

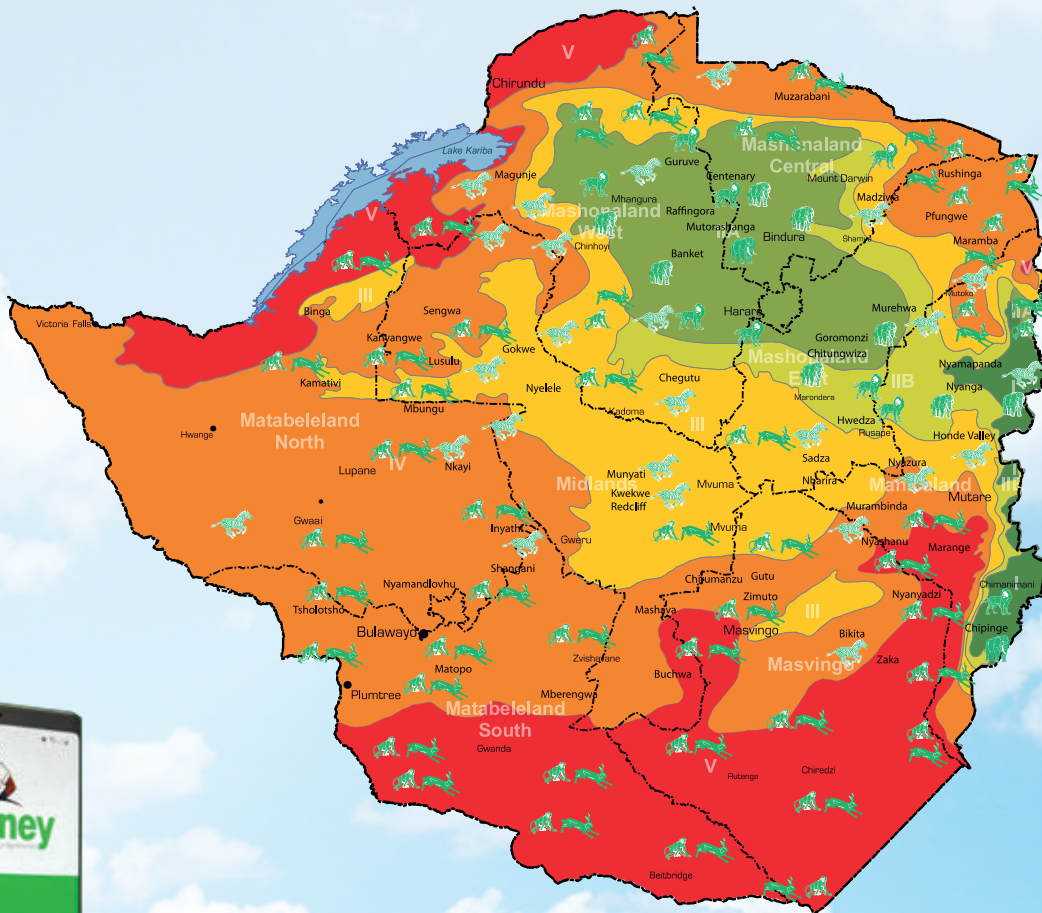


The African Seed Company

SEED CO LIMITED

REVIEWED ABRIDGED FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023



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LIMITED

REVIEWED ABRIDGED COMPANY RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

SHORT-FORM FINANCIAL ANNOUNCEMENT

Issued in terms of practice Note 13 of the Zimbabwe Stock Exchange (ZSE)

ABRIDGED INCOME STATEMENT

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Sept 2023 (Reviewed)	Sept 2022 (Reviewed)	Sept 2023	Sept 2022
	ZWL\$'B			
Revenue	59.71	29.69	41.69	5.92
Cost of sales	(21.10)	(21.65)	(17.64)	(2.72)
Gross profit	38.61	8.04	24.05	3.20
Other income	267.50	71.95	226.06	16.81
Operating expenses	(38.28)	(16.29)	(34.63)	(3.75)
Sales and marketing costs	(4.41)	(3.63)	(4.83)	(0.54)
General and administrative costs	(21.20)	(6.75)	(17.48)	(1.94)
Research costs	(9.60)	(4.60)	(9.24)	(1.04)
Movement in expected credit losses	(3.07)	(1.31)	(3.07)	(0.23)
Operating profit	267.83	63.70	215.47	16.26
Finance income	0.01	0.01	0.01	-
Finance cost	(9.77)	(13.73)	(6.84)	(3.40)
Net monetary gain/(loss)	(100.41)	(29.61)	-	-
Share of profit from associates and joint venture (JV)	5.28	(4.09)	8.73	(0.59)
Profit/(Loss) before tax	162.94	16.28	217.36	12.27
Income tax expense	(75.64)	(7.10)	(80.18)	(6.25)
Profit/(Loss) for the period	87.30	9.18	137.18	6.02
Attributable to:				
Equity holders of the parent	87.30	9.18	137.18	6.02
Earnings per share				
	cents			
Basic earnings per share	21,908	1,055	53,561	2,439
Diluted earnings per share	21,729	1,031	53,561	2,439
Headline earnings per share	21,904	1,059	53,554	2,443
Diluted headline earnings per share	21,724	1,036	53,114	2,389

ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Sept 2023 (Reviewed)	Sept 2022 (Reviewed)	Sept 2023	Sept 2022
	ZWL\$'B			
Profit/(loss) for the period	87.28	9.18	137.18	6.02
Other comprehensive (loss)/income				
Share of other comprehensive income/(loss) from associates and joint venture	53.03	(0.14)	100.95	(0.04)
Total comprehensive income/(loss) for the period, net of tax	140.31	9.04	238.13	5.98
Attributable to:				
Equity holders of the parent	140.31	9.04	238.13	5.98

ABRIDGED STATEMENT OF CASH FLOWS

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Sept 2023 (Reviewed)	Sept 2022 (Reviewed)	Sept 2023	Sept 2022
	ZWL\$'B			
Operating activities				
Profit/(Loss) before tax	162.94	16.27	217.37	12.28
Non-cash adjustments	(88.99)	49.51	2.59	4.53
Working capital adjustments	(195.45)	4.20	(292.32)	(27.77)
Tax paid	(3.25)	(2.15)	(3.25)	0.11
Operating cash flows	(124.75)	67.83	(75.61)	(10.85)
Investing activities				
Proceeds from sale of PPE	0.05	0.03	0.04	0.04
Purchase of PPE	(3.75)	(0.46)	(3.60)	(0.24)
Acquisition of other investments	(6.75)	(0.08)	(0.01)	-
Loans and receivables net (advances)/receipts	66.37	88.29	42.66	8.96
Dividends received	0.01	0.01	0.01	-
Interest received	0.01	0.01	0.01	-
Investing cash flows	55.93	87.78	39.10	8.72
Financing activities				
Dividend paid	-	-	-	-
Net cash flows from investing activities	(9.77)	(2.51)	(6.84)	(3.40)
Financing cash flows	(9.77)	(2.51)	(6.84)	(3.40)
Movement in cash and cash equivalents	(78.59)	153.10	(43.35)	(5.53)
Effects of exchange rate on forex	82.35	(92.16)	48.75	6.48
Cash & cash equivalents at beginning of period	2.37	(57.01)	0.74	0.17
Cash & cash equivalents at end of period	6.13	3.93	6.13	1.12

ABRIDGED STATEMENT OF FINANCIAL POSITION

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Sept 2023 (Reviewed)	March 2022 (Reviewed)	Sept 2023	March 2022
	ZWL\$'B			
ASSETS				
PPE	119.32	119.15	39.62	37.16
Investment in associate & JV	138.21	81.47	133.41	25.30
Other financial assets	19.64	13.13	19.64	4.10
Inventories	169.43	34.69	145.92	10.23
Trade and other receivables	282.32	173.40	280.95	54.01
Cash and cash equivalents	6.13	2.37	6.13	0.74
Total assets	735.05	424.21	625.67	131.54
EQUITY AND LIABILITIES				
Equity				
Share capital	0.45	0.45	0.002	0.002
Non-distributable reserves	245.59	192.19	150.40	49.10
Retained earnings	150.34	63.06	169.36	32.18
Total equity	396.40	255.70	319.76	81.28
Liabilities				
Deferred tax liability	74.51	50.83	41.78	13.55
Bank borrowings	133.26	79.70	133.26	24.86
Trade and other payables	130.88	37.98	130.87	11.85
Total liabilities	338.65	168.51	305.91	50.26
Total equity and liabilities	735.05	424.21	625.67	131.54

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Sept 2023 (Reviewed)	Sept 2022 (Reviewed)	Sept 2023	Sept 2022
	ZWL\$'B			
Opening shareholders' equity	255.70	104.00	81.28	12.81
Profit for the period	87.30	9.17	137.18	6.03
Other comprehensive (loss)/income	53.03	(0.14)	100.95	(0.04)
Exercise of share options	0.04	-	0.03	-
Share based payments	0.33	-	0.32	-
Closing shareholders' equity	396.40	113.02	319.76	18.80

DIRECTORS

P Gowero (Chairman), M Nzwere (Group CEO)*, J Matorofa (Group CFO)*, A Calvalho, R C D Chitengu (Mrs), Dr D Garwe (Mrs), M P Karombo, K Mafukidze, R Fournier, F Savin. *Executive

SUPPLEMENTARY INFORMATION
Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This abridged financial results notification has been prepared and authorized by the Board of Directors. It provides a condensed overview of the full announcement and does not contain comprehensive details. All investment decisions by shareholders and investors should be made after careful consideration of the complete financial results publication. A copy of the full announcement is available on the Zimbabwe Stock Exchange website at www.zse.co.zw as well as on the Company's website at www.seedcogroup.com for further reference and analysis.

1. Corporate information

Seed Co Limited is a company which is incorporated and domiciled in Zimbabwe and listed on the Zimbabwe Stock Exchange (ZSE).

2. Basis of preparation

The abridged inflation adjusted interim financial results of the Company were prepared in line with IAS 34, Interim Financial Reporting, in conformity with the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019. Appropriate adjustments for changes in the general purchasing power of the Zimbabwe Dollar have been made to the Company's historical cost financial information in these Financial Statements for the purposes of fair presentation in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies. IAS 29 Financial Reporting in Hyperinflationary Economies requires that the Financial Statements be prepared in the currency of a hyperinflationary economy and stated in terms of the measuring unit current at the balance sheet date, with corresponding figures for previous periods restated in terms of the measuring unit current at the balance sheet date.

The restatement was computed using conversion factors taken from the Zimbabwe Central Statistical Office's Zimbabwe Consumer Price Index (CPI) for the period up to January 2023. An estimated CPI was utilized for the period beginning February 2023 and ending September 2023, calculated by adjusting the January 2023 published CPI by the monthly movement of the Total Consumption Poverty Line (TCPL).

The conversion factors used to restate the financial statements are as follows:

Closing as at:	Index	Conversion Factor
30 September 2023	44,720.87	1.00
31 March 2023	13,949.99	3.21
30 September 2022	12,713.12	3.52
31 March 2022	4,766.10	9.38
Average for the six (6) months to:		
30 September 2023	35,151.70	1.56
30 September 2022	9,468.14	5.20

IAS 29 discourages the publication of historical cost financial statements as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability during the transitional phase of applying the Standard and to meet most user requirements.

3. Summary of accounting policies

The principal accounting policies of the Company have been consistently followed in all material respects.

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	SEPT 2023 (Reviewed)	SEPT 2022 (Reviewed)	SEPT 2023	SEPT 2022
	ZWL\$'B			
4. Capital expenditure	3.75	0.97	3.60	0.24
5. Depreciation on property, plant and equipment (PPE)	3.47	1.94	1.12	0.29

6. Contingent liabilities

There were no contingent liabilities for the period under review.

7. Approval of financial statements

These abridged financial statements were approved by the Board on 17 November 2023.

8. External auditors' statement

The abridged Seed Co Limited results for the half year ended 30 September 2023, should be read in conjunction with the inflation adjusted financial statements for the half year ended 30 September 2023, from which they have been extracted.

The inflation adjusted financial statements for the half year ended 30 September 2023 have been reviewed by KPMG Chartered Accountants (Zimbabwe) and an adverse conclusion issued thereon.

The auditors' review conclusion report is modified for IAS 21, *The Effects of Changes in Foreign Exchange Rates*, in respect of use of internally generated rates in accounting for transactions with growers and determination of split of exchange gains into realised and unrealised portions, in respect of non-compliance with IFRS 13, *Fair Value Measurement*, in

relation to the valuation of land and buildings, IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* due to these areas of non-compliance remaining uncorrected in the comparative periods and the consequential impact of these items on IAS 29, *Financial Reporting in Hyperinflationary Economies*.

The independent auditors' review conclusion has been made available to management and those charged with governance of Seed Co Limited. The engagement partner responsible for this review is Vinay Ramabhai (PAAB Practising Certificate Number 0569).

The auditors' review conclusion is available for inspection at the Company's registered office.

By Order of the Board



P. Gowero
Chairman



M. Nzwere
CEO

COMMENTARY
Overview

Increased macro and micro-environment uncertainty and operating difficulty characterized the first half of the trading year. Liquidity crunch, foreign currency shortages and prohibitive borrowing costs were among the major obstacles encountered in the period. On the global scale, the unending geopolitical dispute in Eastern Europe, as well as the recent war outbreak in the Middle East, has had a massive impact on global supply chains compounding the challenges of already fragile economies.

Financial Performance

Value tracking price adjustments on the backdrop of inflationary pressures and comparative exchange rate movements resulted in inflation-adjusted turnover being 121% higher than prior year.

In volume terms, the business registered 8% growth in winter wheat and barley sales of 6,828mt despite a myriad of challenges experienced by farmers. On the other hand, the summer selling season started slowly mainly because of the late start of Government related input support initiatives. This saw maize sales volumes reducing by 22% when compared with prior year. Gross profit margins notched up to 58% compared to 54% in prior year benefiting from price reviews and older wheat stocks.

Inflation and exchange rate movements saw overheads increasing 181% compared to prior year.

The regional associate, Seed Co International, registered an encouraging start in terms of volume and turnover and this resulted in a reduced first half loss compared to prior year.

Net finance costs were 22% lower than prior as the business largely accessed funding at productive sector interest rates averaging 95% on ZWL\$ borrowing's compared to the average funding cost of 113% year on year.

Financial Position

The carrying value of PPE increased 9% since 31 March 2023 because of the sales shop construction, office complex solar installation, and office complex refurbishment at Stapleford.

The intake and processing of raw seed is almost concluded for this year's selling season. The business has more than adequate stocks in the required varieties for the forecast rainfall season.

The carrying value of debtors of ZWL\$135bn is mainly attributable to:

- prior year Government related debtors;
- current year winter cereal credit sales; and
- the revaluation of USD denominated grower advances.

Short-term borrowings increased in line with the borrowing cycle of the business, characterized by the intake of seed from growers as well as processing. The increase is also due to an inflation-induced increase in working capital requirements as well as the need to fund the debtors' book.

Research and Development

Research and Development remains the key competitive advantage for the Company. Various research initiatives are at various stages of the pipeline to produce climate responsive products. The Company has progressed well in crop diversification with significant progress on the advancement of rice and potato. The maize seed basket has been expanded with the release of SC 661 and SC 657.

Outlook

Despite the harsh and uncertain operating environment, the business is committed to remain the most preferred as well as trusted producer and supplier of improved crop seeds. Going forward the business is focusing on increasing the contribution of exports and USD denominated sales as well as pricing right while containing costs. The regional associate business is poised to continue the growth trend established in the first half leveraging on its diversified geographical footprint and climate smart products to respond to the favourable and unfavorable El Nino weather conditions in East Africa and Southern African respectively. Overall, the Company has an optimal varietal mix of seed suitable for both drought and good rainfall forecasts.



T. Chatiza
Group Secretary



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Independent Auditors' Report on Interim Condensed Inflation Adjusted Financial statements

To the shareholders of Seed Co Limited

Introduction

We have reviewed the accompanying condensed inflation adjusted statement of financial position of Seed Co Limited ("the Company") as at 30 September 2023, the condensed inflation adjusted income statement, inflation adjusted statement of other comprehensive income, inflation adjusted statement of changes in equity and inflation adjusted statement of cash flows for the six month period then ended, and notes to the interim condensed inflation adjusted financial statements. Management is responsible for the preparation and presentation of the interim condensed inflation adjusted financial statements in accordance with IAS 34, Interim Financial Reporting. Our responsibility is to express a conclusion on the interim condensed inflation adjusted financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

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

Use of internally generated exchange rate.

The accounting policy of the Company is to record foreign currency denominated transactions and balances at the foreign currency exchange rate ruling at the transaction date (spot rate). Purchases of seed from growers and sales of farming inputs to growers, are undertaken with the growers using US\$ values and invoiced in US\$. The invoices are then recorded in the system on transaction date at a translated amount using an internally agreed exchange rate with the growers. These transactions are ultimately settled in ZWL at the internally generated rates, which vary from the official foreign currency exchange rates. For the six months period to 30 September 2023, internally generated exchange rates were not within an acceptable range of the interbank rates with the exception of the internally generated exchange rates used for August 2023 and September 2023 which were within an acceptable range.

Grower balances, receivable in ZWL at 30 September 2023, are determined by translating the underlying US\$ values outstanding using the official interbank exchange rate.



To the extent the transactions conducted in the first four months of the six months period to 30 September 2023 are settled in the financial period and the related inventories have been sold, a potential misstatement may arise between cost of sales and the exchange gains and losses accounts in the inflation adjusted income statement for the six months period to 30 September 2023. Where the related inventories have not been sold a potential misstatement also arises between closing inventory balances and exchange/fair value gains or losses in the inflation adjusted income statement for the six months period ended 30 September 2023. The impact on the exchange gains/losses, cost of sales and inventory balances could not be quantified as this would be impracticable.

In addition, this area of non compliance was also the basis of our modified audit opinion for the year ended 31 March 2023, and management has not restated the 31 March 2023 balances in accordance with IAS 8. As a result the financial statements for the six month period ended 30 September 2023 are impacted by the resulting misstatements in the opening balances at 1 April 2023.

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

Included in Other income is net exchange gains of ZWL 215 billion. Management have determined a split of ZWL 75 billion as the realised portion and ZWL 140 billion as the unrealised portion for the six month period ended 30 September 2023, based on a manual computation outside the financial accounting system that accumulates exchange gains and losses. The manual resultant split into realised and unrealised portions does not reflect the materially correct split for all the exchange rate drivers. The inability to correctly split foreign exchange gains and losses impacts (i) the allocation into current tax expense and deferred tax expense, and the related tax liabilities, and (ii) the portion of realised net exchange rate gains to which inflation indices are applied to obtain IAS 29 numbers (see point on IAS 29 below). In addition, as stated under IAS 21 mentioned above, the Company was using Seed Co's internally generated exchange rates. Whilst considered to be material the impact on the split of exchange gains/losses, related tax liabilities and expense could not be quantified.

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

The Company's property, plant and equipment ("PPE"), which is carried at ZWL 119,289,545,655 includes land and buildings, plant and machinery, equipment and motor vehicles at 30 September 2023. The PPE balances were revalued as at 31 March 2023 using inputs which were not in accordance with IFRS 13. The prior year audit opinion for the year ended 31 March 2022, and review conclusion for the six month period ended 30 September 2022 were also modified due to this matter. Accordingly, this matter impacts the comparable periods presented in this interim condensed inflation adjusted financial information.

Carrying values of PPE, at 30 September 2023, were determined by applying the change in consumer price index (CPI) from 31 March 2023 to 30 September 2023. Similar to the prior period, these matters were not addressed in the current period, the misstatements continued in the period ended 30 September 2023, however, could not be quantified, as alternative appropriate inputs were not determined.

Non-compliance with International Financial Reporting Standards IAS 29 - Financial Reporting in Hyperinflation Economies (IAS 29)

In addition, as described in note 2.4 to the interim condensed inflation adjusted financial statements, Zimbabwe became a hyperinflationary economy with effect from 1 July 2019. IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29) has been applied to incorrect balances due to the non-compliances with the Standards as noted above.



All these items identified in the basis of adverse review conclusion paragraph are considered material and pervasive to the interim condensed inflation adjusted financial statements for the period ended 30 September 2023 as a whole.

Adverse Conclusion

Based on our review, because of the significance of the matters described in the *Basis for Adverse Conclusion* paragraph, we conclude that the accompanying interim condensed inflation adjusted financial statements as at 30 September 2023 is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

Other Information

The Directors are responsible for the other information included in the interim condensed inflation adjusted financial statements for the six month period ended 30 September 2023. The other information comprises Corporate information and the Directors Responsibility Statement and the financial information in the interim condensed inflation adjusted financial statements titled "Historical Cost" but does not include the interim condensed inflation adjusted financial information.

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

In connection with our review of the interim condensed 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 interim condensed inflation adjusted financial statements or our knowledge obtained in the review, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG

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

4 December 2023

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

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100 The Chase (West)
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Zimbabwe

SEED CO LIMITED
INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

SEED CO LIMITED
INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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**SEED CO LIMITED
NOTES TO THE INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

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1 CORPORATE INFORMATION

The interim condensed inflation adjusted financial statements of Seed Co Limited for the six months ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors on 16 November 2023

Seed Co Limited (the Company) is a limited company, incorporated and domiciled in Zimbabwe, whose shares are traded on the Zimbabwe Stock Exchange (ZSE). The registered office is located on Shamwari Road, Stapleford, Harare in Zimbabwe. The company is principally engaged in the processing of agricultural seed for commercial purposes.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed inflation adjusted financial statements for the six months ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed inflation adjusted financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements as at 31 March 2023.

2.2 New standards, interpretations and amendments adopted by the company.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2023. There are no new standards adopted by the company in the period under review.

2.3 Standards and interpretations in issue not yet effective

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

SEED CO LIMITED
NOTES TO THE INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. Non-current Liabilities with Covenants was issued in October 2022 and further deferred the effective date to annual reporting periods beginning on or after 1 January 2024. The amendments are applied retrospectively, with early application permitted. The Directors do not anticipate that implementation of these amendments will have a material impact on the Company's financial statements.

Lease Liability in a Sale-and-Leaseback (Amendments to IFRS 16, Leases)

The amendment effective 1 January 2024 requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows.

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

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

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors do not anticipate that the application of the amendments in the foreseeable future will have an impact on the Company's financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available. The Directors do not anticipate that the application of the amendments in the foreseeable future will have an impact on the Company's financial statements.

SEED CO LIMITED

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**NOTES TO THE INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023***Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates*

Paragraphs 57A–57B and A16–A18 of the draft amendments to IAS 21 require an entity to disclose information that would enable users of its financial statements to understand how a lack of exchangeability between two currencies affects, or is expected to affect, its financial performance, financial position and cash flows. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process and risks to the company because the currency is not exchangeable. The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The Directors anticipate to adopt the amendments in the foreseeable future as these will have an impact on the Company's financial statements.

2.4 Functional Currency

The company considered the primary and secondary indicators that guide the adoption of the functional currency. Primary indicators considered were the currency that mainly influences sales prices for goods and services and the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services including labour, material and other operating costs. Secondary indicators were the currency in which funds from financing activities are generated and receipts from operating activities are usually retained. An assessment of the above indicators demonstrated that Seed Co Limited primarily generates and spends cash in ZWL\$ however management will continue to review whether there is scope in maintaining the local currency as the functional and presentation currency and relevant stakeholders will be consulted at regular intervals given the shift to an increased of US\$ in the market.

2.5 Application of IAS 29 Financial Reporting in Hyperinflationary Economies

These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

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

SEED CO LIMITED
NOTES TO THE INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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The conversion factors used to restate the financial statements are as follows:

30 September 2023	44,720.87	1.00
31 March 2023	13,949.99	3.21
30 September 2022	12,713.12	3.52
31 March 2022	4,766.10	9.38
Average for the six (6) months to:		
30 September 2023	35,151.70	1.56
30 September 2022	9,468.14	5.20

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

- All comparative figures as at and of the period ended 30 September 2022 and 31 March 2023 were restated by applying the change in the index from the date of last re-measurement to 30 September 2023.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at reporting date and components of shareholders' equity were restated

2.5 Application of IAS 29 *Financial Reporting in Hyperinflationary Economies*

by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation .

Property and equipment is restated by applying the change in the index from the date of transaction to 30 September 2023.

- Items recognised in profit or loss have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred.

Depreciation and amortisation amounts are based on the restated costs or carrying amounts.

- Profit or loss items/transactions, except for depreciation and amortisation charges of respective assets as explained above, are restated by applying the monthly index for the period ended 30 September 2023.

- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening statement of financial position date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted

IFRS statement of financial position (i.e. expressed in the measuring unit current at the reporting date).

- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The company considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

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

DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL OF THE INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS

Statement of responsibility

The Board of Directors ("the Board" or "the Directors") of Seed Co Limited ("the Company") is responsible for the preparation and fair presentation of the Company inflation adjusted financial statements of the Company and its associates and joint venture ("the Company") in accordance with IFRSs as issued by the IASB. This responsibility includes the maintenance of true and fair financial records.

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

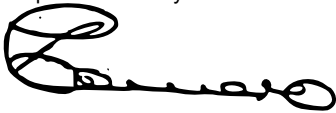
In preparing the Company inflation adjusted financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Having performed such assessment, the management believes that the Company has adequate resources in place to continue in operation for at least up to the end of the next financial year.

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

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

Approval of Company interim reviewed condensed inflation adjusted financial statements

The Board of Directors accepts responsibility for the Company inflation adjusted financial statements on pages 7-16, which were approved by the Board, signed on its behalf by the signatories below and simultaneously authorized for issue on 16th of November 2023 under a specific authority of the Board.



P. Gowero
Chairman



M. Nzwere
Chief Executive Officer

SEED CO LIMITED
INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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INCOME STATEMENT FOR THE PERIOD ENDED	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER
	2023 (Reviewed)	2022 (Reviewed)	2023	2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Revenue from contracts with customers	59,707,328,174	29,686,151,883	41,687,088,998	5,917,864,474
Cost of sales	(21,096,593,085)	(21,648,093,401)	(17,643,310,372)	(2,720,225,686)
Gross profit	38,610,735,089	8,038,058,482	24,043,778,626	3,197,638,788
Other income	267,497,745,531	71,953,947,337	226,055,060,042	16,813,322,824
Operating expenses	(38,285,775,718)	(16,295,954,020)	(34,629,934,542)	(3,742,880,278)
Sales and marketing costs	(4,411,631,625)	(3,629,088,972)	(4,830,978,828)	(535,954,713)
General and administrative costs	(21,196,388,457)	(6,752,095,997)	(17,484,462,669)	(1,938,236,942)
Research costs	(9,604,662,721)	(4,602,532,275)	(9,241,400,130)	(1,035,186,125)
Movement in expected credit losses	(3,073,092,915)	(1,312,236,776)	(3,073,092,915)	(233,502,498)
Operating profit	267,822,704,902	63,696,051,800	215,468,904,126	16,268,081,333
Finance income	8,884,494	6,388,646	5,611,383	1,290,932
Finance costs	(9,767,913,059)	(13,729,136,618)	(6,838,999,248)	(3,403,701,407)
Net monetary loss	(100,406,319,074)	(29,612,984,610)	-	-
Share of profit/(loss) from associates and joint venture Profit/	5,282,881,193	(4,094,484,823)	8,730,632,217	(591,109,470)
(Loss) before tax	162,940,238,456	16,265,834,395	217,366,148,478	12,274,561,388
Income tax expense	(75,637,745,013)	(7,096,737,208)	(80,184,247,443)	(6,246,465,978)
Profit/(Loss) for the period	87,302,493,443	9,169,097,186	137,181,901,035	6,028,095,411
Attributable to:				
Equity holders of the parent	87,302,493,443	9,169,097,186	137,181,901,035	6,028,095,411
Earnings per share				
Basic (loss)/earnings per share - cents	21,908	1,055	53,561	2,439
Diluted earnings per share - cents	21,729	1,031	53,561	2,439
Headline earnings per share - cents	21,904	1,059	53,554	2,443
Diluted head line per share -cents	21,724	1,036	53,114	2,389

SEED CO LIMITED
INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS

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STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2021	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023 (Reviewed)	30 SEPTEMBER 2022 (Reviewed)	30 SEPTEMBER 2023	30 SEPTEMBER 2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Profit for the period	87,302,493,443	9,169,097,186	137,181,901,035	6,028,095,411
Other comprehensive income/(loss)				
<i>Items that may be reclassified subsequently to profit or loss (net of tax):</i>				
Share of exchange differences from associate	53,028,944,925	(143,011,968)	100,946,501,309	(40,655,035)
Net other comprehensive profit/(loss) that may be reclassified to profit or (loss) in subsequent periods	53,028,944,925	(143,011,968)	100,946,501,309	(40,655,035)
Total comprehensive (loss)/income for the period	140,331,438,369	9,026,085,218	238,128,402,344	5,987,440,376
Attributable to:				
Equity holders of the parent	140,331,438,369	9,026,085,218	238,128,402,344	5,987,440,376

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

SEED CO LIMITED
INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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STATEMENT OF FINANCIAL POSITION AS AT		INFLATION ADJUSTED		HISTORICAL COST	
		30 SEPTEMBER 2023 (Reviewed)	31 MARCH 2023 (Audited)	30 SEPTEMBER 2023	31 MARCH 2023
		ZWL\$	ZWL\$	ZWL\$	ZWL\$
ASSETS	Note				
Property, plant and equipment	7	119,321,180,211	119,149,468,922	39,617,325,844	37,156,991,340
Investment in associates and joint venture	8.2	138,210,361,163	81,470,346,052	133,408,967,720	25,303,645,199
Non-current financial assets	9.1	119,347,134	356,143,755	119,340,307	111,091,493
Non-current assets		257,650,888,508	200,975,958,729	173,145,633,871	62,571,728,032
Inventories	10	169,429,286,036	34,686,536,467	145,921,057,717	10,234,082,190
Trade and other receivables	9.1	223,855,637,900	135,823,511,660	222,493,573,262	42,290,192,145
Amount due from related entities	9.1	58,459,753,750	37,578,462,695	58,459,753,750	11,722,028,197
Other current financial assets	9.1	19,524,091,876	12,775,498,055	19,524,091,876	3,985,121,734
Cash and cash equivalents	11	6,128,607,724	2,372,934,063	6,128,607,724	740,200,583
Current assets		477,397,377,286	223,236,942,940	452,527,084,329	68,971,624,849
Total assets		735,048,265,794	424,212,901,669	625,672,718,200	131,543,352,882
EQUITY AND LIABILITIES					
Share capital		448,203,255	445,703,710	4,858,035	2,473,685
Share premium		23,091,685,204	23,055,790,869	233,916,577	199,676,484
Share based payment reserve		1,946,578,871	1,617,764,612	410,326,845	96,666,472
Revaluation reserve		80,096,302,599	80,096,302,599	28,176,504,374	28,176,504,376
Foreign currency translation reserve		140,450,299,609	87,421,354,685	121,577,012,957	20,630,511,647
Retained earnings		150,364,212,003	63,061,718,561	169,358,731,903	32,176,830,866
Equity		396,397,281,542	255,698,635,036	319,761,350,691	81,282,663,530
Long-term borrowings	9.2	64,313,945,623	27,099,543,104	64,313,945,623	8,453,289,081
Deferred tax liability	5	74,514,662,462	50,840,168,750	41,775,045,720	13,554,049,577
Non-current liabilities		138,828,608,085	77,939,711,854	106,088,991,343	22,007,338,658
Short-term borrowings	9.2	68,946,904,297	52,597,986,114	68,946,904,297	16,407,139,412
Trade and other payables	9.2	61,112,221,869	26,774,676,693	61,112,221,869	8,351,951,960
Amount due to related entities	9.2	15,410,760,635	-	15,410,760,635	-
Provisions		3,813,069,469	5,359,780,593	3,813,069,469	1,671,901,795
Income tax payable		50,539,419,897	5,842,111,379	50,539,419,897	1,822,357,526
Current liabilities		199,822,376,167	90,574,554,779	199,822,376,167	28,253,350,693
Total liabilities		338,650,984,252	168,514,266,633	305,911,367,510	50,260,689,352
Total equity and liabilities		735,048,265,794	424,212,901,669	625,672,718,200	131,543,352,882

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SEED CO LIMITED
INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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INFLATION ADJUSTED
REVIEWED STATEMENT OF
CHANGES IN EQUITY FOR THE
PERIOD ENDED 30 SEPTEMBER
2023

	Attributable to equity holders of the parent						
	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
As at 1 April 2023	445,703,710	23,055,790,870	1,617,764,610	80,096,302,599	87,421,354,685	63,061,718,560	255,698,635,034
Profit for the period	-	-	-	-	-	87,302,493,443	87,302,493,443
Other comprehensive profit/(loss)	-	-	-	-	53,028,944,925	-	53,028,944,925
Total comprehensive income	-	-	-	-	53,028,944,925	87,302,493,443	140,331,438,368
Exercise of share options	2,499,544	35,894,334	(2,499,543)	-	-	-	35,894,335
Share based payments	-	-	331,313,804	-	-	-	331,313,804
As at 30 September 2023	448,203,255	23,091,685,204	1,946,578,871	80,096,302,599	140,450,299,610	150,364,212,003	396,397,281,542

REVIEWED STATEMENT OF
CHANGES IN EQUITY FOR THE
PERIOD ENDED 30 SEPTEMBER
2022

	Attributable to equity holders of the parent						
	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
As at 1 April 2022	445,690,247	21,868,630,879	941,675,812	31,156,886,468	54,227,096,777	4,642,592,866	103,997,387,317
Profit for the period	-	-	-	-	-	9,169,097,186	9,169,097,186
Other comprehensive profit/(loss)	-	-	-	-	(143,011,968)	-	143,011,968
Total comprehensive income	-	-	-	-	(143,011,968)	9,169,097,186	9,026,085,218
Share based payments	-	-	-	-	-	-	-
As at 30 September 2022	445,690,247	21,868,630,879	941,675,812	31,156,886,468	54,084,084,810	4,526,504,320	113,023,472,536

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

SEED CO LIMITED
INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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HISTORICAL COST
STATEMENT OF CHANGES IN
EQUITY FOR THE PERIOD
ENDED 30 SEPTEMBER 2023

	Attributable to equity holders of the parent						Retained earnings	Total
	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve			
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$		
As at 1 April 2023	2,473,685	199,676,485	96,666,472	28,176,504,374	20,630,511,648	32,176,830,867	81,282,663,531	
Profit for the period						137,181,901,035	137,181,901,035	
Other comprehensive profit/(loss)					100,946,501,309		100,946,501,309	
Total comprehensive income	-	-	-	-	100,946,501,309	137,181,901,035	238,128,402,344	
Exercise of share options	2,384,350	34,240,093	(2,384,350)				34,240,093	
Share based payments			316,044,723				316,044,723	
As at 30 September 2023	4,858,035	233,916,578	410,326,845	28,176,504,374	121,577,012,957	169,358,731,902	319,761,350,691	

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY FOR THE
PERIOD ENDED 30 SEPTEMBER
2022

	Attributable to equity holders of the parent						Retained earnings	Total
	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve			
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$		
As at 1 April 2022	2,472,027	53,484,674	13,410,079	4,730,483,763	3,099,609,786	4,908,267,552	12,807,727,881	
Profit for the period						6,028,095,411	6,028,095,411	
Other comprehensive income					(40,655,035)		(40,655,035)	
Total comprehensive income	-	-	-	-	(40,655,035)	6,028,095,411	5,987,440,376	
Share based payments							-	
As at 30 September 2022	2,472,027	53,484,674	13,410,079	4,730,483,763	3,058,954,751	10,936,362,963	18,795,168,257	

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

SEED CO LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023(Reviewed) ZWL	30 SEPTEMBER 2022 (Reviewed) ZWL	30 SEPTEMBER 2023 ZWL	30 SEPTEMBER 2022 ZWL
Operating activities				
Profit before tax	162,940,238,456	16,265,834,395	217,366,148,478	12,274,561,389
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation of PPE	3,468,683,229	400,198,476	1,117,020,341	290,579,527
Loss/(Profit) on disposal of PPE	66,305,947	(8,784,033)	(19,247,423)	11,114,444
Share based payment expense	331,313,804		316,044,723	-
Increase/(Decrease) in provisions	(1,546,711,124)	(59,414,275)	2,141,167,674	579,668,766
Expected Credit losses	3,073,092,915	1,312,236,776	3,073,092,915	233,502,498
Finance income	(8,884,494)	(6,388,646)	(5,611,383)	(1,290,932)
Finance costs	9,767,913,059	13,729,136,618	6,838,999,248	3,403,701,407
Share of profit from associates and JV	(5,282,881,193)	63,696,051,800	(8,730,632,217)	591,109,470
Effects of monetary (losses)/gains	(100,406,319,074)	(29,612,984,610)		
Operating cash flows before working capital changes	72,402,751,524	65,715,886,501	222,096,982,356	17,382,946,568
Working capital changes:				
(Increase)/Decrease in inventories	(134,742,749,569)	1,801,299,613	(135,686,975,527)	(10,147,678,755)
(Increase)/Decrease in trade and other receivables	(88,032,126,240)	3,165,075,995	(180,203,381,117)	(16,274,009,676)
(Increase)/Decrease in related party receivables	(20,881,291,055)	(463,378,006)	(46,737,725,553)	(4,496,184,788)
Increase/(Decrease) in trade and other payables	34,337,545,176	398,107,902	52,760,269,909	1,297,290,382
Increase/(Decrease) in related party payables	15,410,760,635	(640,862,161)	15,410,760,635	1,266,992,272
Cash generated or utilised from operations	(121,505,109,529)	69,976,129,843	(72,360,069,297)	(10,970,643,997)
Income tax paid	(3,246,188,930)	(2,146,554,496)	(3,246,188,930)	113,086,839
Net cash flows from operating activities	(124,751,298,459)	67,829,575,346	(75,606,258,227)	(10,857,557,158)
Investing activities				
Proceeds from disposal of PPE	45,673,879	25,220,236	43,796,258	3,751,371
Purchase of PPE	(3,752,374,343)	(460,931,320)	(3,601,868,228)	(238,385,164)
Acquisition of other investments	(6,748,593,821)	(77,927,610)	(8,248,814)	(401,375)
Disposal of other investments	-	-	-	9,540
Interest received	8,884,494	1,022,337	5,611,383	1,290,932
Net cash flows from investing activities	(10,446,409,792)	(512,616,357)	(3,560,709,401)	(233,734,696)
Financing activities				
Proceeds from borrowings	79,727,905,352	118,330,832,576	51,243,936,250	14,736,542,217
Repayment of borrowings	(13,353,136,126)	(30,042,458,342)	(8,582,531,466)	(5,774,189,607)
Interest paid	(9,767,913,059)	(2,507,369,474)	(6,838,999,248)	(3,403,701,407)
Net cash flows generated from financing activities	56,606,856,167	85,781,004,760	35,822,405,536	5,558,651,203
Net cash flows during the year	(78,590,852,084)	153,097,963,750	(43,344,562,091)	(5,532,640,650)
Effects of movement on exchange rates	82,346,525,745	(92,155,680,811)	48,732,969,232	6,477,878,419
Opening cash and cash equivalents	2,372,934,063	(57,009,482,192)	740,200,583	172,767,627
Closing cash and cash equivalents	6,128,607,724	3,932,800,746	6,128,607,724	1,118,005,396

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

3 SEASONALITY OF OPERATIONS

The business is a supplier of seeds for agricultural production. It offers seed products for various crops including maize, wheat and soybean among others. Each crop is planted in a specific climatic season for farmers to achieve optimal yields. Due to the nature of the business, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period September to December are mainly attributed to the increased demand for maize seed and soybean seed at the onset of the rainy season, as well as during the period from April to May, due to increased demand for wheat seed which is grown in lo temperatures.

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023 (Reviewed)	30 SEPTEMBER 2022 (Reviewed)	30 SEPTEMBER 2023	30 SEPTEMBER 2022
4 REVENUE FROM CONTRACTS WITH CUSTOMERS				
4.1 Product	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Maize seed	20,447,794,948	11,242,824,323	22,808,901,145	3,114,282,641
Soybean seed	192,822,004	1,352,083,052	113,700,710	383,957,304
Wheat seed	30,354,114,584	16,060,230,709	16,393,398,450	2,260,404,632
Sorghum & Millet	12,320,849	8,401,572	12,353,981	2,347,085
Beans	986,092,484	117,841,242	1,096,255,331	33,620,066
Barley	2,697,741,297	807,592,303	1,148,465,138	109,590,972
Other seeds	5,016,442,009	97,178,681	114,014,243	13,661,773
	59,707,328,175	29,686,151,882	41,687,088,998	5,917,864,473
4.2 Timing of revenue recognition				
Goods transferred at a point in time	59,707,328,175	29,686,151,882	41,687,088,998	5,917,864,473
4.3 Other Income				
Exchange Gain	255,251,768,189	68,539,516,563	214,885,652,305	16,149,784,730
Research Royalties	5,618,730,538	2,265,195,794	5,095,272,153	511,016,322
Other Income(Non Seed Sales)	8,202,251,380	1,372,900,046	7,626,663,716	178,417,374
Profit/(loss) on disposals	(66,305,947)	(111,292,784)	19,282,874	(11,114,444)
Less dividend received	(1,508,698,628)	(112,372,282)	(1,571,811,006)	(14,781,158)
	267,497,745,531	71,953,947,337	226,055,060,042	16,813,322,824
	-	-	-	-
The ZWL\$ exchange gain reported is from USD\$ denominated balances that were revalued monthly reflective of the 488% currency depreciation from 930 on the 1st of April 2023 to 5.467 end of September 2023.				
4.4 Expected credit losses on receivables arising from contracts with customers:	3,073,092,915	748,562,003	3,073,092,915	233,502,498
4.5 Finance cost				
Interest expense on financial liabilities	(9,767,913,059)	(13,729,136,618)	(6,838,999,248)	(3,403,701,407)
	(9,767,913,059)	(13,729,136,618)	(6,838,999,248)	(3,403,701,407)

5 INCOME TAX EXPENSE

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed income statement are:

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023 (Reviewed)	30 SEPTEMBER 2022 (Reviewed)	30 SEPTEMBER 2023	30 SEPTEMBER 2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Current income tax	51,963,251,300	11,187,651,953	51,963,251,300	3,180,393,836
Deferred tax	23,674,493,712	(4,090,914,745)	28,220,996,143	3,066,072,142
	75,637,745,012	7,096,737,208	80,184,247,443	6,246,465,978

SEED CO LIMITED
NOTES TO THE INTERIM REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

14

6 EARNINGS PER SHARE (EPS)

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

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 period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

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

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023 (Reviewed)	30 SEPTEMBER 2022 (Reviewed)	30 SEPTEMBER 2023	30 SEPTEMBER 2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Profit attributable to ordinary equity holders of the parent for basic earnings	87,302,493,443	9,169,097,186	137,181,901,035	6,028,095,411
Effect of dilution	-	-	-	-
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	87,302,493,443	9,169,097,186	137,181,901,035	6,028,095,411
Non recurring -profit/(loss) on disposal of property(net of tax)	(19,247,423)	39,097,212	(19,247,423)	11,114,444
Headline earnings	87,283,246,020	9,208,194,398	137,162,653,612	6,039,209,855
Weighted average number of ordinary shares for basic EPS	398,487,957	869,483,341	256,122,262	247,174,248
Equity settled share appreciation rights with dilutive impact	3,299,511	19,615,590	2,120,712	5,576,264
Weighted average number of ordinary shares adjusted for the effect of dilution	401,787,468	889,098,931	258,242,974	252,750,512

Earnings per share

Basic (loss)/earnings per share - cents	21,908	1,055	53,561	2,439
Diluted earnings per share - cents	21,729	1,031	53,121	2,385
Headline earnings per share - cents	21,904	1,059	53,554	2,443
Diluted head line per share -cents	21,724	1,036	53,114	2,389

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

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023 (Reviewed)	30 SEPTEMBER 2022 (Reviewed)	30 SEPTEMBER 2023	30 SEPTEMBER 2022
7 PROPERTY, PLANT & EQUIPMENT				
Transactions during the period	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Opening Balance	119,149,468,922	59,320,282,350	37,156,991,340	6,343,223,073
Acquisitions	3,752,374,343	965,293,617	3,601,868,228	238,385,164
Depreciation	(3,468,683,229)	(1,941,418,322)	(1,117,020,341)	(290,579,527)
Disposals	(111,979,825)	(183,007,069)	(24,513,384)	(36,067,748)
Balance as per financials	119,321,180,211	58,161,150,576	39,617,325,844	6,254,960,963
	-	-	(0)	-

The carrying value of property, plant and equipment increased 9% since 31 March 2023. The major capital expenditure investment was the construction of a sales shops at Seed Co Stapleford.

8 ASSOCIATES AND JOINT VENTURE

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023 (Reviewed)	30 SEPTEMBER 2022 (Reviewed)	30 SEPTEMBER 2023	30 SEPTEMBER 2022
8.1 Share of profit/(loss) in ZWL\$				
Seed Co International Limited	(4,159,610,142)	123,864,400	(4,159,610,142)	(472,238,976)
Quton Zimbabwe	9,058,634,821	(3,031,442,624)	11,228,563,995	(259,613,200)
Prime Seed Co Zimbabwe	383,856,513	(1,186,906,600)	1,661,678,364	140,742,707
	5,282,881,192	(4,094,484,823)	8,730,632,217	(591,109,469)
8.2 Investments in associates and joint venture in ZWL\$				
Seed Co International Limited	116,938,528,205	69,641,004,428	116,938,529,154	21,723,448,992
Quton Zimbabwe	18,964,405,641	9,905,770,820	13,969,774,797	2,741,210,802
Prime Seed Co Zimbabwe	2,307,427,317	1,923,570,804	2,500,663,769	838,985,405
	138,210,361,163	81,470,346,052	133,408,967,720	25,303,645,199
8.3 Net other comprehensive profit/(loss) that may be reclassified to profit or (loss) in subsequent periods	53,028,944,925	(143,011,968)	100,946,501,309	(40,655,035)

9 FINANCIAL INSTRUMENTS

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPTEMBER 2023 (Reviewed)	31 MARCH 2023 (Audited)	30 SEPTEMBER 2023	31 MARCH 2023
9.1 Financial assets	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Long-term fixed investments	119,347,134	356,143,755	119,340,307	111,091,493
RBZ financial asset	19,524,091,876	12,775,498,055	19,524,091,876	3,985,121,734
Trade and other receivables	202,999,192,463	133,326,350,581	202,999,192,463	41,589,121,237
Prepayments	20,856,445,437	2,497,161,079	19,494,380,799	701,070,909
Amount due from related entities	58,459,753,750	37,578,462,695	58,459,753,750	11,722,028,197
	301,958,830,660	186,533,616,165	300,596,759,195	58,108,433,570
Non-current	119,347,134	356,143,755	119,340,307	111,091,493
Current	301,839,483,526	186,177,472,410	300,477,418,888	57,997,342,077
	301,958,830,660	186,533,616,165	300,596,759,195	58,108,433,570

Trade receivables include retail debt, seed grower advances relate to production inputs advanced to contracted seed producers for which the seed will be delivered within twelve (12) months and Prepayments relate to amounts paid in advance for which the related goods will be received within twelve (12) months.

Non current financial assets are Long-term fixed investments held with various financial institutions attracting interest at 8% per annum with a tenures from 10-14 years. The current financial asset are funds advanced to the RBZ on a currency swap transaction. The Group has a loan payable with the same bank.

9.2 Financial liabilities

Long-term borrowings	64,313,945,623	27,099,543,104	64,313,945,623	10,566,611,360
Short-term borrowings	68,946,904,297	52,597,986,114	68,946,904,297	14,293,817,133
Trade and other payables	61,112,221,869	26,774,676,693	61,112,221,869	8,351,951,960
Amount due to related entities	15,410,760,635	-	15,410,760,635	-
	209,783,832,424	106,472,205,911	209,783,832,424	33,212,380,453
Non-current	64,313,945,623	27,099,543,104	64,313,945,623	10,566,611,360
Current	145,469,886,800	79,372,662,807	145,469,886,800	22,645,769,093
	209,783,832,423	106,472,205,911	209,783,832,424	33,212,380,453

9.2.1 Borrowings reconciliation:

At 31 March 2023	79,697,529,218	9,901,302,499	24,860,428,493	3,088,560,275
Proceeds from borrowings	79,727,905,352	71,148,236,983	51,243,936,250	22,193,607,196
Repayments of borrowings	(13,353,136,126)	(20,973,144,778)	(8,582,531,466)	(6,542,252,579)
Effects of movement on exchange rates	(12,811,448,524)	19,621,134,514	65,739,016,643	6,120,513,601
At 30 September 2023	133,260,849,920	79,697,529,218	133,260,849,920	24,860,428,493
	-	0	-	-

All financial instruments are measured at amortized cost. All borrowings are unsecured. The estimated fair value of long-term borrowings is ZWL\$64,313,945,623 as at 30 September 2023.

10 INVENTORIES

Parent and commercial seed	153,917,775,429	29,414,741,352	132,561,761,414	10,547,981,303
Raw Materials and general consumables	15,511,510,607	5,271,795,116	13,359,296,303	1,890,439,751
	169,429,286,036	34,686,536,468	145,921,057,717	12,438,421,054

11 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents are comprised of the following:

Cash at banks and on hand

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

INFLATION ADJUSTED		HISTORICAL COST	
30 SEPTEMBER 2023 (Reviewed)	31 MARCH 2023 (Audited)	30 SEPTEMBER 2023	31 MARCH 2023
ZWL\$	ZWL\$	ZWL\$	ZWL\$
6,128,607,724	2,372,934,063	6,128,607,724	740,200,583
6,128,607,724	2,372,934,063	6,128,607,724	740,200,583

12 RELATED PARTY TRANSACTIONS

12.1 AMOUNTS DUE FROM RELATED ENTITIES

	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Limagrain	355,611,866	969,660,563	355,611,866	302,470,821
Seed Co International(Subsidiary of associate SCI)	35,863,794,445	17,770,587,371	35,863,794,445	5,543,263,649
Seed Co Malawi(Subsidiary of associate SCI)	3,329,476,260	1,634,242,740	3,329,476,260	509,777,093
Agri Seed Co Kenya(Subsidiary of associate SCI)	1,029,573,434	2,479,189,457	1,029,573,434	773,345,332
Seed Co Tanzania(Subsidiary of associate SCI)	750,478,691	2,461,834,100	750,478,691	767,931,593
Seed Co Zambia(Subsidiary of associate SCI)	140,646,379	4,317,385,470	140,646,379	1,346,742,538
Prime Seed Co Zimbabwe(Joint Venture)	250,106,020	279,344,210	250,106,020	87,137,165
Seedco International Mozambique(Subsidiary of associate SCI)	16,612,389,421	7,435,374,870	16,612,389,421	2,319,351,768
Seedco Ethiopia (Subsidiary of associate SCI)	215,053,283	-	215,053,283	-
Seedco Ghana (Subsidiary of associate SCI)	-	79,414,826	-	24,772,244
Seedco Nigeria(Subsidiary of associate SCI)	78,863,450	151,429,087	78,863,450	47,235,994
	58,625,993,249	37,578,462,694	58,625,993,249	11,722,028,197

12.2 AMOUNTS DUE TO RELATED ENTITIES

Seed Co International (Subsidiary of associate SCI)	15,410,760,635	-	15,410,760,635	-
Seedco Ghana (Subsidiary of associate SCI)	166,239,500	-	166,239,500	-
	15,577,000,135	-	15,577,000,135	-

Related party balances are from management fees and sales in the ordinary course of business .All outstanding balances are unsecured and interest-free.The business did not have any inter-group loans as at the reporting date.

12.3 Dividend received

Seed Co International	ZWL\$ 1,508,698,628	ZWL\$ 112,372,282	ZWL\$ 1,571,811,006	ZWL\$ 14,781,158
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12.4 Royalty income

Seed Co International	7,927,481,877	5,138,755,829	5,095,272,153	1,602,956,492
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12.5 Management fee expense

Seed Co International Limited Group	-	3,348,700,293	1,746,525,023	1,044,575,973
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13 SEGMENT INFORMATION

Excluding associate and JV entities, the Company operates in one geographical jurisdiction (Zimbabwe) and sells one type of product (field seeds). The revenue split per crop within field seeds has already been done in note 4. Unfortunately, costs are incurred centrally and the Company has no reliable basis of apportioning them per crop. Therefore the Company cannot fully segment its profit between various crops or geographies.

14 COMMITMENTS AND CONTINGENCIES

	2023 USD	2022 USD
Capital expenditure commitments approved by the directors but not yet contracted	\$ 4,734,957	\$ 3,615,201

15 SUBSEQUENT EVENTS

The Company has evaluated events from 30 September 2023 and reports that no subsequent events require disclosure.

16 Going concern

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