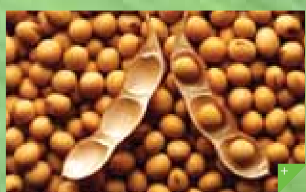
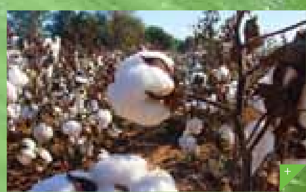
SEED-CO

The African Seed Company

Partnership for growth

2014 ANNUAL REPORT



SEED·CO
The African Seed Company

a toast to...

Partnership for growth

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SEED CO
The African Seed Company




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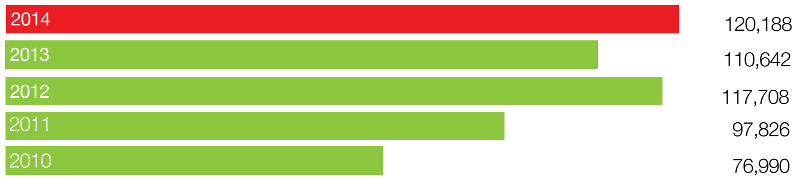
Seed Co Limited, a public listed company incorporated in Zimbabwe and quoted on the Zimbabwe Stock Exchange, is the leading producer and marketer of certified crop seeds in Southern Africa.

Performance Highlights

The African Seed Company

Group Revenue US$000s

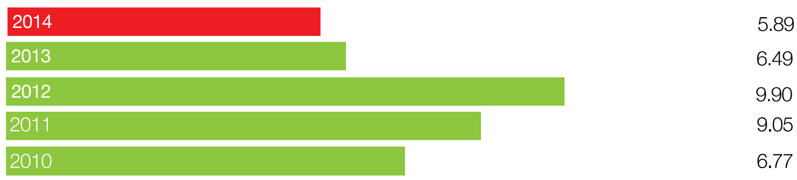


$120m +9%

Group EBITDA US$000s

$23m -11%

EPS (US cents)



5.9c -9%

R&D Expenditure US$000s

$5.0m +18%

Seed Maize volumes

40,137mt +16%

SEED-CO
The African Seed Company

Contribution to group revenue

Zimbabwe

Contribution to group revenue

38%

Zambia

Contribution to group revenue

23%

Quton

Contribution to group revenue

13%

Malawi

Contribution to group revenue

10%

Kenya

Contribution to group revenue

4%

Tanzania

Contribution to group revenue

5%

Chairman's Statement

John P. Rooney - Chairman

> "I would also want to thank my other fellow directors, management and staff for their hard work and dedication in posting these results in a very competitive environment"

Introduction

It is my pleasure to present the Annual report for the Financial year ended 31 March 2014.

The company managed to post reasonable earnings despite facing some challenging trading conditions in some of the markets it operates in.

The company continues to grow its asset base, with new operational premises in Malawi nearing completion. These will house all the group's activities in that country.

Research released 11 new exciting products. The recently released 300 series; targetting the drier parts of the continent, and the 800 series suitable for the East African highlands, will defend and grow market share.

The year saw the conclusion of a very promising strategic equity partnership with the fourth largest seed company in the world, Limagrain. This resulted in the later acquiring a 15% stake in the company through a combination of new issue of shares and purchase of part of the former majority shareholder's shares.

Environmental Overview

Severe economic challenges bedevilled most of the markets we operate in, with liquidity constraints being particularly pronounced in Zimbabwe, Malawi and Tanzania .

Most countries in the region continue to underpin their economic revival and growth on agriculture, with the Governments, inevitably being the largest customer for seed due to the various input programmes in almost all the countries.

Governments, however take a long time to pay and this affects the company cashflows significantly.

Financial Review

The group managed to post steady results despite the various challenges.

Group turnover grew by 9% to $120m . While maize and wheat sales recorded impressive growth of 16% and 31% respectively, soyabean and cotton seed sales where disappointing showing a reduction of 39% and 11%.

Margins remained flat at 45% due to writeoffs of all aged inventories which were reduced in line with Group's quality policy, as well as the write off of costs related to the changeover to a new fungicide for maize seed treatment, and new packaging.

Profit After tax

The Group profit after tax of $11,8 m was 6% lower than prior year largely due to:

- impairment of a deposit receivable of $3.2m from a Zimbabwean financial institution that was placed under recuperative curatorship ,
- a $2m general provision for bad debts across the Group to take account of slow moving retail debtors from previous years.
- Stock writedowns totalling $3.7m to clear old stocks.

Statement of financial position

The balance sheet grew by 6% to $170m with fixed assets going up from $43,9m last year to $48,7m due to the $7,7m construction of new business premises in Malawi. The company has all along been operating in expensive rented premises.

The current assets at $121 million were 4% higher than prior year mainly due to accounts receivable that have gone up 23% to $75m owing to delays by the Zimbabwe Government and Malawi donor-funded programs.

Borrowings have gone down by 23% to $35,8m, benefiting from the new capital injection by Limagrain and reduced stock holding.

Seed Supply

The Group has successfully completed its stock re-balancing exercise which it started some two years ago aimed at substantially reducing carryover stock levels across all SBUs. This initiative was aimed at ensuring the Group provides high quality fresh seeds, while managing stock holding costs and minimizing pathogen agents in our warehouses. Maize seed stocks have come down from 36927mt last year to 18590mt and the target is to carry over at most 20% of the next year's expected sales.

Research and Technology

The Group's Research and Development effort continues to produce very competitive products with another 11 new varieties having been released this year covering maize, soyabeans and sugar beans.

The Technology Laboratory is nearing completion at Rattray Arnold Research Station and the laboratory equipment is currently being procured.

The cooperation between Limagrain and Seed Co is progressing well with 5 key quick wins having been identified and a team put together to spearhead these projects.

Future Prospects

The Group Looks forward to the future with optimism arising from :

•The strategic technical equity partnership with Limagrain, which is expected to enhance the Group's access to latest technologies in its seed breeding, together with germplasm exchange and technology transfer through training and development of our breeders, which will lead to the company getting new products faster to market.
•The fresh capital will finance growth in new and existing markets and enable the Company to sustain its dominant position in the seed business in Africa. The second tranche of capital of approximately $27m is expected before the calendar year end.
•Increasing market share in East Africa and the DRC all continuing on an impressive sales growth.
•Continued Government and donor-funded input programs in Zambia and Malawi.
•Promising progress in West Africa as we continue to intensify our breeding efforts in a bid to release winning products in this potentially largest market in Africa.

Directorate

I would like record my appreciation for the sterling contribution that Messers Bekithemba Nkomo, Patrick St L Devenish and Benard Mudzimuirema, who resigned from the board on 28 February 2014, made to the company and wish them success going forward.

I would also like to take this opportunity to welcome Messers Jean-Christophe Julliard and Bruno Carrette, who where appointed as the representatives of Limagrain on the Board with effect from 3 December 2013, and Mr. Pearson Gowero, who was appointed on 5 June 2014.

I would also want to thank my other fellow directors, for their contribution. Further my thanks go to the GCEO Morgan Nzwere for his leadership, particularly in expanding the number of SBU's. Management and staff are to be commended for their hard work and dedication in posting these results in a very competitive environment.

J P Rooney
Chairman
5 June 2014

Chief Executive Officer's Review

The African Seed Company

Morgan Nzwere - Group Chief Executive Officer

"The Seed Co Internationalization project was successfully concluded with Limagrain acquiring an effective 15% of Seed Co"

Overview

•The Group has had a mixed year with most Strategic Business Units recording growth in maize seed sales but failing to achieve targets for other seed crops.

- Group sales volumes grew by 2% to 60,820 tons compared to prior year
- Maize and wheat delivered double digit growth of 12 % and 31% respectively, although wheat was coming from a very low base.
- Soyabean seed sales were quite depressed, volumes coming down by 39% with cheap oil imports from the Middle East, increasing use of retained seed and subdued commodity prices weighing down on demand for seed in Zimbabwe and Zambia, while in Malawi, the withdrawal of soybean from the Presidential Initiative Scheme impacted severely on the sales performance
- Demand for cotton seed was also quite subdued owing to the structural problems in the industry, bedeviled by low international commodity prices for lint, and side marketing dis-incentivising ginners to provide inputs; while huge carry over stocks from prior year did not help the situation.
- While turnover went up by 9% Profits remained depressed due to impairment of receivables and write down of old stocks to address expected quality standards

•The Seed Co Internationalization project was successfully concluded with Limagrain acquiring an effective 15% of Seed Co through a combination of issue of new shares and purchase of AICO shares in the first tranche. The second tranche, raising an additional $27.1m for the Group, is expected to be done before 30 June 2015

•Discussions are on going on the identification of a suitable technical partner for the cotton seed business

•The Malawi Building project is nearing completion with official opening of the business complex expected in September 2014

Group Financial Review
Revenue

Group turnover at $120m was 9% higher than prior year. The maize volumes continue to show a steady growth over the years as shown above:

The graphs below show the relative contribution to Group sales by the respective subsidiaries.

Margins
Margins remained flat at 45% due to stock write-downs which were done to ensure the Group only carries forward stocks of the highest possible standard, as well as re-handling costs related to the changeover to a new fungicide and packaging.

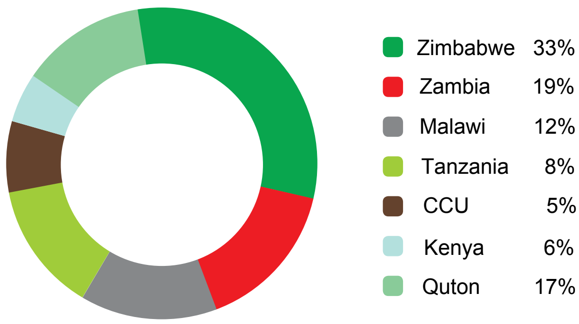
Overheads
Overheads at $37,8m were 22% higher than prior year mainly due to a $3m impairment of a deposit receivable from a financial institution currently under curatorship, and a $2m general provision for bad debts across the Group to take account of slow moving retail debtors from previous years.

Earnings.
The Group after tax profit of $11,8 m was 6% lower than prior year mainly due to the impairments and the doubtful debts provisions highlighted above

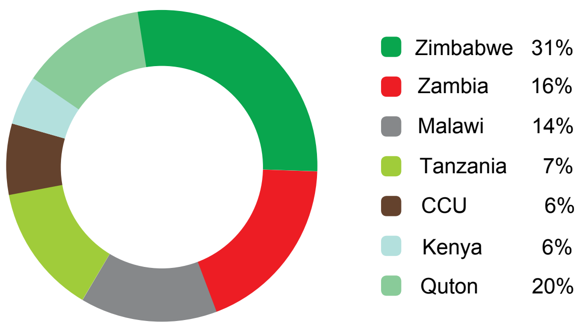
Statement of financial position

Non Current Assets
The balance sheet has grown by 6% to $170m. The fixed assets have grown from $43,9m last year to $48,7m largely due to the $7,7m factory construction in Malawi to house all the company's activities in that country.

Sales volume contribution by SBU 2014



Sales volume contribution by SBU 2013



Current Assets

The current assets at $121 million were 4% higher than prior year-end figure in spite of 23% reduction in inventories.

- Accounts receivable have gone up by 17% to $75m. Almost half of this is due from the Zimbabwe government and related institutions. This debt is fully acknowledged but the liquidity challenges the government is facing makes it difficult to predict when this amount will be received. The relevant authorities are being constantly engaged.
- The Zambia Government was able to clear all the amounts owed for current year seed purchases before financial year end.
- In Malawi, the company is owed $6,8m owed by the DFID program and coupon redemption is currently in progress . The national elections in the country delayed the payment process as officials attention was diverted.
- In Tanzania the Cotton Development Fund owes Quton Tanzania $3.9m dollars and while the Government has committed to pay, they have not provided a definitive payment plan due to their liquidity challenges and we are pushing for this.
- The East African subsidiaries have two selling seasons and collections for the second season, which ends in March, are only done after year end.

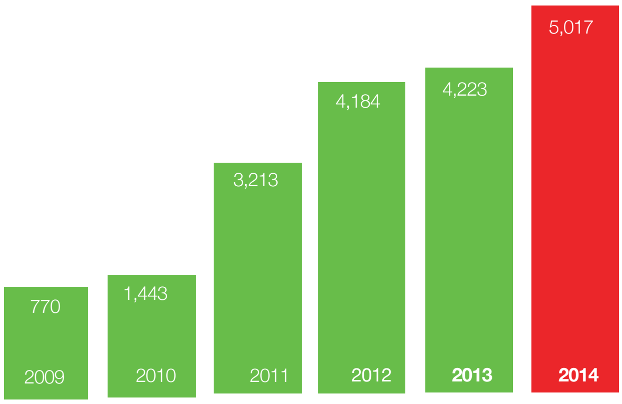
Borrowings

Borrowings have gone down by 23% to $35.8m largely due to the capital injection arising from the issue of 5% shares to the new equity partner, Limagrain Groupe, as well as early payments by the Zambian Government.

Research & Development

•The Group continues to invest in Research and Development which this year has seen an increase in research costs to 4.2% as a % of turnover from 3,82% recorded in prior year. The trend over the years is as shown below:

Group Investment in Research and development ($)



•During the period, the Group released 5 new maize hybrids, 4 new soya bean, and 2 new sugar beans varieties. The Group's products' performance continues to dominate independent product trials in the various countries we operate in.
•The Technology Lab is nearing completion at RARS for stepping up DH line generation and initiating of electrophoretic fingerprinting. Lab equipment is currently being procured.
•Mutual testing of product between Limagrain and Seed Co is already under way and the Group expects to benefit immensely going forwards from the R&D technical expertise coming from the new technical partner.

Inventory Levels

•In the past 2 financial periods, the Group has been aggressively working on a stock re-balancing exercise aimed at substantially reducing carryover stock levels across all SBUs. This initiative is aimed at ensuring the Group provides high quality fresh seeds, while managing stock holding costs and minimizing pathogen loads in our warehouses.
•The Group's stocks are still healthy across the various SBUs. Maize seed stocks have come down from 36927mt last year to 18590mt in line with the overall stock reduction strategy to free up working capital.
•Now that our warehouses are now almost empty and we have gotten rid of all the aged stocks we intend to start building up stocks up to our target carryover level of 20% of next year's sales, and the production will very much be influenced by the level of anticipated sales.

Business Development

•The take off of Seed Co Nigeria hinges upon successful production and we are working on addressing the key challenges faced in the 2013 wet season which included late plantings due to late rains, low yields attributed to early rains cut off, and very poor yields of parent seed due to high temperatures and extreme heat leading to sub-optimal pollinations. Breeding and yield trials activities are progressing well and we are making all efforts to ensure our activities are conducted far away from the volatile northeast but within the Nigerian maize belt which borders the Niger River.

•Our operations in Ethiopia continue to be hampered by the inability to get a business license, which is conditional on having land registered in the company's name. Without land the government will not give us a business license so all the activities are being done through our partner's company, Alemayehu Makonnen Farms. We have applied for several pieces of land and our applications are still in the queue for companies to be allocated land, as the land tenure system operates very much on a feudal system.

People

The Group continue to invest in training and development of its staff with most of the scientists at advanced stages of their PhD programs and exposing them to the latest breeding practices and now benefiting immensely from the technical partnership with Limagrain.

Operations

Zimbabwe

•The SBU delivered a volume growth of 9%, while revenue improved by 10.5% to $42m.

•Maize sales were 11.1 % higher than prior year, with the company capturing 70% of all open market sales and 49% of Government sector business.

•On the other hand soybean seed sales were 28% lower than prior year.

•Margins, dropping from 53% to 49%, were affected by the changeover from the seed treatment fungicide kaptan to maxim which meant increased re-handling costs as seed which had previously been processed had to be re-treated with a new chemical and the packaging also had to be replaced.

•The SBU wrote off $2.7m due from a financial institution placed under curatorship, as well as bad debts of $2.2m

•The SBU recorded a 40% growth in PAT as compared to prior year.

•The Government debt of $27.1m is the major concern as the Government has not been able to give a definite payment timetable despite fully acknowledging the outstanding amount

Zambia

•Zambia recorded another satisfactory year with turnover and profit after tax growing by 15% and 7% to $30.7m and $7m respectively.

•Margins declined from 55% to 49% due to disposal of 1116mt of seed as commodity to clear prior year stocks in line with Group sales policy which requires that we sell fresh soyabean seed every year and therefore any unsold seed at year end is disposed off as commodity

•Zambia's share of business in the DRC is steadily growing on the back of intense agronomy support to farmers and effective sales reach to market. Sales of 473 tons were achieved, representing a growth of 375% year-on-year.

Malawi

•Turnover remained flat at $13.4m while overall sales volumes declined by 11%. Hybrid maize seed sales grew by 7% but legumes declined by 63%, having been affected by their removal from the Presidential Input Support program

•Margins declined from 45% to 37% due to write off of old slow moving stocks

•The building project is progressing well and the official opening is now scheduled for September 2014.

Tanzania

•Turnover increased by 20% from $8.1m to $9.7m while sales volumes increased by 13% from 4017 achieved in prior year to 4552 mt in current year, as the SBU continues to grow its footprint in the market.

•The new equipment was all successfully installed at our new Kisongo warehouse and the single pass processing system is operating very satisfactorily.

Kenya

•Turnover increased by 17% to $7.2m and volumes increased by 14%.

•Performance was supported by improved product distribution, increased investment in marketing communication and value addition campaigns using the "Kilimo Salama" (a joint initiative with Safaricom).

•The SBU has turned around and recorded its first operational profit since establishment 4 years ago

•Maize Lethal Necrosis Disease (MLND) continues to be the biggest threat to the seed industry in East Africa as the disease continues to spread. Our research efforts are continuing and we believe we are ahead of the competition in the race to finding a suitable product to deal with this disease

SEED CO
The African Seed Company

South Africa, Botswana and Swaziland

•Demand for our seed varieties continues to grow in the CCU with the company winning the lion's share of the tenders in Botswana and Swaziland.

Quton Seed Company

•The cotton industry has remained subdued. In Zimbabwe turnover declined by 36% from $12.8m to $8.2m, on the back of high carryover stocks by ginners and poor farmer sentiment due to the depressed commodity prices

•Malawi saw an improvement in sales performance and an increase in market share to 70%.

•Tanzania remained flat with the Government not fulfilling its promise to subside the cotton planting seed for the current season

Outlook

•The Group Looks forward to positive growth going forwards underpinned by:

- Continued growth in East Africa with further gains in market share in Tanzania through expansion of distribution network, and entry into the lucrative highland market in Kenya.
- Continuation of the subsidy program in Malawi and improved product pricing in this market.
- Adoption by farmers in the drier parts of the continent of the recently released 300 early maturing series.
- The strategic technical partnership with Limagrain ,leading to increased access to cutting edge technologies and quickening the Group's product release cycle while the fresh capital will finance growth in new and existing markets and enable the Company to sustain its dominant position in seed business in Africa.
- Business development work in West Africa continues and production is being up-scaled.

Acknowledgement

I would like to acknowledge the continued dedication of the Seed Co team for taking the business through the very challenging year and thank the Board of Directors for their guidance and commitment and support of all the initiatives that we undertook in order to make the Group agile and more competitive.

M Nzwere
Group Chief Executive
5 June 2014

Board of Directors

Directors : C. Kabaghe; J Matorofa (Group Finance Director); P Gowero; M Nzwere(Group Chief Executive); J P Rooney (Chairman); D E B Long; Dr D Garwe; J C Juilliard; M.S Ndoro; Dr C.B.M Utete (insert); B Caratte.

Share Capital
Authorised :-

The authorised share capital of the company remained unchanged at US$500 000. The authorised share capital is made up of 500 000 000 ordinary shares of $0,001 each.
The issued and fully paid share capital increased during the year as follows:

Issued and fully paid at 31 March 2013	194 372 878
Issued during the year:	
Share option scheme	1 651 800
Vilmorin & Cie	10 273 048
Issued and fully paid at 31 March 2013	206 297 726

At 31 March 2014, 293 702 274 unissued shares were under the control of the Directors of which 9 006 307 (2013: 12 356 307 were committed to the share option scheme.
At 31 March 2014 options for a total of 7 109 507 shares had not been exercised or forfeited.

THE CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND

Accounting Policies
The consolidated financial statements have been prepared both in accordance with International Financial Reporting Standards (IFRS) and in compliance with provisions of the Companies Act (Chapter 24:03) and the relevant regulations there-under.

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

Dividend
The Board is recommending that no dividends be declared this year in order to allow stabilization and expansion of the business into new markets.

Capital Expenditure
Group capital expenditure for the year to 31 March 2014 totaled US$8 972 676 (2013:US$9,651 033). Capital expenditure for the year to 31 March 2014 is planned at $8 274 547.

Directorate
Messers Bekithemba Nkomo, Patrick St L Devenish and Benard Mudzimuirema resigned from the board on 28 February 2014. The board once again record its appreciation for the sterling contribution that these retiring gentlemen made to the company and wish them success going forward.

The board welcomes the coming in of Messers Bruno Carette (CEO of the Limagrain Field Seeds Division) , Jean – Christophe Juilliard (Deputy CEO of Limagrain Group) both of who joined the board on 3 December 2013.

The board would also want to welcome the coming in of Mr P Gowero (who is the CEO of Delta Beverages) who joined the board on 5 June 2014.

Risk Management
The Group takes a proactive approach to risk management . The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and that the Group's objectives are aligned with the risks and the opportunities identified.
The following are major risks that we constantly manage that may materially affect our business, financial condition or results of our operations:

1. Financial risks
The main risks arising from the Group's use of financial instruments like bank loans, cash and short term deposits relate to cash flows interest, liquidity, foreign currency and credit risks. The Board reviews and agrees policies for managing each of these risks and these have been explained in more detail in note 25 of this annual report.

2. Adverse weather conditions including climate change

Adverse weather conditions affect the availability, quality and price of agricultural commodities. Inputs like fertilizer and chemicals affect the cost of seed production. Where these inputs are not available, this affects the yields and ultimately the unit cost of seed.
Climate change effects are uncertain and in our markets, this is bringing changing weather pattens and temperatures. We are already at an advanced stage in breeding shorter season varieties.

3. Fluctuations in agricultural commodity prices

Prices for most agricultural commodities like soya beans, wheat cotton, fertilizers are volatile and are sensitive to international changes in supply and demand caused by factors outside our control. Such volatility affects the volumes of seed uptake by farmers and thus cause volatility in our operating results.

4. Economic and political instability and other risks of doing business in African Markets

We are an international business with substantial assets located in various African countries. One of our key strategies have been to diversify the country risks as much as we can as we expand into Africa.
Due to the international nature of our business, we are exposed to currency exchange rate fluctuations.
Any policy changes that affect the economic and political landscape in these countries that we operate in affect our operations.

5. Increasing competition

We face significant competition in each of our businesses and seed industry is quite profitable. Our products are quite competitive and do better than the competition and we continue to excel in breeding in order to stay ahead of the game.
We continue to improve our efficiencies in both production and processing of seed as well as strengthening the distribution network and ensure that every participant in our value chain makes money.

6. Exposure to credit and counter party risks

The Group is exposed to credit and counterparty risk relating to our customers in the ordinary course of business. Such customers include Governments of various countries we operate in. We have various credit terms with customers which have varying degrees of creditworthiness which exposes us to the risk of non payment. In the event that the customers experience significant defaults on their payment commitment to us, our financial condition, results of operations or cash flows could be materially and adversely affected.

Directors' Interests

At 31 March 2014, the Directors held beneficial interests nil (2013 – 675 589) shares in the company as disclosed in note 16.5 to the financial statements.

Directors Fees

Members will be asked to approve the payment of directors' fees amounting to $235,829 in respect of the year ended 31 March 2014(31 March 2013 $189,715).

Auditors

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

J MATOROFA
COMPANY SECRETARY
5 June 2014

The Directors of Seed Co Limited are committed to the principles of good corporate governance. The Board is responsible to the shareholders for the performance of the Group, its strategy, values and governance. The Board is also commited to acting with utmost good faith in its dealings with all stakeholders. The Group has adopted a Corporate Governance Manual that sets out in detail, the basic corporate governance principles that will be pursued by Seed Co Limited. In addition, all Senior employees of the Group are required to agree to and sign the Group's Conflict of interest policy.

Directors

The Board is composed of ten directors, the majority of whom are non-executive. The Chairman of the Board is a Non-Executive Director. Board meetings are held at least quarterly to monitor the performance of executive management and deliberate on issues of company strategy and policy. The Board is responsible for the selection and appointment of the Chairman, Directors and the Chief Executive and their remuneration.

Name of Director	Number of Meetings Attended	
	Group Board	Audit Committee
Mr M Nzwere* (CEO)	4/4	4/4
Mr J P Rooney (Chairman)	3/4	4/4
Mr D Long	3/4	3/4
Dr C Utete	3/4	
Mr J Matorofa*	4/4	4/4
Dr D Garwe	3/4	
Mr M.S. Ndoro	4/4	3/4
Mr C Kabaghe	4/4	
Mr J C Julliard	2/2	
Mr B Carratte	2/2	
Mr B L Nkomo˄	2/2	
Mr P St L Devenish˄	2/2	2/2
Mr B Mudzimuirema˄	2/2	

* - Executive
˄ - Resigned

Financial statements and management reporting

The Board is responsible for the preparation of the financial statements and other information presented in the annual report in a balanced and understandable form. The Board is also responsible for ensuring that the Group's accounting policies are appropriate and adhere to accounting standards and that supporting judgements and estimates made are reasonable and prudent.

Comprehensive management reports, including the annual budget are presented to the Board regularly. Performance is reviewed against the budget and revised forecasts.

Audit Committee

The Board delegates certain of its responsibilities to the Audit Committee, which is composed of three non-executive directors. The Audit Committee liaises with the company's external auditors on accounting, internal control and financial reporting matters. The Group's financial statements, including certain disclosures are reviewed by the Audit Committee prior to their adoption by the Board and publication.

The Committee reviews the effectiveness of internal control systems and risk management processes within the Group and has set up an internal audit unit to ensure compliance with rules, regulations and policies.

Remuneratuion Committee

The Board has a remuneration Committee comprising of three non-executive directors. The Committee meets when required and sets the remuneration of executive Directors and senior management, including the granting of share options.

Nomination Committee

The Nominations Committe is made up of a Non-Executive Chairman and two Non-Executive Directors. It assists with the identification and recommendation of potential Directors to the Board.

Environment

Seed Co Ltd believes that the protection of the environment is critical to the long-term sustainable future of the region and its people. The company is committed to acting responsibly in respect of health, safety and environmental issues.

Directors' Approval of Group Financial Statements

SEED-CO
The African Seed Company

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.

Compliance with Companies Act (Chapter 24:03) and Statutory Instruments (SI 33/99 and SI 62/99)

These financial statements which have been prepared under the historical cost convention are in agreement with the underlying books and records and have been properly prepared in accordance with the accounting policies set out in note 2 of the financial statements, and comply with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant regulations made there under.

Compliance with International Financial Reporting Standards (IFRS)

The financial statements comply with the requirements of IFRS.

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:-

J P Rooney	M Nzwere
5 June 2014	5 June 2014

Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P.O Box 62 or 702
Harare

Tel: +263 4 750905 / 750979
Fax: +263 4 750905 / 773842
E-mail: admin@zw.ey.com

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF SEED CO LIMITED

Report on the financial statements

We have audited the accompanying consolidated and company financial statements of Seed Co Limited, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated and company income statements, and the consolidated and company statements of comprehensive income, the consolidated and company statements of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on page 21 to 58.

Directors' responsibility for the financial statements

The group's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03), and the statutory instruments SI33/99 and SI 62/96, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and company financial statements present fairly, in all material respects, the financial position of Seed Co Limited as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the consolidated and company financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of and in a manner required by the Companies Act (Chapter 24:03), and the statutory instruments SI 33/99 and SI 62/96

Ernst & Young

Ernst & Young

Chartered Accountants (Zimbabwe)

Registered Public Auditors

Harare

25 June 2014

Consolidated and Company Income Statement

SEED-CO The African Seed Company

FOR THE YEAR ENDED 31 MARCH 2014

	Note	GROUP 2014 US$	GROUP 2013 US$ Restated	COMPANY 2014 US$	COMPANY 2013 US$
Revenue		120,187,885	110,641,877	-	-
Cost of sales		(66,476,141)	(59,768,861)	-	-
Gross profit		**53,711,744**	**50,873,016**	-	-
Other income	3.2	3,879,772	2,762,370	1,558,806	5,085,794
Operating expenses		(38,998,078)	(31,067,753)	(166,923)	(86,920)
Selling and distribution expenses		(7,644,626)	(7,245,937)	-	-
Administrative expenses		(26,336,224)	(19,598,551)	(166,923)	(86,920)
Research expenses		(5,017,228)	(4,223,265)	-	-
Operating profit	3	**18,593,438**	**22,567,633**	**1,391,883**	**4,998,874**
Finance income	3.4	4,912,611	217,431	-	-
Finance cost	3.5	(7,948,152)	(7,418,190)	-	-
Profit before tax		15,557,897	15,366,874	1,391,883	4,998,874
Income tax expense	4	(3,724,466)	(2,912,599)	(307,316)	(274,708)
Profit for the year		11,833,431	12,454,275	1,084,567	4,724,166
Attributable to:					
Equity holders of the parent		11,795,957	12,442,339	1,084,567	4,724,166
Non-controlling interest		37,474	11,936	-	-
Profit attributable to shareholders		11,833,431	12,454,275	1,084,567	4,724,166

	Note	GROUP 2014	GROUP 2013
Earnings per share			
Basic, earnings for the year attributable to ordinary equity holders of the parent - cents	16.5	5.89	6.40
Diluted, earnings for the year attributable to ordinary equity holders of the parent - cents	16.5	5.89	6.23

CONSOLIDATED AND COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	GROUP 2014 US$	GROUP 2013 US$	COMPANY 2014 US$	COMPANY 2013 US$
Profit for the year	11,833,431	12,454,275	1,084,567	4,724,166
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(9,089,247)	(9,976,955)	-	-
Income tax effect	2,340,481	2,569,066	-	-
Other comprehensive loss for the year, net of tax	(6,748,766)	(7,407,889)	-	-
Total comprehensive income for the year	**5,084,665**	**5,046,386**	**1,084,567**	**4,724,166**
Atributable to:				
Equity holders of the parent	5,070,346	5,034,450	1,084,567	4,724,166
Non-controlling interest	14,319	11,936	-	-
	5,084,665	**5,046,386**	**1,084,567**	**4,724,166**

The African Seed Company

AS AT 31 MARCH 2014

	Note	Group 2014 US$	Group 2013 US$ Restated	Group 1 April 2012 US$ Restated	Company 2014 US$	Company 2013 US$
ASSETS						
Non-current assets						
Property, plant and equipment	6	47,126,710	43,120,223	42,565,292	-	-
Investment property	7	342,200	332,234	331,947	-	-
Goodwill	11	186,753	186,753	186,753	-	-
Investments in subsidiaries	9	-	-	-	11,773,075	1,386,425
Financial assets held to maturity	8	1,079,901	340,529	245,000	-	-
Deferred tax asset	4.3	386,841	393,930	466,178	-	-
		49,122,405	44,373,669	43,795,170	11,773,075	1,386,425
Current assets						
Inventories	12	32,567,929	43,034,343	51,449,829	-	-
Biological assets	13	976,823	620,195	533,441	-	-
Trade and other receivables	14	83,618,098	68,260,621	49,879,209	-	-
Amounts owed by group companies	10	-	-	-	7,165,015	3,287,643
Cash and cash equivalents	15	4,026,614	4,624,724	11,736,995	-	-
Financial assets at fair value		-	-	11,259	-	-
		121,189,464	116,539,883	113,610,733	7,165,015	3,287,643
Total assets		**170,311,869**	**160,913,552**	**157,405,903**	**18,938,090**	**4,674,068**
EQUITY AND LIABILITIES						
Equity						
Share capital	16.2	206,298	194,373	194,153	206,298	194,373
Changes in owership reserve		190,277	190,277	190,277	-	-
Non-distributable reserves	17	12,106,174	5,963,885	13,775,610	17,422,844	4,277,696
Retained earnings/(Accumulated loss)		89,356,965	77,283,760	67,535,850	1,028,451	(56,116)
Equity attributable to equity holders of the parent		101,859,714	83,632,295	81,695,890	18,657,593	4,415,953
Non-controlling interest		(76,676)	(90,995)	(102,931)	-	-
Total equity		**101,783,038**	**83,541,300**	**81,592,959**	**18,657,593**	**4,415,953**
Non-current liabilities						
Finance lease liability	20	162,257	257,452	65,790	-	-
Long term loans	18	4,002,749	1,189,484	-	-	-
Deferred tax liability	4.3	8,586,951	8,441,727	9,426,454	280,497	258,115
		12,751,957	9,888,663	9,492,244	280,497	258,115
Current liabilities						
Trade and other payables	21	20,274,082	15,262,175	13,351,995	-	-
Bank borrowings	19	31,702,278	45,594,266	44,471,044	-	-
Short term loans	19.2	-	32,595	1,549,500	-	-
Finance lease liability	20	386,028	960,034	65,809	-	-
Current tax payable		1,922,174	3,024,337	5,296,177	-	-
Provisions	21.1	1,492,312	2,610,182	1,586,175	-	-
		55,776,874	67,483,589	66,320,700	-	-
Total liabilities		**68,528,831**	**77,372,252**	**75,812,944**	**280,497**	**258,115**
Total equity and liabilities		**170,311,869**	**160,913,552**	**157,405,903**	**18,938,090**	**4,674,068**

J P Rooney

5 June 2014

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5 June 2014

The African Seed Company

FOR THE YEAR ENDED 31 MARCH 2014

	Note	Group 2014 US$	Group 2013 US$ Restated	Company 2014 US$	Company 2013 US$ Restated
Operating activities					
Profit before tax		15,557,897	15,366,874	1,391,883	4,998,874
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation		3,958,352	3,605,500	-	-
Share based payments expense		98,920	86,920	98,920	86,920
Profit on disposal of property plant and equipment		(148,812)	(36,500)	-	-
Allowances for credit losses		(461,760)	686,730	-	-
Unrealised exchange gains		(1,615,454)	(208,432)	-	-
Provisions		304,068	843,336	-	-
Fair value adjustment of investment property		(9,966)	(287)	-	-
Finance income		(4,912,611)	(217,431)	-	-
Finance cost		7,948,152	7,418,190	-	-
Net cash flows before working capital changes		**20,718,786**	**27,544,900**	**1,490,803**	**5,085,794**
Working capital adjustments:					
Decrease in inventories		10,466,414	7,495,407	-	-
Increase in trade and other receivables		(9,158,955)	(18,674,103)	(3,877,372)	(1,648,503)
(Increase)/ decrease in seed grower advances		(4,767,246)	1,839,393	-	-
Decrease/ (increase) in prepayments		3,309,341	(2,774,199)	-	-
(Decrease)/ increase in trade and other payables		(761,335)	1,507,642	-	-
Cash generated from/(used in) operations		19,807,005	16,939,040	(2,386,569)	3,437,291
Income tax paid		(4,267,539)	(5,329,572)	(307,316)	(274,708)
Net cash flows from operating activities		**15,539,466**	**11,609,468**	**(2,693,885)**	**3,162,583**
Investing activities					
Proceeds from sale of property, plant and equipment		387,143	123,563	-	-
Purchase of property, plant and equipment		(8,972,676)	(8,433,547)	-	-
Purchase of other non-current financial assets		(739,372)	(95,529)	-	-
(Increase)/ decrease in biological assets		(356,628)	17,978	-	-
Increase in investments in subsidiaries		-	-	(10,386,650)	-
Interest received		171,994	217,431	-	-
Net cash flows used in investing activities		**(9,509,539)**	**(8,170,104)**	(10,386,650)	**-**
Financing activities					
Dividend paid		-	(3,183,983)	-	(3,183,983)
Proceeds from issue of share capital		13,080,535	21,400	13,080,535	21,400
Short term loan repaid		(32,595)	(1,516,905)	-	-
Long term loan received		2,813,265	1,189,484	-	-
Finance lease liabilities repaid		(669,201)	(65,809)	-	-
Interest paid		(7,948,152)	(7,418,190)	-	-
Net cash flows generated from/ (used in) financing activities		**7,243,852**	**(10,974,003)**	13,080,535	**(3,162,583)**
Net decrease in cash and cash equivalents		13,273,779	(7,534,639)	-	-
Effects of exchange rate changes on cash and cash equivalents		20,100	(700,854)	-	-
Cash and cash equivalents at beginning of year		(40,969,543)	(32,734,049)	-	-
Cash and cash equivalents at end of year	15	**(27,675,664)**	**(40,969,542)**	**-**	**-**

Consolidated and Company Statements of Changes in Equity

SEED CO
The African Seed Company

FOR THE PERIOD ENDED 31 MARCH 2014

	Share capital (note 16)	Non-distributable reserves (note 17)	Retained earnings	Changes of ownership Reserve	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent						
	US$	US$	US$		US$	US$	US$
As at 31 March 2012	194,153	13,775,610	68,443,975	190,277	**82,604,015**	(102,931)	**82,501,084**
Adjustment of retained earnings (Note 29)	-	-	(908,125)	-	**(908,125)**	-	**(908,125)**
	194,153	13,775,610	67,535,850	190,277	**81,695,890**	(102,931)	**81,592,959**
Profit for the year	-	-	12,442,339	-	**12,442,339**	11,936	**12,454,275**
Other comprehensive income	-	(7,407,889)	-	-	**(7,407,889)**	-	**(7,407,889)**
Total comprehensive income	-	(7,407,889)	12,442,339	-	**5,034,450**	11,936	**5,046,386**
Dividends	-	-	(3,183,983)	-	**(3,183,983)**	-	**(3,183,983)**
Realisation of revaluation reserve on disposal	-	(17,916)	17,916	-	**-**	-	**-**
Share options exercised	220	21,180	-	-	**21,400**	-	**21,400**
Realisation of revaluation reserve through use	-	(471,638)	471,638	-	**-**	-	**-**
Share based payments	-	64,538	-	-	**64,538**	-	**64,538**
As at 31 March 2013	194,373	5,963,885	77,283,760	190,277	**83,632,295**	(90,995)	**83,541,300**
Profit for the year	-	-	11,795,957	-	**11,795,957**	37,474	**11,833,431**
Other comprehensive income	-	(6,725,611)	-	-	**(6,725,611)**	(23,155)	**(6,748,766)**
Total comprehensive income	-	(6,725,611)	11,795,957	-	**5,070,346**	14,319	**5,084,665**
Issue of share capital	10,273	12,764,262	-	-	**12,774,535**	-	**12,774,535**
Realisation of revaluation reserve on disposal	-	(40,827)	40,827	-	**-**	-	**-**
Share options exercised	1,652	304,348	-	-	**306,000**	-	**306,000**
Realisation of revaluation reserve through use	-	(236,421)	236,421	-	**-**	-	**-**
Share based payments	-	76,538	-	-	**76,538**	-	**76,538**
As at 31 March 2014	206,298	12,106,174	89,356,965	190,277	**101,859,714**	(76,676)	**101,783,038**

Adjustment of retained earnings relate to revised tax assessments in one of the subsidiaries following a tax audit by the authorities.

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2014

	Share capital (note 16)	Non-distributable reserves (note 17)	Retained earnings	Total
	US$	US$	US$	**US$**
As at 31 March 2012	194,153	4,191,978	(1,596,299)	**2,789,832**
Profit for the year	-	-	4,724,166	**4,724,166**
	-	-	4,724,166	**4,724,166**
Dividends		-	(3,183,983)	**(3,183,983)**
Share options exercised	220	21,180	-	**21,400**
Share based payments	-	64,538	-	**64,538**
As at 31 March 2013	194,373	4,277,696	(56,116)	**4,415,953**
Profit for the period	-	-	1,084,567	**1,084,567**
Total comprehensive income	-	-	1,084,567	**1,084,567**
Issue of share capital	10,273	12,764,262	-	**12,774,535**
Share based payment	-	76,538	-	**76,538**
Share options exercised	1,652	304,348	-	**306,000**
As at 31 March 2014	206,298	17,422,844	1,028,451	**18,657,593**

1. Corporate Information
Seed Co Limited is a Pan African company which is incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock exchange, acts as a holding company for a group of companies domiciled in Botswana, Kenya, Malawi, Tanzania, Zambia and Zimbabwe whose principal activities are the processing of agricultural seed on a commercial basis.

The consolidated financial statements of Seed Co Limited for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on 5 June 2014.

2. Accounting policies
The financial statements are based on the statutory records that are maintained on the historical cost convention, except for investment property, property, plant and equipment and financial assets at fair value through profit and loss which are measured at fair value.

2.1. Basis of preparation

Basis of consolidation: The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), promulgated by the International Accounting Standards Board (IASB).The consolidated financial statements comprise the financial statements of Seed Co Limited and its subsidiaries as at 31 March 2014. Subsidiaries are fully consolidated from the date of acquisition, being the date that the Group obtains control and continue to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income and financial position as well as income statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non – controlling interest.
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting policies and disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the following IFRS and amendments to IFRS, relevant to the Group, and adopted as of 1 January 2013:

- IAS 1 Presentation of items of other comprehensive income (OCI)-Amendments to IAS 1
- IAS 19 Employee Benefits(Revised)
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 36 Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets -Amendments to IAS 36 - early adopted.
- IFRS 13 Fair Value Measurement (improvement) -Short term receivables and payables

The adoption of the standards is described below:

IAS 1 Presentation of items of other comprehensive income (OCI) – Amendments to IAS 1
The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g Foreign Currency Translation Reserve) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only on the face of the statement of comprehensive income and have no impact on the Group's financial position or performance.

IAS 1 Clarification of the requirement for comparative information (Amendment)
These amendments clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position (as at 1 April 2013 in the case of the Group), presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes.

IAS 19 Employee benefits Revised
IAS 19 (Revised 2011) changes, amongst other things, the accounting for defined benefit plans. Key changes that are applicable to the Group include the following:

•Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 –Provisions, Contingent Liabilities and Contingent Assets.
•The distinction between short-term and other long-term employee benefits will be based on expected timing of settlement rather than the employee's entitlement to the benefits.

The Group considered the above changes when accounting for termination benefits and short term and long term employee benefits and there was no significant impact on its financial statements.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.
IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. IFRS 10 did not have any impact on the currently held investments of the Group.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. Refer Note 23.1 for the disclosures.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures.

Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

IFRS 13 Fair Value Measurement -Short term receivables and payables
The IASB clarified in the Basis for Conclusions that short term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. This is effective immediately. The Group has evaluated that the effect of discounting on its short term receivables and payables is not material.

IAS 36 Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets -Amendments to IAS 36.
These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment losses have been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. The Group has early adopted these amendments to IAS 36 in the current period since the amended/ additional disclosures provide useful information as intended by the IASB. Accordingly, these amendments have been considered while making disclosures for impairment of non-financial assets.

2.3 Standards and interpretations in issue not yet effective.

IFRS 9 Financial Instruments
IFRS 9 is being developed in phases with a view to replacing IAS 39 in its entirety. IFRS 9 for financial assets was first published in November 2009 and addressed classification and measurement of financial assets, and was subsequently amended in October 2010 and November 2013, to include classification and measurement requirements of financial liabilities and hedge accounting requirements.
These pronouncements initially required the adoption of the standard for annual periods on or after 1 January 2013. Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 from 1 January 2013 to 1 January 2015. IFRS 9 (2013) does not yet have a mandatory effective date, but early adoption is allowed. A mandatory effective date will be set when the IASB completes the impairment phase of the project. At its February 2014 meeting, the IASB tentatively decided that the mandatory effective date of IFRS 9 will be for annual periods beginning on or after 1 January 2018 and will be assessed when the standard becomes effective.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

IFRIC Interpretation 21 Levies (IFRIC 21)
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements as no such levies are charged to the Group.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group as no such offsetting arrangements are in place.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group does not have any derivatives and does not apply hedge accounting.

Improvements to IFRSs
In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs that contain changes to 9 standards. The changes are effective from 1 July 2014 either prospectively or retrospectively. A summary of each amendment is described below:

IFRS 2 Share based payment (Amendments to Definitions relating to vesting conditions)
Performance conditions and service conditions are defined in order to clarify various issues. The issues relate to performance conditions which must contain a service condition and a performance target which must be met while the counterparty renders service. The amendment also clarifies that a performance target may relate to the operations of an entity or to those of an entity in the same group. The amendment is not expected to have a material impact on the Group financial statements.

IFRS 3 Business Combinations -Scope for joint ventures
The amendment clarifies that joint arrangements are outside the scope of IFRS 3, not just joint ventures and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. Amendment will not affect the Group as it is currently not party to any joint arrangements.

IFRS 3 Business Combinations -Accounting for contingent consideration in a business combination
Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment will be considered for new business combinations entered into.

IFRS 8 Operating Segments -Aggregation of operating segments and Reconciliation of the total of the reportable segment assets to the entity’s total assets
Operating segments may be combined/aggregated if they are consistent with the core principle of the standard, if the segments have similar economic characteristics and if they are similar in other qualitative respects. If they are combined, the entity must disclose the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ‘similar’. The amendment is expected to impact the Group as some operating segments are currently aggregated.

Reconciliation of the total of the reportable segment assets to the entity’s total assets
The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment is not expected to affect the Group’s segment reporting as no reconciliations are currently necessary.

IFRS 13 Fair value measurement -Portfolio exception
The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is not expected to affect the Group.

IAS 16 Property, plant and equipment and IAS 38 Intangible assets -Revaluation method-proportionate restatement of accumulated depreciation
The amendment clarifies that revaluation can be performed by adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value The amendment also clarified that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount of the asset (i.e., gross carrying amount – accumulated depreciation/amortisation = carrying amount).

The amendment to IAS 16.35(b) and IAS 38.80(b) clarifies that the accumulated depreciation/amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value. The Group assessed the carrying amount of assets and they approximated revalued amounts hence no adjustments were made to the financial statements.

IAS 24 Related party disclosures –Key management personnel
The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Amendment will not affect the Group as it has no management entity providing key management services to the Group.

IAS 40 Investment property -Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying investment property or owner occupied property- Amendment to IAS40.

The description of ancillary services in IAS 40 differentiates between investment property and owner occupied property. IFRS 3 is used to determine if the transaction is the purchase of an asset or a business combination. The amendment is not expected to affect the Group.

2.4 Significant accounting judgments, estimates and assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgment, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments - group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evalua tion of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

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

i. Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. No changes to the useful lives have been considered necessary during the year. Residual values will be assessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

ii. Revaluation of property, plant and equipment and investment property

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

Land: Active market by reference to recent property transactions of similar properties.

Office space and industrial: a level of subjectivity has been applied in determining market values owing to a lack of market evidence arising from a relatively inactive market.

Plant and equipment: by reference to observable prices in active markets or recent market transactions on arm's length terms. In the absence of market based evidence of fair value because of specialised nature of an item, lack of recent transactions, item rarely sold or inactive market, a fair value was estimated using depreciated replacement cost approach.

Investment property: The Group measures investment property at fair value with changes in fair value being recognised in the income statement. The Group's directors, with guidance from independent professional valuers, determined fair value as at 31 March 2014, with reference to market transaction prices of similar properties, adjusted for any differences in location and condition.

iii. Allowances for credit losses

Allowances for credit losses are a specific provision which is reviewed on a monthly basis.

iv. Share based payments

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

v. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authori ties of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

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

vi. Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include consider ations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

vii. Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows excpected to arise from the cash generating units and a suitable discount rate in order to calculate present value. The carrying amount of goodwill as at 31 March 2014 was US$186,753. No impairment was recognised during the year.

viii. Biological assets

IAS 41 requires biological assets to be valued at fair value.The Group’s biological assets consists of the value of agricultural produce not yet harvested. Since the crops are still at their growth stage, it is difficult to assume their selling price when they are not yet harvested as the quoted market price depends on the quality of the produce and market conditions at a certain date. These assumptions are difficult to predict resulting in the use of cost as a fair method of measuring biological assets at year end. The bulk of the Group’s biological assets relate to parent seed which is not sold at harvesting and therefore the Directors are of the opinion that there is no fair value for the crop.

2.5 Summary of Significant Accounting Policies

Business Combinations and Goodwill

a) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisitions date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquirees is remeasured to fair value as at acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at the fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income as appropiate. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the consideration transferred and the amount recognised for non-controlling interest over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

Where goodwill forms part of the cash-generating unit and part of the operation within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of cash generating unit retained.

Investment in subsidiaries in the company financial statements are measured at cost.

b) Foreign currency translation

The consolidated financial statements are presented in United States Dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. The Group recycles the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

i.Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair valueof the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).
Prior to 1 January 2005 the Group treated goodwill and any fair value adjustments to the carrying amounts to assets and liabilities arising on the acquisition, as assets and liabilities of the parent. Therefore, those assets and liabilities are already expressed in the reporting currency or non-monetary items and hence no further translation differences occur.

ii. Group Companies

The assets and liabilities of foreign operations are translated to US$ at exchange rates prevailing at the reporting date and their income statements are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement. Any goodwill arisinq on the acquisition of a foreign operation subsequent to 1 January 2005 and any fair adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at closing rate.

c) Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.
Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the income statement.

Deferred Tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred income tax liabilities are recognised for all taxable temporary differences except:
• Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction and affects neither the accounting profit or taxable profit or loss and
•In respect of taxable temporary differences associated with investment in subsidiaries associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
Deferred income tax assets are recognised for all deductible temporary differences, carry forward unused tax credits and unused tax losses. to the extend that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
•Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset and liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss and;
•In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in join ventures, deferred tax assets are recognised only to the extent that is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.
The carrying amount of deferred income tax is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognisable deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
Deferred tax assets and deferred tax liabilities are offset, if a legally foreseeable right exists to set off current tax assets against current income tax liabilities and the deferred income tax relates to the same taxable entity and the same taxation authority.

Value Added Tax (VAT)

Revenues and expenses are recognised net of the amount of VAT. When the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, the VAT is recognised as part of the cost of acquisition of the expense item, as applicable. Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from or payable to the taxation authorities is included as part of receivables or payables in the statement of financial position.

d) Property, plant and equipment

Property, plant and equipment is stated at cost or valuation net of accumulated depreciation and impairment losses if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Items of property plant and equipment are revalued by external independent valuers at least once every five years or earlier if it becomes apparent that their carrying amounts no longer reflect the fair value of such assets. At each financial year end where professional values are not involved property, plant and equipment items are revalued by directors to restate these items to fair values.

Depreciation is not provided on freehold land and capital projects under development. Other property, plant and equipment are depreciated over their expected useful lives on a straight-lined basis at the following annual rates:

Freehold and leasehold properties	40-60 years
Motor vehicles	5-7 years
Plant and machinery	5-10years
Office furniture and equipment	5-10years

The carrying amounts are reviewed at each reporting date to assess whether they are fairly stated. Where carrying amounts exceeds the estimated recoverable amount, assets are written down to the recoverable amount. The asset's residual value and useful life are reviewed and adjusted if appropriate at each financial year end. Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Revaluation surplus of property, plant and equipment

Increase in the carrying amount arising from revaluation is recognised in other comprehensive income and accumulated in equity in the revaluation reserves, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. Decreases that offset previous increases on the same assets are charged in other comprehensive income and set off against the revaluation reserve. All other decreases are charged to the income statement. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

e) Investment properties

i. Recognition criteria

Investment property, which is property held to earn rental income and I or for capital appreciation is measured initially at its cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that the cost is incurred if the recognition criteria are met excludes the costs of day to day servicing of an investment property.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at reporting date. Gains or losses arising from changes in fair value of investment property are included in the income statement in the period in which they arise.

Fair value is determined by professional valuers at each reporting date on the basis of open market value which is the amount the property could be exchanged between knowledgeable, willing parties on an arms length transaction.

ii. Transfers to and from investments properties

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.
If the owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

iii. Derecognition

Investment property is derecognised when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Parent and commercial seed - actual cost
Stores and consumables - on the purchase cost on a first-in-first out basis
Growing crops at Research stations are not brought to account as all expenditure relating thereto is of a research nature and is written off to the income statement when incurred.
Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

g) Biological assets

Fair values could not be measured reliably as market determined prices or values are not available. As a results biological assets have been measured at cost less any accumulated depreciation and any accumulated impairment losses.

h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and value added tax or duty. Intra Group revenue which arises in the normal course of business is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income

Revenue is recognised as interest accrues using the effective interest rate (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset).

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

i) Research and development

Costs relating to research and development of new seed products are written off as incurred.

i) Share based payment transactions

Share options issued to employees are fair valued at the date of grant, and their fair value is recorded as an expense, with a corresponding amount being recognised in equity over the period in which options are expected to vest. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.
The value of the share options granted is determined using the Black Scholes-model. For options that are forfeited or expired, the value recorded in the non-distributable reserve is transferred to distributable reserves.

j) Retirement benefits

Retirement benefits in Zimbabwe are provided for Group employees through a self administered defined contribution fund and the National Social Security Authority. The cost of retirement benefits for the defined contribution fund is determined by the amount of the contribution.
The cost of retirement benefits applicable to the National Social Security Authority is determined by the systematic recognition of legislated contributions. The cost of all retirement benefits is expensed in the income statement. Employees in the region are members of pension funds in their respective countries.

k) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks, net of bank overdrafts and short term borrowings and are measured at ammortised costs.

l) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
Finance charges are reflected in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

Group as a lessor

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

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a results of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effects of the time value of money is material, provisions are discounted using the current pre tax rate that reflects, where appropriate, the risks specific to the .liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

n) Financial Instruments

The Group's financial instruments are classified into the following categories:

- Fair value through profit and loss
- Held to maturity investments
- Loans and Receivables
- Loans and Borrowings

Classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group does not hold or issue derivative financial instruments.

i) Financial assets

Recognition and measurement

Financial instruments are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs, when the Group has rights or other access to economic benefits. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified as at fair value through profit and loss where it is held for trading. A financial asset is classified as held for trading if: It has been acquired principally for the purpose of selling in the near future; or it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short term profit taking.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance cost in the income statement. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Loans and receivables
Trade receivables, prepayments, input scheme receivables, loans and other receivables are measured at fair value on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method less impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate computed at initial recognition.

Impairment of financial asset
The Group assess at each reporting date whether there is any objective that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occured after the initial recognition of the asset (an incurred loss event) and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficult, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future excpected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate (EIR).

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

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when:

•The Rights to receive cash flows from the asset have expired

•The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

ii) Financial liabilities

Financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.The Group's financial liabilities include trade and other payables and finance lease liabilities, loans and borrowings and bank overdrafts. Subsequent to initial recognition these instruments are measured as set out below:

Loans and Borrowings

All loans and borrowings are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement. Gains or losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Trade and other payables

Trade and other payables are stated at ammortised cost adjusted for payments made to reflect the value of the anticipated economic outflow of resources.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liabilty are substantially modified, such an exchange or modification is treated as the derecogntion of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the income statement.

iii) Offsetting of financial instruments

If a legally enforceable right exists to set-off recognised amounts of financial assets and liabilities which are in determinable monetary amounts and the Group intends to settle on a net basis, the relevant financial assets and liabilities are offset.

0) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transactions costs.

For financial instrumnets not traded in an active market, the fair value is determined using appropriate valuation techniques. such techniques may include:

•Using recent arm's length market transactions

•Reference to the current fair value of another instrument that is sustantially the same

•A discounted cash flow analyses or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 25.1.

p) Fair value for non-financial assets

The Group measures non-financial assets such as property, at fair value at reporting date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If there is any such indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset is the higher of its fair value less costs disposal and value in use. If the recoverable amount of an asset is less than the carrying amount, the asset is reduced to its recoverable amount.
That reduction is an impairment loss. The reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss or a revalued asset is treated as a revaluation increase. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss of assets carried at cost less accumulated depreciations or amortisation is recognised immediately in the income statement. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Goodwill

Goodwill is tested for impairment annually (as at 31 March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

r) Segment reporting

The operating businesses are managed separately according to the country that they operate in, with each segment representing a strategic business units that operates in the same geographical area. For reporting purposes, the Group has two reportable segments as disclosed in Note 27.

s) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities

	Group 2014 US$	Group 2013 US$
3 OPERATING PROFIT		
Operating income is arrived at after taking into account:		
3.1 Depreciation of property, plant and equipment		
- freehold and lease properties	821,018	766,213
- plant and machinery	1,669,283	1,504,847
- motor vehicles	1,212,300	1,007,905
- office furniture and equipment	255,750	326,535
	3,958,351	**3,605,500**
3.2 Other income		
Commissions received	409,010	118,057
Profit on sale of property, plant and equipment	148,812	36,500
Unrealised exchange gains	1,615,454	208,432
Realised exchange gain	97,797	46,958
Rental income arising on rental-earning investment properties	36,746	51,554
Profit on disposal of financial assets at fair value	-	6,719
Sweepings and non-seed income	1,332,615	1,656,540
Change in fair value of investment properties (Note 7)	9,966	287
Bad debts recovered	229,372	637,323
	3,879,772	**2,762,370**
	Company	
Other income		
Dividends received	1,558,806	5,085,794
	Group	
3.3 After charging the following:		
Directors' emoluments:		
- for services as directors	290,876	291,850
- for managerial services	594,656	566,339
Audit fees	329,147	322,693
Research and development costs	5,017,228	4,223,265
Employee benefits expense:		
- Salaries and wages	15,517,537	14,778,607
- Social security costs	640,551	627,991
- Pension costs - defined contribution plan	782,025	744,786
- Medical benefits expenses	436,028	436,028
- Share based payments	98,920	86,920
	Company	
Administrative expenses		
Share based payments	98,920	86,920
Secretarial costs	68,003	-
	Group	
3.4 Finance income		
Interest on bank deposits	171,994	153,856
Interest on accounts receivables	4,740,617	63,575
	4,912,611	**217,431**
3.5 Finance cost		
Interest on borrowings	7,494,515	7,418,190
Interest on unpaid invoices	453,637	-
	7,948,152	**7,418,190**

		Group 2014 US$	Group 2013 US$	Company 2014 US$	Company 2013 US$
4.	**TAX**				
4.1	**Current income tax:**				
	Current income tax charge	3,836,888	3,539,729	-	-
	Withholding tax	307,316	-	307,316	274,708
	Deferred income tax credit	(419,738)	(627,130)	-	-
	Income tax expense reported in the income statement	**3,724,466**	**2,912,599**	**307,316**	**274,708**
	Consolidated statement of other comprehensive income				
	Deferred tax related to items charged or credited directly to Other Comprehensive Income during the year:				
	Exchange differences on translation of foreign operations	2,340,481	2,569,066	-	-
	Income tax charged directly to other comprehensive income	**2,340,481**	**2,569,066**	**-**	**-**
4.2	**Reconciliation of current tax charge**				
	Accounting profit before tax	**15,557,897**	**15,534,354**		
	Statutory tax rate + AIDS/development levy	25.75%	25.75%		
	Income tax at statutory rate	4,006,159	4,000,096		
	Effect of revenue that is exempt from tax	(277,631)	(989,623)		
	Effect of revenue that is taxed at special rates	639,484	274,708		
	Effect of expenses that are not deductible in determining taxable profit	39,582	39,582		
	Utilisation of previously unrecognised tax losses	(116,569)	(74,776)		
	Effect of different tax rates of subsidiaries operating in other jurisdictions	(566,559)	(337,388)		
	Income tax expense recognised in profit and loss	**3,724,466**	**2,912,599**		

4.3 Deferred Tax

Group

Deferred tax relates to the following:

	Consolidated Statement of financial position 2014 US$	Consolidated Statement of financial position 2013 US$	Consolidated income statement 2014 US$	Consolidated income statement 2013 US$
Accelerated depreciation for tax purposes	11,070,653	9,007,170	(2,063,855)	(699,378)
Prepayments	-	1,588,294	1,588,294	-
Share based payment reserve	280,496	258,115	(22,381)	-
Translation of foreign subsidiaries	(2,678,905)	(2,411,852)	-	-
Losses available for offsetting future taxable income	(472,134)	(393,930)	78,204	72,248
Net deferred tax	8,200,110	8,047,797	**(419,738)**	**(627,130)**
Reflected in the statement of financial positions as follows:				
Deferred tax assets	(386,841)	(393,930)		
Deferred tax liability	8,586,951	8,441,727		
Deferred tax liability net	**8,200,110**	**8,047,797**		

Deferred tax assets relates to assessed losses in Seed Co International Limited, Agri Seed Co Limited (Kenya) and Quton Tanzania Limited. Deferred tax assets have been recognised in respect of these losses as they will be used to offset taxable profits in future. The Directors are of the opinion that Seed Co International Limited, Agri Seed Co Limited (Kenya) and Quton Tanzania Limited will make taxable profits in the immediate future.

Company

Deferred tax relates to the following:

	Company Statement of financial position 2014 US$	Company Statement of financial position 2013 US$
Share based payment reserve	280,496	258,115
Deferred tax liability	280,496	258,115

	Group and Company	
5 ORDINARY DIVIDENDS	**2014 US$**	**2013 US$**
Proposed for approval at the annual general meeting (not recognised as a liability at 31 March):	-	-
No dividend proposed for 2014 (2013:-)		

6 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Freehold land and buildings US$	Plant and machinery US$	Motor vehicles US$	Office furniture and equipment US$	Total US$
Cost or valuation:					
At 1 April 2012	45,489,660	12,261,452	8,270,402	2,614,714	68,636,228
Additions	2,120,051	5,453,685	1,729,748	347,549	9,651,033
Exchange adjustment	(3,514,882)	(1,083,500)	(1,045,987)	(173,155)	(5,817,524)
Disposal	-	(60,056)	(147,362)	(74,369)	(281,787)
At 31 March 2013	**44,094,829**	**16,571,581**	**8,806,801**	**2,714,739**	**72,187,950**
Additions	5,090,856	2,168,599	1,528,571	184,650	8,972,676
Disposal	-	(126,566)	(897,447)	(32,419)	(1,056,432)
Exchange adjustment	147,471	(1,034,552)	(277,089)	(157,003)	(1,321,173)
At 31 March 2014	**49,333,156**	**17,579,062**	**9,160,836**	**2,709,967**	**78,783,021**
Depreciation and impairment:					
At 1 April 2012	16,445,589	4,466,390	4,221,696	937,261	26,070,936
Depreciation charge for the year	766,213	1,504,847	1,007,905	326,535	3,605,500
Exchange adjustment	(5,649)	(147,110)	(165,109)	(96,067)	(413,935)
Disposals	-	(26,592)	(99,251)	(68,931)	(194,774)
At 31 March 2013	**17,206,153**	**5,797,535**	**4,965,241**	**1,098,798**	**29,067,727**
Depreciation charge for the year	821,019	1,669,283	1,212,300	255,750	3,958,352
Exchange adjustment	(29,996)	(290,161)	(154,945)	(76,564)	(551,666)
Disposals	-	(59,792)	(744,254)	(14,056)	(818,102)
At 31 March 2014	**17,997,176**	**7,116,865**	**5,278,342**	**1,263,928**	**31,656,311**
Net book value					
At 31 March 2014	31,335,980	10,462,197	3,882,494	1,446,039	47,126,710
At 31 March 2013	26,888,676	10,774,046	3,841,560	1,615,941	43,120,223

Significant increases/(decreases) in estimated price per square metre in isolation would result in significantly higher (lower) fair values for the Properties. Included in the property, plant and equipment are motor vehicles purchased under finance lease amounting to $548,285 (2013: $1,217,486). Refer to note 20. If property, plant and equipment were measured using the cost model, the carrying amount would be $33,659,627 (2013: $27,944,454).

Reconciliation of opening and closing carrying amounts	GROUP	
	2014 US$	**2013 US$**
Net carrying amount at 1 April	43,120,223	42,565,292
Cost	72,187,950	68,636,228
Accumulated depreciation and impairment	(29,067,727)	(26,070,936)
Movement for the year:		
Additions	8,972,676	9,651,033
Net carrying amount of disposals	(238,329)	(87,013)
Depreciation charge for the year	(3,958,352)	(3,605,500)
Net exchange adjustment	(769,505)	(5,265,858)
Net carrying amount at 31 March	47,126,710	43,120,223
Cost	78,783,021	72,187,950
Accumulated depreciation and impairment	(31,656,311)	(29,067,727)

As at 31 March 2014, the directors assessed the carrying amounts of all property, plant and equipment. They are of the opinion that no impairment write down is necessary. In 2013, there were no impairment on property, plant and equipment. The revalued property, plant and equipment consists of commercial properties in Zimbabwe, Malawi and Zambia as well as plant and equipment across all operating units.

Fair value of property was determined using market comparable methods. In determining the fair value of land, the directors considered the highest and best use of the land. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property, plant and equipment item.

Signficant unobservable data
Property

Price per square metre US$ 400-US$ 1,250

Fair value of plant and equipment was determined using the depreciated replacement cost. This involved estimating the cost of purchasing a plant and equipment item and depreciating it over the years in use. As at the date of revaluation 31 March 2010, the property, plant and equipment's fair values were based on valuations performed by CB Richard Ellis, an accredited independent valuer.

Signficant unobservable data
Plant and equipment

Estimated remaining life (ERL) 1-10years

Below is the fair value hierarchy disclosures for property, plant and equipment.

	Level 1 USD	Level 2 USD	Level 3 USD	**Fair Value 31 March 2014 USD**
Commercial Properties	-	-	31,335,980	**31,335,980**
Plant and machinery	-	-	10,462,197	**10,462,197**
Motor vehicles	-	-	3,882,494	**3,882,494**
Furniture and equipment	-	-	1,446,039	**1,446,039**

There were no transfers between Levels 1, 2 and 3 during the year.

7 INVESTMENT PROPERTIES

	GROUP	
	2014 US$	**2013 US$**
Balance at beginning of year	332,234	331,947
Fair value adjustment	9,966	287
Balance at the end of year	**342,200**	**332,234**

The Group's investment properties consist of one commercial property in Botswana. Management determined that the investment property consist of one class of asset, being office − based on the nature,characteristics and risks of the property.

Investment properties have been stated at fair value, which has been determined based on valuations performed by an accredited independent valuer, as at 31 March 2014 and 31 March 2013. The valuer is an industry specialist in valuing these types of investment properties. The fair value of the properties has not been determined on transactions observable in the market because of the nature of the property and lack of comparable data. Instead, the valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied which was the DCF method.

	GROUP	
	2014 US$	**2013 US$**
Rental income derived from investment properties	36,746	51,554
Direct operating expenses (including repairs and maintenance) generating rental income	(5,412)	(4,328)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	-	-
Profit arising from investment properties carried at fair value	**31,334**	**47,226**

7 INVESTMENT PROPERTIES (continued)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Below is the fair value hierarchy disclosures for investment properties.

Commercial Properties	Level 1 USD	Level 2 USD	Level 3 USD	**Fair Value 31 March 2014 USD**
	-	-	342,200	342,200

There were no transfers between Levels 1, 2 and 3 during the year.

Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique		**Significant unobservable inputs**	**Range (weighted average)**
Commercial Properties	DCF method (refer below)	(i)	Estimated rental value per sqm per month	$15 - $20 ($17.5)
		(ii)	Rent growth p.a.	1.05%
		(iii)	Long-term vacancy rate	2% - 5% (3%)
		(iv)	Discount rate	5%

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by:

- A directionally similar change in the rent growth per annum and discount rate (and exit yield)
- An opposite change in the long term vacancy rate

8 FINANCIAL ASSETS

	GROUP	
	2014 US$	**2013 US$**
Held-to-maturity investments		
- ZB Bank	1,079,901	340,529

The ZB Bank investment attracts interest at 8% per annum and matures in 10 years time. These are carried at ammortised cost. The carrying amount of the held to maturity investments approximates fair value since the investments earn market related interest rates.

	Company 2014 US$	Company 2013 US$
9 INVESTMENTS		
9.1 Investments in subsidiaries		
Unquoted shares at cost		
- National Seed Company of Zimbabwe Limited	240,790	240,790
- Clapham Investments (Private) Limited	102,385	102,385
- Seed Co Zambia International Limited	16	16
- Seed Co International Limited	170,000	170,000
- Barrow Investments Limited	3,396	3,396
- Seed Co Zimbabwe (Private) Limited	10,569,730	183,080
- Quton Seed Company (Private) Limited	686,758	686,758
	11,773,075	**1,386,425**

10. AMOUNTS OWED BY GROUP COMPANIES

	2014 US$	2013 US$
- Seed Co International (Private) Limited	4,000,000	-
- Seed Co Zimbabwe (Private) Limited	3,164,993	3,287,621
- Clapham Investments (Private) Limited	22	22
	7,165,015	**3,287,643**

Amounts owed by group companies are generaly on a short term basis and repayable within 3 months. They do not bear any interest.

11. GOODWILL

	Group 2014 US$	Group 2013 US$
Cost		
Balance at beginning of year	186,753	186,753
Balance at the end of year	186,753	186,753

The Goodwill above relates to the Cotton Seed Cash Generating Unit (CGU). The Group performed its annual impairment test as at 31 March 2014.The recoverable amount of the Cotton Seed CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase in demand for products. The pre-tax discount rate applied to cash flow projections is 10% (2013: 10%) and cash flows beyond the five-year period are extrapolated using a 5% growth rate (2013: 5%) that is the same as the long-term average growth rate for the seed industry.

Key assumptions used in value in use calculation

The calculation of value in use for Cotton Seed Cash Generating unit is most sensitive to the following assumptions:
- Gross margins
- Discount rates
- Market share during the forecast period
- Growth rates used to extrapolate cash flows beyond the forecast period

Gross margins - Gross margins are based on average values achieved in the five years preceding the beginning of the budget period.

Discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Market share assumptions – When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the cotton seed market to be stable over the forecast period.
Growth rate estimates – Rates are based on published industry research. The long-term rate used to extrapolate the budget for the cotton seed unit include an adjustment on account of the acquisition of a significant technology equipment in the manufacture of cotton seed.

12. INVENTORIES

	Group 2014 US$	Group 2013 US$
Parent and commercial seed	27,660,257	38,043,495
Spares and general consumables	4,132,783	3,779,906
Goods in transit	774,889	1,210,942
Total of inventories at lower of cost and net realisable value	**32,567,929**	**43,034,343**

The amount of write down of inventories recognised as an expense is US$1,421,938 (2013 : US$441,327) which is recognised in cost of sales. The amount of inventories recognised during the period is US$10,383,238 (2013: US$9,423,442) Inventories amounting to US$4,500,000 (2013 : US$4,500,000) have been ceded as security for borrowing facilities. Refer to note 19.3.

13. BIOLOGICAL ASSETS

	Group 2014 US$	Group 2013 US$
Crops		
Cost		
Balance at beginning of year	620,195	533,441
Increases due to new plantings	976,823	620,195
Harvested plants transferred to inventories	(620,195)	(533,441)
Balance at the end of year	**976,823**	**620,195**
Current (due for sale/disposal within 12 months)	976,823	620,195

The Group's biological assets consists of the value of agricultural produce not yet harvested. Since the crops are still at their growth stage, it is difficult to assume their selling price when they are not yet harvested as the quoted market price depends on the quality of the produce and market conditions at a certain date. These assumptions are difficult to predict resulting in the use of cost as a fair method of measuring biological assets at year end. The biological assets will have a life span of less than a year.

14. TRADE AND OTHER RECEIVABLES

	Group 2014 US$	Group 2013 US$
Trade receivables	75,020,642	61,121,070
Prepayments and other receivables	1,665,035	4,974,376
Seed grower advances	6,932,421	2,165,175
	83,618,098	**68,260,621**

The carrying amounts of trade and other receivables is a reasonable approximation of their fair value at the end of the reporting period. The Group did not hold any collateral or security on its trade receivables.

The Group has pledged trade receivables amounting to US$8,000,000 in order to fulfil collateral requirements. Refer to note 19.3 for further details. There are no significant terms and conditions associated with the use of collateral.

As at 31 March the ageing analysis of trade receivables was as follows:

		Total	Neither due nor impaired	Past due but not impaired		
				< 60 days	60 days - 90 days	> 90 days
		US$	US$	US$	US$	US$
Total	2014	75,020,642	11,722,792	3,974,014	5,040,565	54,283,271
	2013	61,121,070	6,326,955	5,897,662	4,944,191	43,952,262

See note 25.4 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Included in the trade and other receivables is an allowance for credit losses of US$ 4,310,190 (2013: US$4,771,950). The movement in the credit losses is as shown below:

	Group	
	2014	2013
Movement in the allowance for credit losses	US$	US$
Balance at beginning of the year	4,771,950	4,085,221
Charge for year	6,509,888	1,099,322
Utilised for year	(6,971,648)	(412,593)
Balance at the end of the year	**4,310,190**	**4,771,950**

The Group credit policy is split into Zimbabwe and regional operations. For subsidiaries operating in Zimbabwe, the policy is strictly cash except for wholesalers who are allowed a 30 day credit period. Grower accounts are set off with deliveries. Regional credit policy is cash for individuals and 30 days for wholesalers and retailers. Special contracts are negotiable, and terms vary per contract. Interest is charged at the rate of 15% per annum on overdue accounts.

15. CASH AND CASH EQUIVALENTS

	Group	
	2014	2013
	US$	US$
Cash at bank and on hand	4,026,614	4,624,724
	4,026,614	**4,624,724**

Cash at bank earns interest at floating rates based on daily deposits rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at respective short-term deposits rates.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 March:

	Group	
	2014	2013
	US$	US$
Cash at bank and on hand	4,026,614	4,624,724
Bank overdrafts and short term borrowings (Note 19)	(31,702,278)	(45,594,266)
Net cash	(27,675,664)	(40,969,542)

	Group and Company	
	2014	2013
16 SHARE CAPITAL	**Number**	**Number**
16.1 Authorised shares		
Balance at the beginning of year	500 000 000	500 000 000
Increase in authorised shares	-	-
Balance at the end of year	**500 000 000**	**500 000 000**
16.2 Issued and fully paid		
Balance at beginning of year	194 372 878	194 152 878
Share options exercised	1 651 800	220,000
Shares issued	10 273 048	-
Balance at the end of year	**206 297 726**	**194,372,878**
	2013	**2013**
	US$	**US$**
Balance at beginning of year	194 373	194,153
Issue of share capital	11 925	220
Balance at the end of year	206 298	194,373

Subject to the limitations imposed by the Companies Act (Chapter 24:03) in terms of the resolution passed by the company in a general meeting, the unissued shares have been placed under the control of the Directors.

16.3 Share options

Group and Company

Senior Management Plan

Under the Senior Managemement Plan (SMP), share options of the parent are granted to senior management of the parent.The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if and when the employee completes three years of service with the organisation from the grant date. If the condition is not met, the share options do not vest.

The fair value of the share options is estimated at the grant date using the black scholes valuation model, taking into account the terms and conditions upon which the share options were granted.

The following options have been granted and are outstanding in terms of the share option scheme as at 31 March 2014.

Date of grant	Number
4 January 2010	802,507
1 April 2012	3,292,000
22 August 2013	3,015,000
	7,109,507

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2014 Number	**2014 WAEP**	**2013 Number**	**2013 WAEP**
At 31 March 2013	5,809,307	$0.81	2,737,307	$1.03
Options exercised	(1,651,800)	$0.23	(220,000)	$1.23
Options forfeited	(63,000)	$1.03	(398,000)	$1.03
New options granted	3,015,000	$0.81	3,690,000	$0.81
At 31 March 2014	**7,109,507**	$0.81	**5,809,307**	$0.81

The weighted average remaining contractual life for the share options outstanding as at 31 March 2014 is 5 years (2013: 1.3 years)

Unexercised options for 7,109,507 (2013 - 5,809,307) shares were held by executive directors at 31 March 2014. Employees exercised options for 1,651,800 shares during the year. Share options granted and vested before 20 November 2002 do not qualify as share based options under IFRS 2. Share options granted on 28 September 2005 qualify as share based payments, the effect of which has been reflected in these financial statements.

16.4 The following beneficial shareholding were held by directors at 31 March 2014

	Group and Company 2014	2013
JP Rooney	-	15,400
P St L Devenish (resigned effective 28/02/2014)	815,189	660,189
	815,189	675,589

There has been no change in the directors' interest subsequent to the period ended 31 March 2014 to the date of this report.

16.5 Earnings per share

Basic earnings per share amounts are calculated by dividing net 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 earnings per share amounts are calculated by dividing the net 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 the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Group 2014 US$	2013 US$
Net profit attributable to ordinary equity holders of the parent for basic earnings	11,795,957	12,609,819
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	11,795,957	12,609,819
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	200,199,402	194,262,878
Effect of dilution:		
Share options	-	5,859,307
Weighted average number of ordinary shares adjusted for the effect of dilution	**200,199,402**	**200,122,185**

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

17 NON-DISTRIBUTABLE RESERVES
Group

	Foreign currency conversion Reserve US$	Share premium US$	Share based payments reserve US$	Foreign currency translation reserve US$	Asset revaluation reserve US$	Total reserves US$
AS at 31 March 2012	3,163,762	157,926	870,290	(453,327)	10,036,959	13,775,610
Exchange differences on translation of foreign operations		-	-	(7,403,742)	(4,147)	(7,407,889)
Realisation of revaluation reserve on disposal		-	-	-	(17,916)	(17,916)
Realisation of revaluation reserve through use		-	-	-	(471,638)	(471,638)
Share options exercised		21,180	-	-	-	21,180
Realisation of share based payment		11,000	(11,000)	-	-	-
Share based payment		-	86,920	-	-	86,920
Deferred tax on share based payment		-	(22,382)	-	-	(22,382)
As at 31 March 2013	3,163,762	190,106	923,828	(7,857,069)	9,543,258	5,963,885
Exchange differences on translation of foreign operations	-	-	-	(6,752,350)	26,739	(6,725,611)
Realisation of revaluation reserve on disposal	-	-	-	-	(40,827)	(40,827)
Realisation of revaluation reserve through use	-	-	-	-	(236,421)	(236,421)
Issue of share capital	-	12,764,262	-	-	-	12,764,262
Realisation of share based payment reserve	-	12,000	(12,000)	-	-	-
Share options exercised	-	304,348	-	-	-	304,348
Share based payment	-	-	98,920	-	-	98,920
Deferred tax on share based payment	-	-	(22,382)	-	-	(22,382)
Balance at the end of year	**3,163,762**	**13,270,716**	**988,366**	**(14,609,419)**	**9,292,749**	**12,106,174**

NON-DISTRIBUTABLE RESERVES
Company

	Foreign currency conversion Reserve US$	Share premium US$	Share based payments reserve US$	Total reserves US$
As at 31 March 2012	3,163,762	157,926	870,290	4,191,978
Share options exercised	-	21,180	-	21,180
Share based payment	-	-	86,920	86,920
Deferred tax on share based payment	-	-	(22,382)	(22,382)
As at 31 March 2013	3,163,762	179,106	934,828	4,277,696
Share based payment	-	-	98,920	98,920
Deferred tax on share based payment	-	-	(22,382)	(22,382)
Issue of share capital	-	12,764,262	-	12,764,262
Realisation of share based payment reserve	-	12,000	(12,000)	-
Share options exercised	-	304,348	-	304,348
Balance at the end of year	**3,163,762**	**13,259,716**	**999,366**	**17,422,844**

Nature and purpose of reserves
Non-distributable reserves

Foreign currency conversion reserve
The foreign currency conversion reserve arose as a result in change in functional currency from Zimbabwean dollar to United States dollar. It represents the residual equity in existence as at the change over period and has been designated as Non-Distributable Reserve.

Share premium
Share premium arose from the redenomination of share capital and from the options exercised.

Share based payments reserve
Share based payments reserve is used to recognise the value of equity-settled share based payment transactions provided to employees, including key managment personnel, as a part of their remuneration.

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

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

18 LONG TERM LOANS	Group 2014 US$	Group 2013 US$
Secured	4,002,749	1,189,484

The long term loan is denominated in Malawian Kwacha(MK 1,725,176,199) and bears interest of 38% per annum. The loan has a 6 year tenure and expires in 2019. The principal amount is repayable in two equal tranches, the inital repayment will be done at the half of the loan tenor (2017) and the final repayment on maturity.

19 BANK OVERDRAFTS AND SHORT TERM LOANS

	2014 US$	2013 US$
19.1 Bank overdraft	**31,702,298**	**45,594,266**

The bank overdraft bears interest of between 4.85% - 8% (2013:8%) per annum for Uniteds States denominated drawdowns and is payable by 31 August 2015. The bank overdraft is secured over inventory, accounts receivables and guarantees by Seed Co Limited.

	2014 US$	2013 US$
19.2 Short term loans	-	32,595

The short term loan bears interest at a rate of 6% per annum and was repaid on 30 September 2013.
The short term loan was secured over inventory and accounts receivables.

19.3 Facilities and borrowing powers

	2014 US$	2013 US$
Total facilities available to the Group	66,002,749	87,000,000
Facilities utilised at year end	(35,705,047)	(48,033,831)
Unutilised borrowing capacity	**30,297,702**	**38,966,169**

As at 31 March 2014, the banking facilities in Zimbabwe in place amounted to US$29,000,000, with maturities ranging from May 2014 to September 2014. The facilities are mainly to finance working capital, including seed purchases from farmers. The main facilities are provided by Stanbic Bank, Standard Chartered Bank, and Afrexim Bank with an all-in-cost not exceeding 10% per annum.

The long-term project finance is a loan for the building project in Malawi, with a six-year loan tenor. Theloan is denominated in kwacha and the interest rate is sitting at 38% per annum.

Zambia has a General Short Term Banking Facility (GSTBF) for US$ 22,000,000.00 to finance it's general working capital requirements including seed purschases from seed farmers. The Zambian Kwacha GSBTF bears an interest rate of 14% and the US dollar facilities bears interest rates ranging from 5.5% to 7% per annum and they expire in August 2014.

Tanzania has a Long Term Banking Facilities amounting to US$1,000,000.00 at 9% per annum and also a Short Term Overdraft Facility of US$ 3,000,000.00 at 6% per annum. The Short Term Overdraft Facility expires in August 2014.

The Botswana Banking facility is a General Short Term Banking Facility (GSTBF) for US$7,000,000 to finance its operational expenses and to purchase sorghum seed, and financing of regional operations like Zimbabwe, Kenya, and Tanzania where the cost of funds are higher than the rate of 4.85% per annum currently obtaining in Botswana. The facility expires in August 2014.
The facility in Botswana does allow for other products such as Letters of Credit, Bank Guarantees to be issued on behalf of of the group.

The Seed Co facilties have different security arrangements that include the following:-
i. Unrestricted cession of stocks worth US$4,500,000 and accounts receivables valued at US$8,000,00.
ii. Seed Co Limited guarantees, including guarantees from Seeed Co Zambia.
iii. A charge of the stocks and debtors, with a half yearly stock report required.
iv. A charge over the building project in Malawi which is due for completion in 2014.

19.4 In terms of the Articles of Association the borrowing powers of the group are limited to the aggregate amount of monies (so borrowed) shall not, without the previous sanction of an ordinary resolution of the Company in general meeting, exceed thrice the aggregate of:-

(i) the nominal amount of the issued and paid share capital for the time being of the Company: and
(ii) the aggregate of the amounts standing to the credit of all capital and revenue reserve accounts, any share premium account and profit and loss account as set out in the latest consolidated audited Statement of Financial Position of the company and its subsidiaries which has been drawn up to be laid before the shareholders of the Company in general meeting at the relevant time.

20 FINANCE LEASE

The Group has entered into commercial leases on certain motor vehicles. These leases have an average life of three years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

2014	Minimum payments US$	Present value of payments US$
Within one year	416,910	386,028
After one year but not more than five years	175,237	162,257
More than five years	-	-
Total minimum lease payments	592,147	548,285
Less amounts representing finance charges	(43,863)	-
Present value of minimum lease payments	**548,285**	**548,285**

2013	Minimum payments US$	Present value of payments US$
Within one year	283,197	257,452
After one year but not more than five years	1,056,038	960,034
More than five years	-	-
Total minimum lease payments	1,339,235	1,217,486
Less amounts representing finance charges	(121,749)	-
Present value of minimum lease payments	**1,217,486**	**1,217,486**

21 TRADE AND OTHER PAYABLES

	Group 2014 US$	Group 2013 US$
Trade payables	9,073,714	10,304,901
Accruals and other creditors	11,200,368	4,957,274
Trade and other payables	20,274,082	15,262,175

Terms and conditions of the the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of 3 months.

21.1 PROVISIONS

2014

	Bonus US$	Severance pay US$	Total US$
At the beginning of the year	1,952,763	657,419	2,610,182
Arising during the year	144,348	389,325	533,673
Utilised	(905,075)	(746,468)	(1,651,543)
At the end of the year	**1,192,036**	**300,276**	**1,492,312**

2013

	Bonus US$	Severance pay US$	Total US$
At the beginning of the year	1,901,289	268,094	2,169,383
Arising during the year	656,550	389,325	1,045,875
Utilised	(605,076)	-	(605,076)
At the end of the year	**1,952,763**	**657,419**	**2,610,182**

The above provisions are payroll related and are expected to be utilised in the next 12 months.

22 PENSION AND RETIREMENT SCHEMES

22.1 Seed Co Pension Scheme

The Seed Co Pension Fund is a Defined Contribution Pension Fund were the liability is limited to the value of the fund assets. The market value of the assets grew from $3,083,219 as at 1 April 2014 to $3,483,278 at year end. The fund membership decreased from 167 to 156 in the same period.

In Zambia the market value grew from US$1,054,828 as at 1 April 2013 to US$1,103,794 at year end, as at 31 March 2014 and the fund membership decreased from 134 to 80 in the same period.
The market value in Malawi grew from US$191,489 as at 1 April 2013 to US$404,562 as at 31 March 2014 and the fund membership increases from 37 to 39 in the same period.

22.2 National Social Security Authority Scheme (Zimbabwe)

This is a pension scheme promulgated under the National Social Security Authority Act (1989). The obligations under the scheme are limited to specific contributions legislated from time to time. These are presently 4% of the full pensionable emoluments per month for each employee.

22.3 National Social Security Authority Scheme (Zambia)

This is a defined contribution pension scheme promulgated under the National Pension Scheme Act. The obligations under the scheme are limited to specific contributions legislated from time to time. These are presently 5% employee and 10% employer of the full pensionable emoluments per month for each employee.

22.4 National Social Security Fund Scheme (Malawi)

This is a defined contribution scheme established and administered by Old Mutual Malawi.

22.5 Pension costs charged to the income statement during the year

	Group 2014 US$	Group 2013 US$
Seed Co Pension Fund - defined contribution	782,025	744,786
National Social Security Schemes	640,551	627,991
	1,422,576	**1,372,777**

23 RELATED PARTY TRANSACTIONS

23.1 The financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

Name	Country of Incorporation	% Equity interest 2014	2013
Seed Co Zimbabwe (Private) Limited	Zimbabwe	100	100
Seed Co Malawi Limited	Malawi	100	100
Seed Co Zambia International Limited	Zambia	100	100
Quton Seed Company (Private) Limited	Zimbabwe	100	100
Seed Co International Limited	Botswana	100	100
Quton Tanzania (Private) Limited	Tanzania	75	75
Seed Co Tanzania Limited	Tanzania	100	100

An analysis of Group subsidiaries with material non-controlling interest is as follows:

Name of Subsidiary	Place of Incorporation and business	Proportion of Ownership interest and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Quton Tanzania (Private) Limited	Tanzania	25%	25%	37,474	11,936	(76,676)	(90,995)

Details of non-wholly owned subsidiaries with material non-controlling interests

The summarised financial information in respect of Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations:

Quton Tanzania (Private) Limited

	31-Mar-14	31-Mar-13
Current assets	4,820,869	4,062,248
Non-current assets	1,811,517	2,065,379
Current liabilities	(4,702,557)	(6,066,469)
Non-current liabilities	(236,532)	(425,136)
Equity attributable to owners of the company	1,616,620	(454,923)
Non-controlling interests	(76,676)	(90,995)
Revenue	2,701,754	3014584
Expenses	(714,061)	(736,243)
Profit for the year	149,897	47,745
Dividends paid to non-controlling interests	-	-
Net cash inflow operating activities	(1,602,657)	(41,582)
Net cash outflow from investing activities	(98,578)	(1,511,505)
Net cash inflow from financing activities	1,505,436	108,943
Net cash inflow	(1,966,109)	(1,817,314)

23.2 The following table provide the total amount of transactions that have been entered into with related parties for the relevant financial year

		Sales to Related Parties US$	Purchases from Related Parties US$	Amount owed by Related Parties US$
Cotton Company of Zimbabwe Limited	2013	5,553,655	3,655206	1,032,752
Key management personel of the Group	2014	436,093	369,700	167,781
	2013	479,702	406,670	184,559

The ultimate parent
Seed Co Limited is the ultimate Zimbabwe parent entity. The ultimate parent of the Group was AICO Africa Limited up to 31 January 2014 being the date they divested from Seed Co Limited.

Cotton Company of Zimbabwe Limited is a subsidiary of AICO Africa Limited.

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made at normal business terms. Outstanding balances at the year -end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year end ed 31 March 2014 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013 : US$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

23.3 Loans to related parties

		Interest Received US$	Amount owed by Related Parties US$
Directors' loans	2014	22,378	279,723
Directors' loans	2013	10,127	158,625

The loans bear interest at 5% per annum and are repayable over 5 years.

Reconciliation of directors loans	**2014** US$	**2013** US$
Opening balance	158,625	163,156
New loans issued	146,691	16,233
Loan repayments	(25,593)	(20,764)
Closing balance	**279,723**	**158,625**

23.4 Compensation of key personel to the Group	**2014** US$	**2013** US$
Short term employee benefits	2,472,380	2,247,619
Share-based payment transaction	86,920	86,920
Post-employment pension and medical benefits	1,218,053	904,403

The amounts disclosed in the table are amounts recognised as an expense during the reporting period related to key management personel.

Directors' interest in the Senior Management Plan

For details on the Senior Management Plan refer to note 16.3.

Company related party transactions and balances

23.5 During the year, the following dividends were received from subsidiaries: Seed Co Zimbabwe nil (2013: $2,676,776) Seed Co International (SCI) $1,526,581 (2013: $1,901,811) and Quton nil (2013: $507,207).

23.6 During the year, Seed Co Limited increased its shareholding in Seed Co Zimbabwe by $8,747,535.

For intercompany balances refer to note 10.

24. COMMITMENTS AND CONTINGENCIES

24.1 Commitments for capital expenditure

	Group 2014 US$	Group 2013 US$
Approved by the directors but not yet contracted for - plant, equipment and vehicles	8,274,547	11,445,623
	8,274,547	11,445,623

The capital expenditure will be funded from the Group's own resources, existing overdraft and loan facilities.

24.2 Operating lease commitments

The Group rents an office under an operating lease. The lease is for a period of two years, with rentals escalating by 10% per annum. The Group does not have the option to puchase the leased premises at the end of the lease period.

	Group 2014 US$	Group 2013 US$
Minimum lease payment under operating lease recognised as an expense during the year	114,110	114,110

At the reporting date, the Group has outstanding committments under operating leases over cancellation period,which is three months notice, as follows:

Not later than one year	28,603	28,603
Later than one year but not later than five years	-	-
Later than five years	-	-
	28,603	28,603

24.3 The Group as a lessor

Operating lease relates to the investment property rented out with a lease term of one year, escalating by 10% per annum, with an option to renew for a further one year at the choice of lesses. The lease contract has clauses in the event that the lessee exercises its option to renew. The tenant does not have the option to purchase the leased asset at the expiry of the lease period. The lease currently expires in December 2014, but can also be cancelled with 2 months calender notice by either party.

Future minimum lease payments under operating lease arrangements:

Not later than one year	15,600	15,600
Later than one year but not later than five years	-	-
Later than five years	-	-
	15,600	15,600

24.4 Contingent liabilities

There were no contigent liabilities as at 31 March 2014.

25. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise bank loans, overdrafts, trade and other payables and finance leases. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

It is and has been through out the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks as summarised on note 25.2 to note 25.5.

25.1. Fair Value

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements. Financial assets and liabilities including loans to group companies and investments in subsidiaries which are intended either to be settled or to be realised and settled simultaneously are offset and the asset or liability amounts reported in the statement of financial position.

Set out below is a comparison by category of carrying amounts and the fair values of all of the Group's financial instruments that are carried in the financial statements:

	Carrying amount	Fair Value
	2014	2014
2014	**US$**	**US$**
Financial assets		
Trade and other receivables	83,618,098	83,618,098
Cash and cash equivalents	4,026,614	4,026,614
Held to maturity financial assets	1,079,901	1,079,901
Financial liabilities		
Finance Leases	548,285	548,285
Long term loans	4,002,749	4,002,749
Bank borrowings	31,702,278	31,702,278
Trade and other payables	18,175,242	18,175,242
	2013	**2013**
2013	**US$**	**US$**
Financial assets		
Trade and other receivables	61,121,070	61,121,070
Cash and cash equivalents	4,624,724	4,624,724
Held to maturity financial assets	340,529	340,529
Financial liabilities		
Finance Leases	1,217,486	1,217,486
Long term loans	1,189,484	1,189,484
Bank borrowings	45,594,266	45,594,266
Trade and other payables	11,885,151	11,885,151
Short term loans	32,595	32,595

Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 March 2014, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

For Company, the fair value of amounts owned by Group Companies approximates fair value.

25.2. Liquidity Risk

The Group is principally funded through locally arranged facilities in each country of operation. In Botswana the facility was at 5.5% per annum while in Zambia the US dollar overdraft loans were at 3.5% above the libor rate, while the local kwacha loans were at 17.22% per annum. In Malawi the overdraft facility was in Malawi kwacha at 20%. The Groups policy is that not more than 25% of borrowings should mature in the next 6 month period. 6 % of the Group's debt will mature in less than 6 months at 31 March 2014 (2013: 4.5%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 6 months can be rolled over with existing lenders.

Maturity profile of the Group's financial liabilities

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	US$	US$	US$	US$	US$
Year ended 31 March 2014					
Interest bearing loans and borrowings	-	2,307,016	32,344,788	5,924,069	40,575,873
Finance lease liability	-	416,910	-	175,237	592,147
Trade and other payables	-	4,325,939	13,849,303	-	18,175,242
	-	**7,049,865**	**46,194,091**	**6,099,306**	**59,343,262**
Year ended 31 March 2013					
Interest bearing loans and borrowings	-	1,806,326	48,383,221	1,712,856	51,902,403
Finance lease liability	-	283,197	-	1,056,038	1,339,235
Trade and other payables	-	5,087,273	6,200,387	-	11,287,661
	-	**7,176,796**	**54,583,608**	**2,768,894**	**64,529,298**

25.3. Foreign Currency risk management

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows

	Liabilities (Foreign amount) 2014	Liabilities (Foreign amount) 2013
ZAR	15,733	991,528
Tanzania Shillings	7,209,984,994	-
Botswana Pula	2,514,551	17,845,577
Zambian Kwacha	6,466,137	13,176,626
	Assets (Foreign amount) 2014	**Assets (Foreign amount) 2013**
ZAR	6,145,553	10,735,585
Tanzania Shillings	5,606,749,825	-
Botswana Pula	10,373,962	23,908,968
Zambian Kwacha	34,761,405	33,250,830
	Net Exposure (Foreign amount) 2014	**Net Exposure (Foreign amount) 2013**
ZAR	6,129,820	9,744,057
Tanzania Shilings	(1,603,235,169)	-
Botswana Pula	7,859,411	6,063,391
Zambian Kwacha	28,259,267	20,074,204

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenues or expenses are denominated in a different currency).

The following table demostrates the sensitivity to a reasonably possible change in US dollar exchange rate against the following currencies, with all other variables held constant, of the Group's profit before tax:

	Change in rate	Effect on profit before tax	Effect on equity
2014		**US$**	**US$**
Zambia kwacha denominated liability	+10%	(190,139)	256,079
	-10%	190,139	256,079
Rand denominated liability	+10%	(12,019)	(16,187)
	-10%	12,019	16,187
Pula denominated liabilty	+10%	(191,434)	(257,824)
	-10%	191,434	257,824
Tanzania Shilings	+10%	(000,000)	(000,000)
	-10%	000,000	
2013			
Zambia kwacha denominated liability	+10%	(221,010)	297,657
	-10%	221,010	297,657
Rand denominated liability	+10%	(12,019)	(16,187)
	-10%	12,019	16,187
Pula denominated liabilty	+10%	(202,628)	(272,900)
	-10%	202,628	272,900

25.4 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 financing activities, including deposits with banks and financial institutions,foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control 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 letters of credit or other forms of credit insurance. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed as carrying amounts in Note 25.1.

The Group evaluates the concentration of risk with respect to trade receivables as high. Though its customers are located in several juristrictions and largely indepent markets, a significant portion of the receivables is owed by the Governments of Zimbabwe, Tanzania, Malawi and Zambia representing a 45% of the total receivables.

Financial instruments and cash deposits

Credit risk from balances with banks 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 credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2014 and 2013 is the carrying amounts as illustrated in Note 25.1 .

25.5 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's long term debt obligation with floating interest rates.

The Group manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

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

	Increase/decrease in basis points	Effect on profit before tax
2014		**US$**
US dollar	+50	(6,447)
	-50	6,447

	Increase/decrease in basis points	Effect on profit before tax
2013		**US$**
US dollar	+50	(4,309)
	-50	4,309

26 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended 31 March 2014 and 31 March 2015. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Capital is equity attributable to the equity holders of the parent.

	2014 US$	2013 US$
Interest bearing loans and borrowings	35,705,027	46,816,346
Trade and other payables	18,175,242	11,885,151
Less cash and short term deposits	(4,026,614)	(4,624,724)
Net debt	49,853,655	54,076,773
Equity	100,802,244	84,124,692
Capital and net debt	150,655,899	138,201,465
Gearing ratio	33%	39%

27 EXCHANGE RATES

The following exchange rates to the US dollar were used to convert the Income Statement, Statement of Comprehensive Income and Statement of Financial Position at year end of the various foreign entities.

	2014	2013
Zambian Kwacha (ZK)		
Income Statement	5.86	5.34
Statement of Financal Position	6.30	5.42
Malawi Kwacha (MK)		
Income Statement	379	305
Statement of Financal Position	431	414
Botswana Pula (BP)		
Income Statement	8.30	7.52
Statement of Financal Position	8.47	8.01
Tanzania Shilings (TSH)		
Income Statement	1,602	1,602
Statement of Financal Position	1,602	1,602

28 SEGMENTAL INFORMATION

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

The regional segment operates in countries outside Zimbabwe but within Africa namely Zambia, Malawi, Botswana, Kenya, South Africa and Tanzania.

The Zimbabwe segment is made up of Seed Co Zimbabwe (Private) Limited and Quton Seed Company (Private) Limited. Segment performance is evaluated based on operating profit or loss.

Period ended 31 March 2014

	Zimbabwe Operations US$	Regional Operations US$	Total US$
Gross sales	50,217,524	76,742,407	126,959,931
Inter- segment sales	-	(6,772,046)	(6,772,046)
Revenue	**50,217,524**	**69,970,361**	**120,187,885**
Segment operating income	3,585,074	11,972,823	15,557,897
Taxation	(322,420)	(3,402,046)	(3,724,466)
Segment profit	**3,262,654**	**8,570,777**	**11,833,431**
Segment assets	91,365,092	78,946,777	170,311,869
Segment liabilities	(46,602,597)	(22,907,053)	(69,509,651)
Net segment assets	**44,762,495**	**56,039,724**	**100,802,218**
Segment interest expense	3,901,640	4,046,512	7,948,152
Segment interest income	4,676,852	235,759	4,912,611
Non-current assets	27,965,538	20,583,273	48,548,811
Depreciation charge for the year	1,851,438	2,106,914	3,958,352
Capital expenditure	1,310,844	7,661,832	8,972,676
Number of employees	136	206	342

Period ended 31 March 2013

	Zimbabwe Operations US$	Regional Operations US$	Total US$
Gross sales	50,669,492	64,875,625	115,545,117
Inter- segment sales	-	(4,903,240)	(4,903,240)
Revenue	**50,669,492**	**59,972,385**	**110,641,877**
Segment operating income	5,531,470	10,002,884	15,534,354
Taxation	(1,718,599)	(1,194,000)	(2,912,599)
Segment profit	**3,812,871**	**8,808,884**	**12,621,755**
Segment assets	94,777,807	66,135,745	160,913,552
Segment liabilities	(42,355,987)	(34,523,868)	(76,879,855)
Net segment assets	**52,421,820**	**31,611,877**	**84,033,697**
Segment interest expense	5,298,400	2,119,790	7,418,190
Segment interest income	199,876	17,556	217,431
Non-current assets	26,702,375	16,750,082	44,373,669
Depreciation charge for the year	1,793,514	1,811,986	3,605,500
Capital expenditure	688,092	6,262,941	9,651,033
Number of employees	136	206	342

- Inter-segment sales are eliminated on consolidation
- Capital expenditure consist of additions of property, plant and equipment and investment property.
- Non current assets comparise investment property and property, plant and equipment

GEOGRAPHICAL INFORMATION

External revenue attributed to the entity's country of domicile is as presented under Zimbabwe and regional operations above. Similarly non-current assets located in the country of domicile and in all foreign countries is as presented under Zimbabwe and regional operations above.

INFORMATION ABOUT MAJOR CUSTOMERS

During the year the Government of Zimbabwe bought seed worth US$14million. The Government falls under the Zimbabwean operation segment.

INFORMATION ABOUT PRODUCTS

The Group has not disclosed revenues from external customers for each product as the cost of compiling the information would be excessive.

29 PRIOR PERIOD ERROR

The Group made the following errors when calculating income tax expenses for the financial year ended 31 March 2010, 31 March 2011, 31 March 2012 31 March 2013.

1. Incorrectly treated grower input advances as an allowance deduction and incorrectly recognised deferred tax on the input advances. This resulted in the current income tax expense and liability being understated by $980,754 and deferred tax deferred tax expense and deferred tax liability being overstated by the same amount over the four years.

2. Incorrectly deducted expenses that, for tax purposes, should have been treated as expenses attributable to the Holding Company. This resulted in the income tax expense and liability being understated by $478,115 over the four years.

   Resultantly, tax authorities imposed penalties and interest on the company amounting to $597,490

Below is the impact of correcting the above errors in the financial statements for the year ended 31 March 2014:

As at 1 April 2012	**Debit/ (Credit)**
Increase in current tax liability	(478,115)
Increase in other liabilities	(430,010)
Decrease in retained earnings	**908,125**
Decrease in deferred tax liability	(982,710)
Increase in current tax liability	(982,710)
For year ended 31 March 2013	
Decrease in deffered tax liability	980,754
Increase in current tax liability	**(980,794)**
Decrease in current tax expense	(1,926)
Increase in deferred tax expense	1,926
Decrease in current tax liability	1,926
Increase in deferred tax liability	(1,926)
Increase in penalty and interest expenses	**167,480**
Decrease in retained earnings	430,010
Increase in other liabilities	**(597,490)**
Impact on basic earnings per share	(0.09c)
Impact on diluted earnings per share	(0.07c)

30 EVENTS AFTER THE REPORTING PERIOD

On 5 June 2014, the Board of Directors approved a plan to dispose of 60% of the cotton seed business to a technical partner. An agreement has been signed subject to approval by the regulatory authorities and fulfilment of other conditions precedent.

Analysis of shareholders at 31 march 2014

SEED-CO
The African Seed Company

Shareholder classification	Total Holding	Percentage of total
1 PENSION FUNDS	45,239,529	21.91%
2 NEW NON RESIDENT	39,175,114	18.98%
3 INSURANCE COMPANIES	31,772,383	15.39%
4 FOREIGN NOMINEE	30,612,570	14.83%
5 LOCAL COMPANIES	19,089,151	9.25%
6 FOREIGN COMPANIES	18,531,282	8.98%
7 LOCAL NOMINEE	10,687,456	5.18%
8 LOCAL INDIVIDUAL RESIDENT	5,784,568	2.80%
9 CHARITABLE AND TRUSTS	3,567,785	1.73%
10 FUND MANAGERS	622,863	0.30%
11 GOVERNMENT/QUASI-GOVERNMENT	521,962	0.25%
12 INVESTMENTS	503,580	0.24%
13 EMPLOYEES	245,500	0.12%
14 BANKS	59,203	0.03%
15 DECEASED ESTATES	32,780	0.02%
	206,445,726	**100%**

Top ten shareholders

1 VILMORIN ET CIE- NNR	30,819,144	14.93%
2 OLD MUTUAL LIFE ASSURANCE CO. ZIM LTD	27,601,875	13.37%
3 STANBIC NOMINEES (PVT) LTD-NNR	23,247,768	11.26%
4 NATIONAL SOCIAL SECURITY AUTHORITY	20,798,328	10.07%
5 STANDARD CHARTERED NOMINEES (PVT) LTD- NNR	19,801,280	9.59%
6 AICO AFRICA LIMITED	7,163,233	3.47%
7 MINING INDUSTRY PENSION FUND	6,612,927	3.20%
8 OLD MUTUAL ZIMBABWE LIMITED	5,568,632	2.70%
9 FED NOMINEES (PRIVATE) LIMITED	4,548,342	2.20%
10 BURKET ASSOCIATES LIMITED NNR	4,529,583	2.19%
11 OTHER	55,754,614	27.01%
	206,445,726	**100%**

Analysis of shareholders at 31 march 2013

SEED-CO
The African Seed Company

Shareholder classification	Total Holding	Percentage of total
1 LOCAL COMPANIES	106,201,576	64.35%
2 PENSION FUNDS	25,023,639	12.15%
3 FOREIGN NOMINEE	22,469,462	11.44%
4 INSURANCE COMPANIES	20,984,364	5.89%
5 LOCAL NOMINEE	9,402,070	1.47%
6 LOCAL INDIVIDUAL RESIDENT	3,610,622	1.01%
7 CHARITABLE AND TRUSTS	2,803,075	0.89%
8 NEW NON RESIDENT	2,032,731	0.85%
9 FOREIGN COMPANIES	615,342	0.68%
10 FUND MANAGERS	614,569	0.67%
11 GOVERNMENT/QUASI-GOVERNMENT	473,482	0.31%
12 INVESTMENTS	65,576	0.23%
13 DECEASED ESTATES	32,466	0.04%
14 EMPLOYEES	26,000	0.01%
15 BANKS	17,904	0.01%
	194,372,878	**100%**

Top ten shareholders

1 AICO AFRICA LIMITED	97,461,190	50.14%
2 OLD MUTUAL LIFE ASSURANCE CO. ZIMBABWE LIMITED	18,882,313	9.71%
3 STANBIC NOMINEES (PRIVATE) LIMITED-NNR	17,448,860	8.98%
4 NATIONAL SOCIAL SECURITY AUTHORITY (NPS)	4,865,216	2.50%
5 FED NOMINEES (PRIVATE) LIMITED	4,669,330	2.40%
6 MINING INDUSTRY PENSION FUND	4,606,336	2.37%
7 OLD MUTUAL ZIMBABWE LIMITED	3,598,949	1.85%
8 STANDARD CHARTERED NOMINEES (PRIVATE) LIMITED-NNR	2,982,103	1.53%
9 LOCAL AUTHORITIES PENSION FUND	2,969,008	1.53%
10 DEKALB GENETICS CORPORATION	1,656,250	0.85%
11 OTHER	35,233,323	18.14%
	194,372,878	**100%**

Notice to Shareholders

Notice is hereby given that the 19th Annual General Meeting of Seed Co Limited will be held in the Seed Co Administration Block at Stapleford on Wednesday 20 August 2014 at 12 noon for the purpose of transacting the following business:

Ordinary Business

1. To receive, consider and adopt the financial statements and reports of the Directors and auditors for the year ended 31 March 2014.

2. Messers D E B Long, M S Ndoro and C Kabaghe retire by rotation while Messers B. Carette, P Gowero and J C Julliard who joined the board on 3 December 2013 retire in terms of Articles 101 of the Company's Articles of Association. All these retiring Directors offer themselves for re-election.

3. To approve the fees of the Directors.

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

By order of the Board

J Matorofa

Secretary

5 June 2014

NOTES

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, vote and speak in their stead. The proxy need not be a member of the company.

To be effective the form of the proxy must be lodged at the company's office at least 48 hours before the meeting.

Group Administration

SEED·CO
The African Seed Company

BOARD COMMITTEES

Audit Committee
J P Rooney (Chairman), D E B Long, P St L Devenish
M S Ndoro

Remuneration Committee
D E B Long (Chairman), P St L Devenish, Dr. C. Utete
J P Rooney

Nomination Committee
B L Nkomo (Chairman)
P St L Devenish
J P Rooney

SUBSIDIARY BOARDS

Seed Co Zimbabwe
C Utete (Chairman)
R Davenport (resigned)
P St L Devenish
C Fambisai
E Havazvidi
K Mafukidze
J Matorofa
F Ndawi
M Nzwere
T Taylor
D Zaranyika

Seed Co Zambia
C Kabaghe (Chairman)
G Bwanali
D Clements
P St L Devenish
J Matorofa
M Nzwere
J P Rooney
E Rupende
C Sichangwa

Seed Co Malawi
D E B Long (Chairman)
A Barron
P St L Devenish
J Lungu
J Matorofa
M Nzwere
D W Phiri

Seed Co Tanzania
M Ndoro (Chairman)
D Clements
J Matorofa
M Nzwere
J Kabissa

Seed Co International
N Armstrong (Chairman)
P St L Devenish
Dr Q Masire
J Matorofa
M Nzwere

Quton
D Garwe (Chairman)
P St L Devenish (resigned)
R Jarvis
D Machingaidze (resigned)
J Matorofa
E E Mhandu
M Nzwere
F Kembo
T Ravasingadi

Quton Tanzania
M Ndoro (Chairman)
Dr Chagema
D Clements
R Jarvis
J Matorofa
E E Mhandu
M Nzwere
A Taib

COMPANY SECRETARY
J Matorofa

GROUP EXECUTIVES AND SENIOR MANAGEMENT
M Nzwere - Group Chief Executive Officer
G Bwanali - Managing Director Zambia
D Clements - Managing Director Tanzania
J Matorofa - Group Finance Director
E E Mhandu - Managing Director Quton
D Phiri - Managing Director Malawi
D Zaranyika - Managing Director Zimbabwe
E Havazvidi - Head of Research
C Fambisai - Business Development
S Ruwisi - Treasury
P Mutandwa - Human Resources
C Mugadza - Marketing
F Ndawi - Finance Director Zimbabwe

SENIOR CROP BREEDERS
Maize - M J Caulfield, P G Rupende, E Tembo, G Mabayaye
Wheat - E K Havazvidi
Soyabeans - J S Tichagwa

AUDITORS
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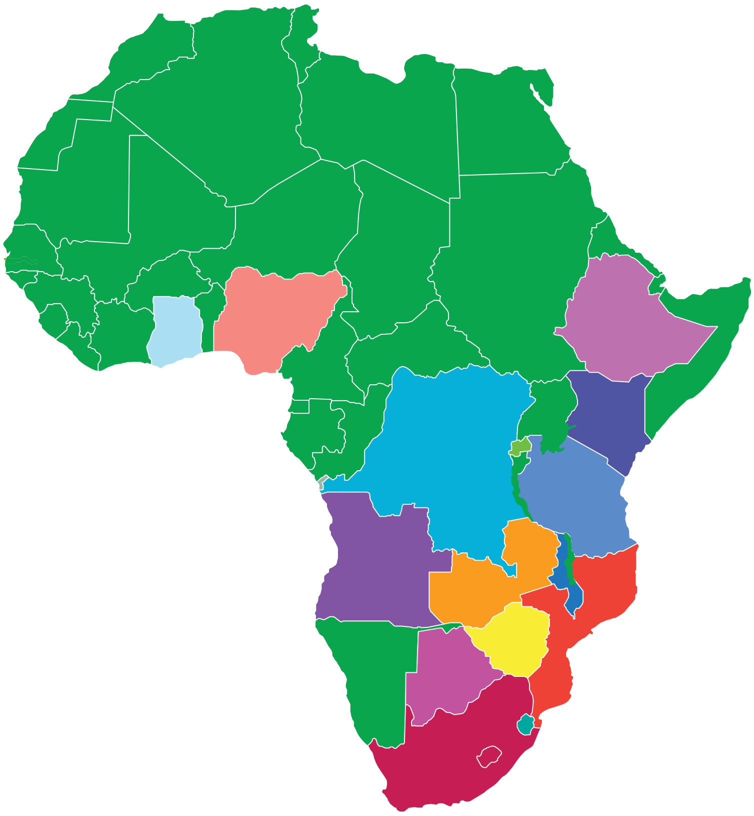
SEED-CO
SC 513
EARLY MATURITY
CERTIFIED
MAIZE SEED
10 KG

NOTES


SEED CO



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Email: DaveC@seedco.co.tz

SEED CO
The African Seed Company

REGIONAL EXPORTS
Seed Co International Limited
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Facsimile: 260 211 273390
Email: JamesG@seedco.co.zm

SEED CO LIMITED

NINETEETH ANNUAL GENERAL MEETING
FORM OF PROXY

I/We ____

of ____

being a member of Seed Co Limited hereby appoint

of ____

or failing him/ her ________________________________

of ____

or failing him/ her, the chairman of the company, or failing him, the chairman of the meeting as my/ our proxy to vote for me/ us on my/ our behalf at the Annual General Meeting of the Company to be held on Wednesday 13 August 2014 and at any adjournment thereof.

Signed on this ____________________ day of ____________________ 2014

Signature of member

Notes

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

SEED CO

The African Seed Company