2,271,698,047



SEED CO LIMITED
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17.3 The maturity analysis of borrowings are shown below

PBT

INFLATION ADJUSTED

At 31 March 2022

At 31 March 2021

PAT

At 31 March 2022

At 31 March 2021

PBT

UNAUDITED HISTORICAL COST

At 31 March 2022

At 31 March 2021

PAT

At 31 March 2022

At 31 March 2021

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
At 31 March 2022	-	-	389,713,230	2,698,847,044	3,088,560,274
At 31 March 2021	-	495,016,768	1,595,803,546	1,832,292,914	3,923,113,228
At 31 March 2022	-	-	293,376,120	2,031,692,055	2,325,068,174
At 31 March 2021	-	372,648,623	1,201,320,909	1,379,350,106	2,953,319,638
At 31 March 2022	-	-	389,713,231	2,698,847,044	3,088,560,275
At 31 March 2021	-	286,641,899	924,057,907	1,060,998,241	2,271,698,047
At 31 March 2022	-	-	293,376,120	2,031,692,055	2,325,068,175
At 31 March 2021	-	215,784,022	695,630,792	798,719,476	1,710,134,290

INFLATION ADJUSTED **UNAUDITED HISTORICAL COST**

2022 **Restated 2021** **2022** **2021**

ZWL **ZWL** **ZWL** **ZWL**

17.4 Interest rate sensitivity

Increase in interest rates by 50 basis points

Decrease in interest rates by 50 basis points

PAT

Increase in interest rates by 50 basis points

Decrease in interest rates by 50 basis points

(15,442,801)	(19,615,566)	(15,442,801)	(11,358,490)
15,442,801	19,615,566	15,442,801	11,358,490
(11,625,341)	(14,766,598)	(11,625,341)	(8,550,671)
11,625,341	14,766,598	11,625,341	8,550,671

17.5 Foreign currency sensitivity

PBT

Local currency weakening against US\$ by 10%

Local currency strengthening against US\$ by 10%

PAT

Local currency weakening against US\$ by 10%

Local currency strengthening against US\$ by 10%

(197,757,668)	(182,193,640)	(144,383,734)	(105,500,125)
197,757,668	182,193,640	144,383,734	105,500,125
(148,871,972)	(137,155,372)	(108,692,075)	(79,420,494)
148,871,972	137,155,372	108,692,075	79,420,494

17.6 Undrawn committed borrowing facilities

Total facilities available/limit

Facilities utilised at year end

Unutilised borrowing capacity

2,199,400,000	2,593,901,750	2,199,400,000	2,593,901,750
(3,088,560,275)	(3,923,113,228)	(3,088,560,275)	(2,271,698,047)
(889,160,275)	(1,329,211,478)	(889,160,275)	322,203,703

17.7 IDBZ Facility

Type of facility

Balance outstanding (ZWL\$)

Limit (ZWL\$)

Purpose

Tenure (days)

Interest rate (%)

Security details

	2022	2021
Mid Term Loan	-	-
	8,000,000	Loan /Overdraft
Drier Construction	299,000,000	
	1,460	544,500,000
	45%	Working Capital
Unsecured	365	



SEED CO LIMITED
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17.8 Stanbic facility

Type of facility
 Balance outstanding (ZWL\$)
 Limit (ZWL\$)
 Purpose
 Tenure (days)
 Interest rate (%)
 Security details

2022	2021
Loan /Overdraft	Loan /Overdraft
250,000,000	299,000,000
544,500,000	544,500,000
Working Capital	Working Capital
365	365
40%	40%
Unsecured	Unsecured

17.9 FBC facility

Type of facility
 Balance outstanding (ZWL\$)
 Limit (ZWL\$)
 Purpose
 Tenure (days)
 Interest rate (%)
 Security details

Short Term Loan	Short Term Loan
465,159,566	-
500,000,000	110,000,000
Working capital	Working capital
180	180
48%	48%
Unsecured	Unsecured

17.10 Agribank facility

Type of facility
 Balance outstanding (ZWL\$)
 Limit (ZWL\$)
 Purpose
 Tenure (days)
 Interest rate (%)
 Security details

Short Term Loan	Short Term Loan
200,000,000	120,000,000
300,000,000	120,000,000
Working capital	Working capital
365	365
45%	45%
Unsecured	Unsecured

17.11 Proparco facility

Type of facility
 Balance outstanding (ZWL\$)
 Limit (ZWL\$)
 Purpose
 Tenure (days)
 Interest rate (%)
 Security details

Short-term	Short-term
10,137,620	1,055,001,250
12,500,000	1,055,001,250
Drier Construction	Drier Construction
7 Years	7 Years
4%	4%
Unsecured	Unsecured

17.14 Standard Chartered Bank facility

Type of facility
 Balance outstanding (ZWL\$)
 Limit (ZWL\$)
 Purpose
 Tenure (days)
 Interest rate (%)
 Security details

Short Term Loan	Short Term Loan
20,000,000	62,653,000
300,000,000	100,000,000
Working capital	Working capital
180	365
45%	45%
Unsecured	Unsecured

17.15 RBZ facility

Type of facility
 Balance outstanding (ZWL\$)
 Limit (ZWL\$)
 Purpose
 Tenure (days)
 Interest rate (%)
 Security details

Short term loan	Short term loan
508,755,395	420,598,500
300,000,000	422,000,500
Currency swap	Currency swap
365	365
0%	0%
Unsecured	Unsecured

SEED CO LIMITED
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18 TRADE AND OTHER PAYABLES

18.1	Note	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
	Trade payables	-	31,117,395	-	18,018,681
	Accruals and other creditors	321,212,999	140,162,158	321,212,999	81,161,588
		321,212,999	171,279,553	321,212,999	99,180,269

Included in accruals and creditors for 2022 are leave day accruals and sundry creditors respectively

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

INFLATION ADJUSTED

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
At 31 March 2021	-	66,852,314	254,360,685	-	321,212,999
At 31 March 2020	-	11,967,290	159,312,263	-	171,279,553

UNAUDITED HISTORICAL COST

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
At 31 March 2021	-	66,852,314	254,360,685	-	321,212,999
At 31 March 2020	-	6,929,718	92,250,551	-	99,180,269

18.3 Foreign currency sensitivity

PBT

	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
Local currency weakening against US\$ by 10%	(1,025,612,484)	(46,000,264)	(748,804,139)	(17,921,165)
Local currency strengthening against US\$ by 10%	1,025,612,484	46,000,264	748,804,139	17,921,165

PAT

	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
Local currency weakening against US\$ by 10%	(772,081,078)	(34,628,999)	(563,699,756)	(13,491,053)
Local currency strengthening against US\$ by 10%	772,081,078	34,628,999	563,699,756	13,491,053

19 AMOUNTS DUE TO RELATED ENTITIES

19.1

Seed Co International	-	204,960,857	-	118,683,594
Seed Co Zambia	5,243,522	-	5,243,522	-
Seed Co Tanzania	-	45,632,498	-	26,423,723
Agri Seed Co Kenya	-	40,247,572	-	23,305,555
Prime Seed Co Zimbabwe	-	4,794,239	-	2,776,128
Agri Seed Co Nigeria	-	14,998,836	-	8,685,150
	5,243,522	310,634,003	5,243,522	179,874,150

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

INFLATION ADJUSTED

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
At 31 March 2022	5,243,522	-	-	-	5,243,522
At 31 March 2021	100,878,907	4,794,239	204,960,857	-	310,634,003

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
At 31 March 2022	5,243,522	-	-	-	5,243,522
At 31 March 2021	58,414,428	2,776,128	118,683,594	-	179,874,150

19.3 Foreign currency sensitivity

PBT

	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
Local currency weakening against US\$ by 10%	(524,352)	(31,063,400)	(524,352)	(17,987,415)
Local currency strengthening against US\$ by 10%	524,352	31,063,400	524,352	17,987,415

PAT

	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
Local currency weakening against US\$ by 10%	(394,732)	(23,384,528)	(394,732)	(13,540,926)
Local currency strengthening against US\$ by 10%	394,732	23,384,528	394,732	13,540,926

20 PROVISIONS

20.1 Provisions are made up of:

	Note	256,221,724	220,951,040	256,221,724	86,079,941
Leave pay	20.3	28,928,067	21,060,356	28,928,067	12,195,103
Bonus	20.4	196,645,671	118,305,266	196,645,671	68,505,247
Audit fees	20.5	16,207,817	16,716,217	16,207,817	9,679,608
Depot commission	20.6	14,440,169	12,159,024	14,440,169	(7,040,743)
Foundation seed	20.7	-	4,733,102	-	2,740,726
		256,221,724	148,655,917	256,221,724	86,079,941

20.2 Provisions reconciliation

At 1 April	148,655,916	163,678,077	86,079,941	27,830,952
Arising during the year	549,517,175	511,686,341	369,715,541	199,347,146
Utilised during the year	(296,631,317)	(362,172,226)	(199,573,759)	(141,098,157)
Inflation restatement	(145,320,050)	(164,536,275)	-	-
At 31 March	256,221,723	148,655,916	256,221,723	86,079,941

SEED CO LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20.3 Leave pay provision reconciliation

At 1 April
Arising during the year
Utilised during the year
Inflation restatement
At 31 March

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2022 ZWL	Restated 2021 ZWL	2022 ZWL	2021 ZWL
At 1 April	21,060,357	29,763,303	12,195,103	5,060,794
Arising during the year	128,789,230	35,527,293	86,649,484	13,841,027
Utilised during the year	(103,918,619)	(17,214,874)	(69,916,520)	(6,706,718)
Inflation restatement	(17,002,900)	(27,015,365)	-	-
At 31 March	28,928,067	21,060,357	28,928,067	12,195,103

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.

20.4 Bonus provision reconciliation

At 1 April
Arising during the year
Utilised during the year
Inflation restatement
At 31 March

At 1 April	118,305,266	88,989,938	68,505,247	15,131,377
Arising during the year	193,132,593	275,124,370	129,939,745	107,185,308
Utilised during the year	(2,674,374)	(138,123,762)	(1,799,321)	(53,811,438)
Inflation restatement	(112,117,814)	(107,685,280)	-	-
At 31 March	196,645,671	118,305,266	196,645,671	68,505,247

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.

20.5 Audit fees provision reconciliation

At 1 April
Arising during the year
Utilised during the year
Inflation restatement
At 31 March

At 1 April	16,716,218	15,879,112	9,679,608	2,700,000
Arising during the year	164,190,759	33,548,192	110,467,658	13,069,992
Utilised during the year	(154,487,723)	(15,632,861)	(103,939,449)	(6,090,384)
Inflation restatement	(10,211,436)	(17,078,225)	-	-
At 31 March	16,207,817	16,716,218	16,207,817	9,679,608

20.6 Depot commission provision reconciliation

At 1 April
Arising during the year
Utilised during the year
Inflation restatement
At 31 March

At 1 April	(12,159,025)	(1,157,182)	(7,040,743)	(196,761)
Arising during the year	63,404,593	149,229,019	42,658,654	58,137,919
Utilised during the year	(31,476,993)	(166,796,224)	(21,177,743)	(64,981,901)
Inflation restatement	(5,328,406)	6,565,362	-	-
At 31 March	14,440,169	(12,159,025)	14,440,168	(7,040,743)

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.

20.7 Foundation seed provision reconciliation

At 1 April
Arising during the year
Utilised during the year
Inflation restatement
At 31 March

At 1 April	4,733,102	30,202,907	2,740,726	5,135,542
Arising during the year	-	18,257,466	-	7,112,900
Utilised during the year	(4,073,608)	(24,404,505)	(2,740,726)	(9,507,716)
Inflation restatement	(659,494)	(19,322,766)	-	-
At 31 March	0	4,733,102	-	2,740,726

Provision relates to Company's foundation seed issued to growers for seed production and unwinds on hybrid seed delivery by growers. The timings of the cash out-flows are by their nature uncertain.

SEED CO LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21 RELATED PARTIES' TRANSACTIONS AND BALANCES

21.1 Related party transactions

INFLATION ADJUSTED	Sales of goods	Purchase of goods	Dividends received	Dividends paid	Royalties earned	Management fees incurred	Interest incurred
2022				ZWL			
Seed Co International(Associate)	861,788,453	-	-	-	462,659,578	123,194,372	-
Seed Co Zambia	-	-	3,254,576	-	-	-	-
Seed Co Malawi	37,927,202	-	-	-	-	-	-
Seed Co Tanzania	10,894,439	-	-	-	-	-	-
Agri Seed Co Kenya	85,580,295	-	-	-	-	-	-
Prime Seed Co Zimbabwe	21,259,317	-	-	-	-	-	-
Limagrain	312,117	-	-	-	-	-	-
Inflation adjusted	(274,689,485)	-	-	-	(124,869,807)	(33,249,625)	-
	743,072,337	-	3,254,576	-	337,789,771	89,944,747	-

Restated 2021

				ZWL			
Seed Co International(Associate)	-	1,242,184	2,187,811	-	272,217,253	123,194,372	17,642,421
Seed Co Botswana	507,678,304	-	-	-	-	-	-
Seed Co Zambia	33,175,714	-	-	-	-	-	-
Seed Co Malawi	105,107,432	-	-	-	-	-	-
Agri Seed Co Kenya	-	-	-	-	-	-	-
Prime Seed Co Zimbabwe	16,356,829	-	-	-	-	-	-
Inflation adjusted	172,769,094	324,030	1,912,236	-	149,820,348	(17,447,574)	-
	835,087,374	1,566,214	4,100,047	-	422,037,601	105,746,798	17,642,421

UNAUDITED HISTORICAL COST

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	-

	Sales of goods	Purchase of goods	Dividends received	Dividends paid	Royalties earned	Management fees incurred	Interest incurred
2021				ZWL			
Seed Co International(Associate)	-	-	-	-	198,747,002	61,233,205	17,642,421
Seed Co Zambia	370,658,140	906,924	1,597,330	-	-	-	-
Seed Co Malawi	24,221,733	-	-	-	-	-	-
Seed Co Tanzania	76,739,394	-	-	-	-	-	-
Seed Co Rwanda	-	-	-	-	-	-	-
Prime Seed Co Zimbabwe	11,942,192	-	-	-	-	-	-
Vilmorin	135,040	-	-	-	-	-	-
	483,561,459	906,924	1,597,330	-	198,747,002	61,233,205	17,642,421

UNAUDITED HISTORICAL

	INFLATION ADJUSTED	COST		
	2022	Restated 2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
21.1.1 Directors' emoluments				
Short term benefits	1,026,119,759	420,336,778	749,174,503	306,889,711
Directors' fees	13,027,115	20,727,685	9,511,153	12,202,971
Effect of IAS 29	(278,085,472)	176,987,102	-	-
	761,061,402	618,051,564	758,685,656	319,092,682

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

21.2 Related party balances

Related party balances are disclosed in notes 13 and 19.

22 COMMITMENTS AND CONTINGENCIES

22.1 Commitments

Capital expenditure commitments approved by the directors but not yet contracted for

2022	2021
US\$	US\$
2,041,068	6,351,491

SEED CO LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
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23 FINANCIAL RISK MANAGEMENT

The Company's financial assets comprise of loans, treasury bills, long term receivables and long-term fixed deposits and receivables (note 10); trade and other receivables (note 12); amounts due from related entities

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

The Group's policy prohibits trading in financial instruments.

23.1 Fair values

All financial instruments are measured at amortized cost. However, the carrying amount of all financial instruments shown on the financial statements approximate their fair values distributed 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 Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks while the Audit Committee reviews and approves policies for managing each of these risks which are summarised below:

23.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include 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 2022 and 2021
- There is no impact on equity besides the increase/decrease in retained earnings due to change in profit or loss.

23.2.1a) Interest rate risk

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

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

Interest rate sensitivity

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

23.2.1b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (trade receivables, borrowings, amounts due to related parties and from related parties denominated in foreign currency).

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

Foreign currency rate sensitivity

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

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

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

23.3 Credit risk

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

Trade and other receivables

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

SEED CO LIMITED

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

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

The provision matrices for trade and other receivables are shown in note 12.2.

Except for its exposure to the government, the Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are fairly distributed across other segments.

Treasury bills

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

23.4

Cash and cash equivalents and other financial assets

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

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

Liquidity risk

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

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

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

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

24 CAPITAL MANAGEMENT

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

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2022	Restated 2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
Loans and borrowings	17.1	3,088,560,275	3,923,113,228	3,088,560,275	2,271,698,047
Cash and cash equivalents	14.1	(259,390,612)	(923,354,218)	(259,390,612)	(534,672,810)
Net debt		2,829,169,663	2,999,759,010	2,829,169,663	1,737,025,237
Capital		12,903,475,885	16,300,382,143	12,807,727,884	6,345,103,050
Gearing		22%	18%	22%	27%

SEED CO LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

25 EVENTS AFTER THE REPORTING DATE

25.1 Dividend

The Board declared a nil (2021: nil) dividend.

25.2 Previously announced proposed Group rebundling

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

26 IMPACT OF COVID-19

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

26.1 Seed demand by customers

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

26.2 Seed supply by growers

Seed production and the ancillary processing activities have continued with minimal interruptions since the Group's operations were designated as essential services. The Group is therefore adequately stocked to meet anticipated demand in the ensuing season.

26.3 Operating expenses

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

26.4 Currency volatility

The Zimbabwean Dollar (ZWL\$) weakened markedly in the wake of the pandemic as commodity prices plummeted and the tourism industry collapsed. This had a positive impact on the Group due to its net foreign denominated asset position as reflected in the significant increase in historical cost exchange gains from prior year. The Group however witnessed some stability of the local currency in the second half of the financial year.

26.5 Credit losses on receivables

The Group's forward looking Expected Credit Loss (ECL) model at 31 March 2022 applied projected Consumer Price Index (CPI), Gross Domestic Product (GDP), Interest Rates, Inflation Rates and Unemployment Rates. The credit loss arrived at from this calculation was expensed on the income statement and provided for against trade receivables on the statement of financial position. With the limited fiscal runway available to the Governments to effectively respond to the COVID-19 crisis including acquiring vaccinations, Management trebled its estimate of receivables impairments compared to the last financial year in historical cost terms.

26.6 Interest rates

The central bank tightened its monetary policy mainly focusing on containing money supply which culminated in a higher cost of borrowing for the Group on loan and overdraft facilities as evidenced by the increase in finance costs compared to the previous year.

ANNEXURES

Top Shareholders.

SEED CO LIMITED TOP 20 : SCHEDULE AS AT : 30-March-2022		Shares	Percentage
1	VILMORIN & CIE C/O STANBIC NOMINEES 16006387001	72,098,086	29.11
2	STANBIC NOMINEES	34,531,873	13.94
3	NSSA - NATIONAL PENSION SCHEME	22,813,534	9.21
4	OLD MUTUAL LIFE ASS CO ZIM LTD	22,706,611	9.17
5	MINING INDUSTRY PENSION FUND	7,007,401	2.83
6	MEGA MARKET (PVT) LTD	6,501,906	2.63
7	SCB NOMINEES 033663900002	6,132,316	2.48
8	NSSA - WORKERS COMPENSATION IF	4,806,267	1.94
9	BURKET ASSOCIATES LIMITED NNR	4,654,447	1.88
10	TN ASSET MANAGEMENT NOMINEES	3,340,786	1.35
11	CAPERAL LIMITED NNR	3,050,648	1.23
12	LOCAL AUTHORITIES PENSION FUND	2,583,362	1.04
13	OLD MUTUAL ZIMBABWE LIMITED	1,756,548	0.71
14	ZIMBABWE ELECTRICITY IND. PF	1,743,581	0.70
15	DEKALB GENETICS CORPORATION	1,656,250	0.67
16	SEEDCO EMPLOYEES TRUST GROUP	1,630,793	0.66
17	DELTA BEVERAGES PENSION FUND	1,625,168	0.66
18	COMM AND ALLIED INDUSTRIES PF	1,515,565	0.61
19	AMZIM PENSION FUND-INVESC	1,399,920	0.57
20	PUBLIC SERVICE PENSION FUND-OMIG	1,079,432	0.44
Selected Shares		202,634,494	81.81
Non - Selected Shares		45,048,474	18.19
Issued Shares		247,682,968	100.00



CORPORATE INFORMATION

Head Office and Registered Office

Seed Co Limited

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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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **27th Annual General Meeting** of Members of Seed Co Limited (“the Company”) will be held virtually on **Tuesday the 6th of September 2022 at 14:00 hours**. The Annual General Meeting will be hosted online via the Escrow Group 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 2022.

2. Appointment of Directors

- To note the retirement of Mr Daniel Jacquemond from the Board during the year
- To note, in terms of Article 104 of the Company’s Articles of Association, the retirement of Mr. Regis Fournier who was co-opted onto the Board during the year who being eligible offers to be elected.
- In accordance with Articles 97 and 98 of the Company’s Articles of Association, Messrs. David E. B. Long, Pearson Gowero and Patrick Spadin, retire by rotation and being eligible offer themselves for re-election.

In accordance with the Companies and other Business Entities Act (COBE) section 201 appointment and election of Directors 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 2022 amounting to 2022: ZWL11,886,899 (2021: ZWL15,133,373 restated).

4. Auditors’ fees

Shareholders will be asked to approve audit fees amounting to 2022: ZWL 26,309,002 (2021: ZWL29,615,937 restated) to Ernst & Young Chartered Accountants (Zimbabwe) for their last audit in line with mandatory rotation requirements.

5. Appointment of Auditors

Shareholders will be asked to confirm the appointment of KPMG Chartered Accountants (Zimbabwe) as auditors for the current year being their first year of engagement.

NB: The Company advised Members of the mandatory need to change auditors in the notice of the last year’s AGM and that the change would be implemented effective this year.

6. Dividend

To preserve cash resources in a challenging and uncertain local and global environment, no dividend was declared this year.

7. Special Business

• Share Buy Back general mandate renewal special resolution

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 shares repurchased may be retained as treasury shares
- e. 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,

<https://www.seedcogroup.com/investors/results/annual-reports>, copies of the Annual Report have also been sent to Shareholders whose emails are on record.

By Order of the Board



Tineyi Chatiza

Group Secretary

12 August 2022

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 and can be emailed to: tineyi.chatiza@seedcogroup.com

SEED CO LIMITED

TWENTY SEVENTH ANNUAL GENERAL MEETING FORM OF PROXY

To be held via a Virtual Meeting on Tuesday the 6th of September 2022, at 14:00 hours.

I/We _____

of _____

being a member of Seed Co Limited hereby appoint

of _____

or failing him/ her _____

of _____

or failing him/ her, the chairman of the company, or failing him, the chairman of the meeting as my/ our proxy to vote for me/ us on my/ our behalf at the Annual General Meeting of the Company to be held on Tuesday the 6th of September 2022 and at any adjournment thereof.

Signed on this _____ day of _____ 2022

Signature of member _____

Notes

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



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The African Seed Company



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