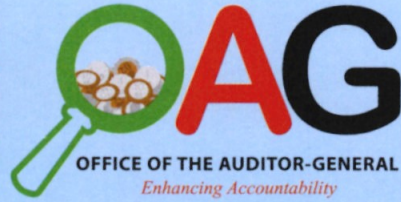


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
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DATE: 04 MAR 2026

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DEPUTY LEADER OF THE
MAJORITY PARTY

CLERK-AT
THE TABLE:

V. WAMBUI

THE AUDITOR-GENERAL

ON

SIMLAW SEEDS COMPANY (UGANDA) LIMITED

FOR THE YEAR ENDED 30 JUNE, 2025





SIMLAW SEEDS COMPANY UGANDA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

Prepared in accordance with the International Financial Reporting Standards (IFRS)

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

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Table of Contents	Page
1. Acronyms and Glossary of Terms	ii
2. Key Entity Information	iii
3. The Board of Directors	v
4. Key Management Team	vii
5. Report of the General Manager	xi
6. Statement of Performance against Predetermined Objectives for FY 2024/2025	xii
7. Corporate Governance Statement	xv
8. Management Discussion and Analysis	xviii
9. Environmental and Sustainability Reporting	xxii
10. Report of the Directors	xxiv
11. Statement of Directors' Responsibilities	xxvi
12. Report of the Independent Auditors on the financial statements for June 2025	xxviii
13. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 th June 2025 1	
14. Statement of Financial Position as at 30 June 2025	2
15. Statement of Changes in Equity for the year ended 30 June, 2025	4
16. Statement of Cash Flows for the year ended 30 June 2025	6
17. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2025	8
18. Notes to the Financial Statements	8
19. Appendices	66

1. Acronyms and Glossary of Terms

<i>IFRS</i>	<i>International Financial Reporting Standards</i>
<i>MD</i>	<i>Managing Director</i>
<i>NT</i>	<i>National Treasury</i>
<i>PFM</i>	<i>Public Finance Management.</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>SSUCL</i>	<i>Simlaw Seeds Company Uganda Ltd</i>
<i>PS</i>	<i>Principal Secretary</i>
<i>ADC</i>	<i>Agricultural Development Corporation</i>
<i>KSC</i>	<i>Kenya Seed Company</i>
<i>NAADS</i>	<i>National Agricultural Advisory</i>
<i>ACDP</i>	<i>Agriculture Cluster Development</i>

2. Key Entity Information

a) Background information

Simlaw Seeds Company Uganda (SSCU) Limited was incorporated in Uganda under Section 16(1) of the Company's Act of Uganda on December 2002 as Mt. Elgon Seed Company Limited, a wholly owned subsidiary of Kenya Seed Company. In the year 2010, a new company, SSCUL was incorporated and the Company has been trading as Simlaw Seeds to-date. At Cabinet level, the company is represented by the Cabinet Secretary for Agriculture, Animal Industry and Fisheries, who is responsible for the general policy and strategic direction of the company. The company is domiciled in Uganda and has branches in Kampala, Masindi, Mbarara, Mbale, Kachorwa and Bukwo.

b) Principal Activities

The principal activity of the Company is to trade in maize seeds and other seeds including vegetable seeds, pasture seeds, legumes and indigenous vegetables. In addition, the Company trades its other agricultural inputs such as chemicals, fertilizer, and farm tools and equipment. SSCUL's headquarters are in Kampala and has a distribution network comprising of branches, and agents and stockist retail outlets in various locations.

c) Directors

The Directors who served the company during the year/period were as follows:

- | | | | |
|----|----------------------|-------------------|------------------------------|
| 1. | Job K. Ndemo | - Chairman | - Appointed on 13 July 2023 |
| 2. | Mr. Sammy Kiplagat | - Chief Executive | - Appointed on 25 March 2024 |
| 3. | MS Edna Atisa | | - Appointed on 13 July 2023 |
| 4. | Symon Cherogony | | -Appointed on 13 July 2023 |
| 5. | CS. Wilkister Simiyu | | - Appointed 01 May 2024 |

d) Corporate Secretary

Ms. Wilkister Simiyu, CPS (K)

P.O. Box 553 – 30200
Kitale, Kenya.

e) Registered Office

Plot No. Plot No 73, Namanve Industrial Park,
P.O. Box 115600,
Kampala, Uganda.

Key Company Information (continued)

f) Corporate Headquarters

Plot No. Plot No 73, Namanve Industrial Park,
P.O. Box 115600,
Kampala, Uganda.

g) Corporate Contacts

Telephone: (256) 200 979 898
E-mail: Simlaw@simlawseeds.ug
Website: www.simlawseeds.ug

h) Corporate Bankers

1. KCB Bank Uganda Limited
Commercial Plaza, Plot 7, Kampala Road,
P.O. Box 7399 Kampala Uganda
2. Centenary Rural Development Bank
Mapeera Branch, Plot 44-46, Kampala Road
P.O. Box 1892, Kampala Uganda ...

i) Independent Auditors

Auditor-General
The Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

j) Principal Legal Advisers

Tropical Law Advocates
1 Pilkington Road,
Workers House,
6th Floor, Southern Wing,
P.O.Box 6524
Kampala, Uganda
+256,772,989,737
www.tropicaladvocates.com

3. The Board of Directors

Director Job.K. Ndemo

Joined the Board of Kenya seed on 13 July, 2023. He has a diploma in Agriculture from Egerton University and brings on board a wealth of experience in the Technical area of Seed production.

He worked at the Company from 1986-1996 as a field officer in charge of Sunflower and Maize Production. He was promoted to the position of Country Sales representative for Uganda, Rwanda and Burundi from 1996 to 2000. He was then promoted to the position of General Manager of Mt. Elgon Seeds Company Uganda (Now Simlaw Seeds Uganda) in 2000 where he served until 2005



Mr. Chepsiror Kiplagat Sammy

Mr. Chepsiror Kiplagat Sammy was born on 12th December, 1966 and is the Head of Sales and Marketing. Mr. Chepsiror has over 25 years' experience in strategic Marketing, Sales, Operations, Banking and Customer Service management. He holds MBA in Strategic Management, Master of Management and Leadership, Bachelor of Commerce (Marketing), Diploma in Management & Development. He is a member of Marketing Society of Kenya (MSK) and Public Relations Society of Kenya (PRSK). He joined the Company in 2006 as Sales and Marketing Manager in Simlaw Seeds Company. He previously worked in banking sector. He is a National Council member of Agricultural Society of Kenya. Mr. Sammy Chepsiror was appointed Acting Managing Director effective 19th May 2023, confirmed to the position of Managing Director 25th March 2024.



MS Edna Atisa, Alternate Member, The National Treasury



Ms. Edna Atisa was appointed to the Board of Kenya Seed on 05.05.2021 as an alternate member representing the Cabinet Secretary for the National Treasury. Ms. Atisa holds a Master's Degree in Economics, Bachelor of Arts in Economics and Postgraduate Diploma in Education

all from the University of Nairobi. She is an Economist with vast experience in the public sector specializing in economic policy formulation and implementation and is a member of the Economics Society of Kenya. She is currently a Deputy Director at the National Treasury.



Mr. Symon Kipchumba Cherogony

Mr. Symon Cherogony was born in 1954. He holds a Bachelor of Science Degree in Engineering from Texas A & M University, USA and a diploma in Agricultural Engineering from Egerton University. Mr. Cherogony joined Kenya Farmers Association (KFA) in 1988 as a Sales Manager- Machinery where he rose through the ranks in various positions in the organization. In 1994, Mr. Cherogony was promoted to the position of General Manager-Machinery, a position he served until 1999. In 1999, Mr. Cherogony was promoted to the position of the overall General Manager of the KFA business, a position he occupied until 2007 when he was promoted to the position of the Managing Director of KFA which he has held to date. Mr. Cherogony has represented KFA in the Board of Kenya Seed Company from 2009 to date. Mr. Cherogony is a seasoned professional who has attended various professional development programs both locally in Kenya and abroad.

CS. Wilkister Simiyu

CS. Wilkister Simiyu was born on 16th June, 1981 and is the Company Secretary and Head of Legal Services. She has 15 years' work experience both as a practicing advocate and an in-house counsel having worked as a practicing advocate at Kitiwa & Co. and Nyaundi Tuiyot & Co. and an in-house counsel at Moi University and its affiliates. She has an LLM specializing in Commercial and Corporate Law and a Post Graduate Diploma in Law and Development both from University of London She holds LLB degree (Hons) from Moi University and postgraduate diploma in Law (KSL). She is a Certified Public Secretary (CPSK), Certified Governance and Legal Auditor and currently pursuing a Masters of Law



4. Key Management Team

The Company has a diverse and dedicated management team that assists the Managing Director in his role of achieving the company's strategic objectives. The Leadership team of Simlaw Seeds Company (U) Ltd and their roles which reports directly to the Managing Director as at 30th June 2019 is as set out below:

Mr. Chepsiror Kiplagat Sammy

Mr. Chepsiror Kiplagat Sammy was born on 12th December, 1966 and is the Head of Sales and Marketing. Mr. Chepsiror has over 25 years' experience in strategic Marketing, Sales, Operations, Banking and Customer Service management. He holds MBA in Strategic Management, Master of Management and Leadership, Bachelor of Commerce (Marketing), Diploma in Management & Development. He is a member of Marketing Society of Kenya (MSK) and Public Relations Society of Kenya (PRSK). He joined the Company in 2006 as Sales and Marketing Manager in Simlaw Seeds Company. He previously worked in banking sector. He is a National Council member of Agricultural Society of Kenya. Mr. Sammy Chepsiror was appointed Acting Managing Director effective 19th May 2023, confirmed to the position of Managing Director 25th March 2024.



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Mrs. Sylvia Nanteza Kyeyune was born in 1976 and is the General Manager of Simlaw Seeds Company Uganda Ltd, in Uganda, a subsidiary of Kenya Seed Company. She is responsible for coordinating all the activities of the Subsidiary to ensure its smooth operation. Mrs. Kyeyune holds a Master of Science degree in Crop Science and a Bachelor of Science degree in Agriculture from Makerere University, Kampala, Uganda. She has over 17 years leadership and managerial experience in the seed sector and is immediate former Chairperson, Uganda Seed Trade

Association. She joined the company in August 2003 and exited on 24 December 2024



Mr. Cornelius Chemitei was born in 1978 and was appointed the Financial Controller of Simlaw Seeds Company Uganda Ltd from 10th March 2020, in Uganda, a subsidiary of Kenya Seed Company. He is a Certified Public Accountant of Kenya and Oracle Certified Professional. He has over 22 years of managerial experience having worked with Kenya Seed Company Ltd in Kitale and Simlaw Seeds Company Ltd Nairobi in both the ICT and Finance Departments.

Chairman's Statement



Dear Shareholders,

It is with great pleasure that I present the annual report and financial statements of Simlaw Seeds Company Uganda for the year ended 30th June 2025.

Business Environment Overview

The year 2025 presented a complex operating landscape for Simlaw Seeds. Global economic growth remained subdued, with projections indicating a decline from 3.2% in 2024 to 2.3% in 2025, as reported by global economic outlooks. Persistent challenges included elevated inflation, the ongoing repercussions of Russia's invasion of Ukraine, and tightened financial conditions, all of which impacted agricultural input costs and market dynamics. In East Africa, the African Development Bank's 2024 Regional Economic Outlook highlighted challenges such as weakened currencies, erratic weather patterns, and reduced agricultural output due to floods and droughts. However, a projected regional growth rate of 4.8% in 2025 positions East Africa as a leader in continental growth, offering opportunities for recovery.

In Uganda, the agricultural sector, which contributes approximately 24.1% to GDP and 33% to export earnings, faced a tough environment. Erratic rainfall patterns, particularly during the March-May season. The seed subsector saw slower adoption of certified seeds, exacerbated by drought conditions that constrained agricultural output. Nevertheless, these challenges are expected to drive demand for certified seeds in the coming year as farmers seek to intensify food production.

Financial Review

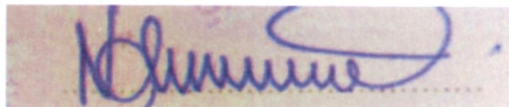
Despite these challenges, Simlaw Seeds delivered a commendable financial performance in 2025. The company recorded a profit of UGX 12.7 billion, a significant improvement from KES 12.0 billion in 2024. This growth was driven by a 6% increase in sales of seeds (UGX 775 million), reflecting robust demand for our products. Operating expenses rose by 10% (KES 345 million), primarily due to higher input costs and inflationary pressures. However, this was offset by a notable increase in gross profit bolstered by improved margins from locally produced maize varieties whose prices to growers are economical compared to imported varieties.

Future Outlook

Looking ahead, Simlaw Seeds is well-positioned for sustained growth. The Board is implementing strategic initiatives to expand our market presence and strengthen financial resilience. Key priorities include enhancing local production to reduce stock-outs, improving cost efficiencies, and expanding into regional markets such as the Democratic Republic of Congo and South Sudan. Additionally, we are diversifying our product portfolio through trials of innovative offerings such as Bracharia and Rhodes pasture seeds. These efforts aim to meet evolving customer needs and capture new market opportunities. The Board remains committed to regularly reviewing and refining our strategies to ensure long-term profitability and growth.

Appreciation

On behalf of the Board, I extend my heartfelt gratitude to our shareholders, business partners, valued customers, farmers, and the dedicated management team for their unwavering support. Your trust and commitment to Simlaw Seeds Uganda continues to drive our success as we navigate challenges and seize opportunities in the agricultural sector.



Job K. Ndemo

5. Report of the General Manager



Simlaw Seeds Annual Report 2024/2025

The Financial Year 2024/2025 the agricultural sector in Uganda demonstrated resilience amid global economic uncertainties, climate variability, and domestic policy shifts. It contributed significantly to the overall GDP growth of 6.3%, underscoring its pivotal role in driving national economic expansion. While the global economy faced challenges from earlier disruptions, the agricultural sector remained a cornerstone for sustaining food security and economic stability. Simlaw Seeds Uganda capitalized on this opportunity, strategically positioning itself to ensure a consistent supply of high-quality seeds to bolster food security and enhance household incomes across farming communities. These efforts ensured accessibility and supported agricultural productivity during a transformative period.

Financial Performance

For the Financial Year 2024/2025, Simlaw Seeds achieved a sales turnover of Ugx 12.7 billion, marking a 6% increase from the Ugx 12 billion recorded in 2023/2024. This growth contributed to a profit of Ugx 350 million, a significant improvement from the Ugx 30 million profit in the previous year. These results reflect our commitment to operational excellence and strategic market positioning.

Future Outlook

Looking ahead, Simlaw Seeds is dedicated to enhancing performance through continued product development, leveraging digital solutions, and optimizing distribution channels. These initiatives will ensure the supply of sufficient quantities of high-quality seeds to meet the needs of farming communities.

Acknowledgements

On behalf of the Simlaw Seeds team, I extend heartfelt gratitude to our customers, suppliers, and stakeholders for their unwavering support. Special thanks go to our Board of Directors, whose guidance has been instrumental in our achievements.

A handwritten signature in blue ink, appearing to read 'Sylvia Kyeyune'.

Sylvia Kyeyune
General Manager

6. Statement of Performance against Predetermined Objectives for FY 2024/2025

The company has 7 strategic issues and objectives within the current Strategic Plan for the 2023-FY 2028. These strategic pillars/ themes/ issues are as follows:

Strategic Issues	Objective	Strategies
Seed Availability	To supply quality seeds in adequate quantities throughout the plan	Increased Seed Imports to meet market demand, Increased local production of Indigenous, Beans Maize OPV, Maize Hybrid
Marketing	Grow sales revenues from US\$ 13 Billion to US\$ 31 Billion by FY 2027/28	Increase Sales Volumes, enhance Marketing activities, Get into New Markets.
Financial Stability & Profit Making	Increase pre-tax profit by 20% annually	Cash flow management to reduce debts, Reduce operational costs through efficient process automation, Prudent Financial Management, bulk forward contracting and competitive procurement to reduce costs.
Efficient & Leaning Organisation	Enhancing the use of technology and promoting innovation in operations for increased efficiency	Enhance existing modes of communication, Embrace emerging modes to carry out e-commerce ,automate branches, support innovative initiatives by motivating staff
Satisfied & Committed Workforce	Attract, develop and promoting innovation in operations for increased efficiency.	Implementing performance management, Review of organization structure, Review and implement Human resource policy, Training and Development of staff build capacities and competencies, enhance motivation

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

Strategic Issues	Objective	Strategies
Optimal Resource Utilization	Develop and implement Risk and Governance frameworks	Develop Risk Policy, Implement risk management framework, Develop and implement governance structure, Train staff on new governance structure
Improved Working Conditions	Strengthen strategic partnerships and engagement with stakeholders	Carry out stakeholder mapping and new strategic management, Develop company service charter, Platform and mechanism for customer feedback, Develop and implement social responsibility policy

The company develops its annual work plans based on the above 7 Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The company achieved some of its performance targets set for the FY 2024/2025 period for its 7 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Seed Availability	To supply quality seeds in adequate quantities throughout the plan	List of new Products Sales Achieved List of Suppliers contracted	Release of new varieties, Target Sales Setting, Recruitment of Seed growers and suppliers	Partial
Marketing	Grow sales revenues from	Market Survey Reports		

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

	UShs 13 Billion to UShs 31 Billion by FY 2023/24	Market Strategy Plan, CSR Policy		
Financial Stability & Profit Making	Increase pre-tax profit by 20% annually			
Efficient & Leaning Organisation	Enhancing the use of technology and promoting innovation in operations for increased efficiency			
Satisfied & Committed Workforce	Attract, develop and promoting innovation in operations for increased efficiency.			
Optimal Resource Utilization				
Improved Working Conditions				

7. Corporate Governance Statement

Corporate governance is the manner in which the power of, and the power over a company is exercised in the stewardship of its assets and resources so as to enhance and sustain shareholders value while at the same time satisfying the needs and interests of all its stakeholders.

The board is committed to the principle that the company and its subsidiary companies should operate with integrity and ethics and maintain a high standard of corporate governance in the interest of shareholders and all other stakeholders. The Board believes that the company has complied with the highest standards of Corporate Governance Practices the spirit and practice of corporate governance in Simlaw Seeds Company is about commitment to values and ethical business practices. This implies timely compliances and correct disclosures of financial information on performance, ownership and governance of the company.

The key elements of corporate governance are transparency, disclosure, accountability, supervision and internal controls, risk management, internal and external communication and high standards of safety, health environment, accounting, and product and service quality.

The board has empowered responsible persons to implement its board policies and guidelines and has set up adequate review Process. The Company is committed to optimizing long term value for its stake holders with strong emphasis on the transparency on its operations and instilling pride of association. The company follows best practice of corporate governance and reporting systems

Board of Directors

The composition of the Board is compliant with good corporate governance practices. The role of the Chairman and the Managing Director are segregated. The Managing Director is in charge of the day to day running of the business of the Company. A non-executive director acts as Chairman of the Board.

The directors are given appropriate and timely information to enable them to maintain full and effective control over all strategic, financial, operational and compliance issues.

The current Board of Simlaw Seeds Company is composed of one executive director and ten non-executive directors including the Chairman.

The directors are committed members with diverse and complementary skills and expertise in the fields of strategy, management, production, finance, marketing and human resource development.

The board provides leadership, strategic guidance, objective and independent view of the company's management while discharging its fiduciary responsibilities thereby ensuring the management adheres to high standards of ethics, transparency and disclosure.

The composition of board, date of appointment and position held as on 30th June 2025

The Board Composition is highlighted on Page ii of this booklet.

Board Meetings

The Board meets at least once quarterly or more often in accordance with exigencies of the business. The Board work plan and calendar of meetings is prepared in advance. Adequate notice is given for each board meeting, the agenda and papers are circulated in good time. The Board held 2 meetings

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

in the financial year ending 30th June 2025 during their meetings the Board reviews the Companies performance against the planned strategies and also approves issues of strategic nature. The attendance at the Board meetings during the financial year 2023/24 is as follows:

Member	Meetings Held	Meetings Attended	% attendance
Mr. Sammy Chepsiror	2	2	100
MS Edna Atisa	2	2	100
Mr. Symon Cherogony	2	2	100
Mr. Job K. Ndemo	2	2	100
	2	2	100

Governance Principals

Corporate governance is the system of clearly defined authorities and responsibilities, which results in the establishment, operation and maintenance of a system of internal control that is regularly tested to ensure effectiveness. The system enables the Board of Directors to ensure that the managers are acting in the interests of the shareholders and other key stakeholders.

At Simlaw Seeds Company Limited, we place a great deal of importance on robust corporate governance practices and are committed to applying the highest standards of business integrity and professionalism in all our activities. The Company achieves this by using a risk based approach to establish a system of internal control and by reviewing the effectiveness of the system of internal control on a regular basis.

The Simlaw Seeds Company Limited has formulated and applies sound internal corporate governance guidelines, which address the responsibilities of management, the Board and its composition, selection procedures for new directors and relationships with stakeholders.

1. Board of Simlaw Seeds Uganda Limited

This Board oversees the strategies of Simlaw Seeds Uganda Limited.

The attendance of the Simlaw Seeds Uganda Limited Board meetings during the financial year 2024/2025 is as under:

Member	Number of Meetings	Attendance	% of attendance
Mr. Sammy Chepsiror	2	2	100
MS Edna Atisa	2	2	100
Mr. Symon Cherogony	2	2	100
Mr. Job K. Ndemo	2	2	100

Directors' Remuneration

During every Board meeting, Directors are entitled to a sitting allowance, lunch allowance (in lieu of lunch being provided), accommodation allowance and mileage reimbursement where applicable within government set limits for state corporations. The Chairman receives a monthly honorarium. Directors' fees are paid annually upon approval by shareholders during the Annual General Meeting in accordance with Government's guidelines for all SSCU is considered a private company.

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

Below is a summary of entitlement per Board Member:

Type of payment	Chairman	Member
Sitting allowance (per sitting) (BOU Exchange Rate 27.77)	Ugx 555,400	Ugx 555,400

Code of Conduct

The Company has a code of conduct which seeks to guide employees in ethical conduct of business. All directors, management and employees are expected to observe high standards of integrity and ethical conduct when dealing with customers, staff, suppliers and regulators.

Internal Control

The effectiveness of the internal control is monitored on a regular basis by the Internal Audit function. The Internal Audit function reviews the Company's compliance with the laid down policies and procedures as well as assessing the effectiveness of the internal control structures. The Internal Audit function focuses their attention to areas where the Company could be exposed to greatest risks. The Internal Audit function reports to the Audit Committee of the Board. The Company has established operational procedures and controls to facilitate proper safeguard of assets and accurate financial reporting.

Conflicts of Interest

All directors and management are under duty to avoid conflicts of interest. The directors are required to disclose their business interests that would conflict with the company business.

Going Concern

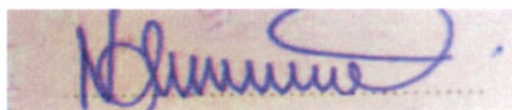
The directors confirm that the Company has adequate resources to continue in business for the foreseeable future and therefore to continue to use the going concern basis when preparing the financial statements.

Independence

All the non-executive directors on the Board are independent of management and free from any business or other relationships, which could materially interfere with the exercise of their independent judgment.

Activities and Achievements

The Board meets regularly and has a formal schedule of matters reserved to it. All directors have access to the Company Secretary and Legal Counsel. Currently, the Board comprises four non-executive directors and a Managing Director.



.....
Job K. Ndemo
Chairman, Board of Directors

Date: 30.09.2025

8. Management Discussion and Analysis

Section A: The company's operational and financial performance

Background

Simlaw Seeds Company Uganda Limited vision is to be a preferred supplier of top quality seed in Uganda and beyond.

A1: Revenues

Revenues increased by 9% from Ugx 12.6 billion to Ugx 11.5 Billion as highlighted in the table below

Product Category	June-2025	Jun-24	Jun-23	Jun-22	Jun-21
	Ugx'000	Ugx'000	Ugx'000	Ugx'000	Ugx'000
Maize	1,480,646	1,973,955	1,641,449	2,192,109	2,551,885
Pasture	471,679	422,815	235,886	159,578	143,065
Cabbage	6,274,910	5,074,697	4,962,713	4,146,471	3,602,835
Tomato	2,707,606	2,657,543	2,911,319	3,089,444	2,071,930
Collard	276,880	346,303	223,321	151,113	162,715
Onion	394,083	423,812	349,514	543,837	679,777
Carrot	42,771	44,774	55,652	49,771	75,720
Spinach	34,818	35,003	28,715	25,292	10,401
Indigenous	137,340	128,582	132,401	106,218	715,320
Other Vegetables	714,780	744,188	847,658	825,257	1,071,501
Chemicals & Fertilizer	239,316	185,925	149,268	67,753	18,120
Total Sales	12,774,829	12,037,597	11,537,896	11,356,842	11,103,269

The company recorded sales decrease in Seed Maize 25%, while Vegetable Seed increased by 12%, Chemicals & Fertilizer 29% and an increase of 12% in Pasture.

Seed maize contributed 12% of annual sales revenue while other seeds and agricultural Inputs contributed 88% of the Company Revenues. Vegetable Sales contributed 83% of the company revenue.

The company commenced local maize production to stabilize the supply of Hybrid Seed maize and also tap into the local varieties market and indigenous vegetables.

A2: Profit before Tax

The Profit before Tax for the company is highlighted in the following Table below

	2025	2024
	Ugx'000	Ugx'000
Profit Before Tax	29,749	322,694

The Profits decreased from Ugx 322 million profit recorded last year to Ugx 30 Million in the year.

A3: Cash and Cash Equivalents

The company cash and bank balance stood at a net of Ugx 1.4 Billion compared to Ugx 2.1 Billion at the beginning of the year. The decrease is attributed to settlement of trade dues and related party debts.

The company at the close of the year had long term loan payable to Kenya Seeds Company amounting to Ug

Section B: Company's compliance with statutory requirements

The Company has complied and enforced the various constitutional and statutory obligations such as follows:

- (a) National Social Security Fund (NSSF)
- (b) Pay As You Earn (PAYE)
- (c) Gender Mainstreaming among others

The Company ensured that it obtains the certificates of compliance from URA and NSSF.

The company also remitted funds owed by staff and deducted from the staff's payslips as per staff's instruction in accordance with company policy.

Section C: Key projects and investment decisions the company is planning/implementing

The company in the year completed the construction of its Warehouse in Masindi to facilitate production and processing of locally produced seeds. The seeds are produced through contracted growers in Masindi, Gulu and Nwoya Districts.

At the operational level, the company pursuing various projects under the Government of Uganda's National Development Agenda to improve the livelihood of its citizens through initiatives such as National Agricultural Advisory Services (NAADS) and Agricultural Cluster Development Project (ACDP).

Seed Quality Improvement

The company will improve Cabbage GloriaF1 and collaborate with National Agriculture Research Institute to select high quality parental line for Indigenous Vegetables. The two varieties targeted for improvement will be as follows;

No.	Variety	Defect(s)	Activity
1	Gloria F1	Black rot	Conduct more intensive trial for an improved black rot tolerant variety.
2	Indigenous Vegetables	Parental Material	To get more superior lines of basic seed

Major risks facing the company

The company's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables and amounts due from related parties. These instruments arise directly from its operations. The company does not enter into derivative transactions. The company has exposure to the following risks from its use of financial instruments and from its operations

	Risk Category	Description	Risk Treatment measures (Mitigations)
1	Political	The risk of losses occurring as a result of political events either destruction of our properties or boycott of our products	(i) Ensuring adherence to the strategic plan of the Company. (ii) Ensuring good co-existence with the stakeholders (iii) Using risk management instruments and remaining neutral in the political scene (iv) Fairness and Diversity in our employment policies
2	Credit Risk	The risk that counterparties will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Where customers default on their payment commitment to us, the financial condition, results of operations and cash flows could be materially and adversely affected.	-Rigorous vetting of customers before extending credit. -Regular review of receivables to ensure adherence to payment terms -Enter into factoring arrangements on Government debt especially with those in financial crisis
3	Business interruption/ Continuity	Business interruptions stemming from network failure, incapacitation of staff, the unavailability of raw materials, information technologies, skilled labor, facilities or other resources, that may threaten the Company's capacity to continue operations over a period of time.	(i) Continuous improvement and maintenance of the network infrastructure. (ii) Full implementation of the Business Continuity Policy.

SIMLAW SEEDS COMPANY (U) LIMITED**Annual Report and Financial Statements For The Year Ended June 30, 2025**

4	Competition	Competitors may price their products below our prices and this will have an effect on the demand our products and reduced sales volumes especially in those markets that are price sensitive	Continuous investment in research and development to produce seed products that outcompetes the competition and strengthen the distribution network.
5	Adverse Weather & Climate Change	This may affect the availability, quality and price of agricultural commodities as well as demand of our products	Breeding early maturing seed varieties especially for those markets with shorter wet seasons
6	Inventory Holding Risk	The Company's inventory risk relates to seed stocks where the stocks are prone to damage/degradation during the stockholding period resulting in Write/ offs stocks resulting in reduced profits	Thorough review of the sales projections to determine appropriate levels of importation and production to avoid over stocking.

Section E: Material arrears in statutory/financial obligations

The company does not have any known material arrears in statutory/financial obligations as at the reporting date

Section F: The company's financial probity and serious governance issues

There is no reported case of financial impropriety and governance issues reported to any government agency. The External and Internal audit queries raised have been adequately responded to by management.

9. Environmental and Sustainability Reporting

The main mission of the company is to avail top quality certified seeds, through modern research and Technology, to our customers at the right time and at affordable prices. The company's strategy on sustainability is to ensure that there is sufficient quantity of seeds against a backdrop of changing climatic behaviour. The company ensures that there is enough seeds to cover at least two seasons each six months to prevent shortages caused by challenges in production and disruption of international supply chains.

i) Sustainability strategy and profile

Simlaw seeds will continue to pursue partnerships with suppliers of high quality seeds that are early maturing drought resistant to ensure the use of available water resources is sustainable.

ii) Environmental performance

The company guided by its strategic plan 2023-2028 has identify several strategies that would ensure that such as sufficient seed availability, processing capacity, sufficient cash flows, market visibility and processing capacity. The achievement of this objectives are slowed limited availability of financial resources which the management is looking at alternatives for financing.

iii) Employee welfare

The company intends to attract and retain a highly skilled workforce and it has developed Human Resource instruments which has been approved. Through market survey the management has developed competitive salary scales. Through the establishment and staffing of human resource department the company is carrying out staff training program

iv) Market place practices-

a) Responsible competition practice.

The company operates in a competitive and environment with many players and less regulated seed business in Uganda. The other serious competitor is farm saved seeds which farmers resort to when prices of certified seeds are unfairly priced. The

company therefore sets a priced based on cost of a purchasing plus a constant mark-up.

b) Responsible supply chain and supplier relations

The company has agreements with suppliers of seeds internationally and local growers across Uganda. This agreements form the foundation as the number of days after receipt of goods the said supplier would be paid. At the moment some suppliers insist on upfront payments, cash on delivery while others give up to 90 days credit. The management has ensured that the relationship with all its suppliers is decent.

c) Responsible marketing and advertisement

The nature of seed business is that farming is a practical exercise and therefore the company clients do find out the quality of products on their on. This therefore means that giving the farmers false information would only cause the company to loose reputation. The company promotes its products through farmers field days agricultural shows where the crops are established in a demonstration plot and the farmers get to practically interact with crops and receive information from our technical staff in local languages.

d) Product stewardship

The company provides top quality seeds to farmers that ensures that there is food security in the country and also nourishment. The high yields ensures that the farmer increases there financial gain and the ultimate consumer gets healthy food items. This products are sourced from suppliers who provide natural open pollinated and Hybrids that have not been modified.

v) Corporate Social Responsibility / Community Engagements

Simlaw Seeds Company Uganda is a people driven company. Our business makes a positive contribution to the society by helping agriculture tackle food security in Uganda and beyond. Its values are embodied and build in the understanding that the customers and the community are the reasons why we are in business.

We exist because of the community. We are therefore a citizen driven Company and the welfare of the society is our concern. Since the community is the reason why we exist in the business environment, giving back to the very community is good business governance. We

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

as an organization not only take pride when we excel in business but also while contributing to the local community and investing in the community as a whole. Our commitment is also centered on serving humanity where our business has mutual interest.

We will conduct every aspect of our business with honesty, integrity, openness and respecting human rights and the interest of our employees, customers and the stakeholders. Uganda has a fairly well-distributed rainfall and moderate climate that is capable of producing a wide range of crops. However, majority of the farmers growing crops mainly selling in trading centres and markets earn less or no profit.

Most farmers exercise traditional agronomic practices which lead to low yield over the same period of time. Farmers with advanced technologies produce higher yields by adoption of mechanized tillage, certified seeds, application of chemicals and fertilizer.

During the year under review, the company conducted various trainings at community level to raise awareness on modern agronomical processes to help farmers to harvest more per acre and therefor making profit. This will in turn improve their livelihood and increase food security in Uganda and beyond.

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the company's affairs.

i) Principal activities

The principal activities of the company are to carry out the business of importing, production and distribution of seeds.

Results

The results of the company for the year ended June 30, 2024 are set out on page 1 to 63. Below is summary of the profit or loss made during the year.

	2025	2024
	Ugx'000	Ugx'000
Profit before tax	29,749	322,808
Taxation charge	-	(96,808)
Profit for the year	29,749	225,886

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

ii) Results

The results of the company for the year ended June 30, 2025, are set out on page 1 below is summary of the profit or loss made during the year.

iii) Dividends

Subject to the approval of the shareholders, the Directors do not recommend the payment of dividend in respect of the year ended 30th June 2025 (30 June 2024: nil).

iv) Directors

The members of the Board of Directors who served during the year are shown on page V.

v) Auditors

The Auditor-General is responsible for the statutory audit of the company in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 year ended June 30, 2025, in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....

Name Wilkister Simiyu

Secretary to the Board

Date 30 September 2025

11. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act)) require the Directors to prepare financial statements in respect of that company, which give a true and fair view of the state of affairs of the company at the end of the financial year and the operating results of the company for that year. The Directors are also required to ensure that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.

The Directors are responsible for the preparation and presentation of the company's financial statements, which give a true and fair view of the state of affairs of the company for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the company, (v) selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act).

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements For The Year Ended June 30, 2025

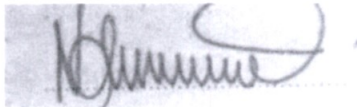
Statement of Directors' Responsibilities (Continued)

The Directors are of the opinion that the company's financial statements give a true and fair view of the state of company's transactions during the financial year ended June 30, 2025, and of the company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the company, which have been relied upon in the preparation of the company's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the company's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The company's financial statements were approved by the Board on 30 November 2025 and signed on its behalf by:



.....

Name

Job Ndemo



.....

Name

General Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SIMLAW SEEDS COMPANY (UGANDA) LIMITED FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Simlaw Seeds Company (Uganda) Limited set out on pages 1 to 66, which comprise of the statement of financial

position at 30 June, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Simlaw Seeds Company (Uganda) Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with, the Companies Act (Uganda), 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Ugx.2,234,883,000 (Kshs.77,552,442) as disclosed in Note 19 to the financial statements. Included in this balance is computers and related equipment balance of Ugx.14,511,000 (Kshs.521,646). However, the general ledger reflected a balance of Ugx.40,462,000 (Kshs.1,454,542) resulting in an unreconciled variance of Ugx.25,951,000 (Kshs.932,894). Further, included in the balance is a nil balance on office equipment, furniture and fittings while the supporting general ledger indicated a balance of Ugx.28,207,000 (Kshs.1,013,995) resulting in an unreconciled variance of Ugx.28,207,000 (Kshs.1,013,995).

In addition, the balance includes fully depreciated assets with Nil carrying value but disclosed at their historical cost of Ugx.676,055,000 (Kshs.24,303,052). These assets are in use and the Company continues to derive economic benefits from them. No explanation was provided for not revaluing the assets.

In the circumstances, the accuracy, existence and valuation of the property, plant and equipment balance of Ugx.2,234,883,000 (Kshs.77,552,442) could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Simlaw Seeds Company (Uganda) Limited Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total income budget and actual on comparable basis of Ugx.4,161,320,000 (Kshs.145,784,112) and

Ugx.3,564,342,000 (Kshs.120,643,574) respectively resulting in under performance of Ugx.596,978,000 (Kshs.19,544,597) or 14% of the budget. Further, the Company spent Ugx.3,534,593,000 (Kshs.112,051,363) against a final budget of Ugx.2,979,086,000 (Kshs.91,539,128) resulting in an over expenditure of Ugx.555,507,000 (Kshs.16,560,350) or 119% of the budget.

In the circumstances, the shortfall in total income may have negatively affected the operations of the Company reducing its expected profit and earnings to the shareholders.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Entity Information and Management, the Board of directors, Report of the General Manager, Statement of Performance against Pre-Determined Objectives, the Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, report of directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Company's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of a Procurement Function

Review of procurement documents and processes revealed that the Company did not have a dedicated procurement function ran by procurement professionals. This was contrary to Section 47(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that a procurement function shall be handled by procurement professionals whose qualifications are recognized in Kenya.

In the circumstances, Management was in breach of the law.

2. Irregular Medical Bill Reimbursements

Review of expenditure records revealed that medical cash reimbursements totalling Ugx.122,073,731 (Kshs.3,533,821) were processed for staff during the year under review. However, these payments were made without reference to an approved medical insurance scheme, as required by Section 5.2.1 of the Company's Human Resource Policy & Procedures Manual, 2022 and Section D.4(1) and (2) of the Public Service Commission Human Resource Policies and Procedures Manual, 2016.

In the circumstances, Management was in breach of the Human Resource Policies and Procedures Manual.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Controls in Revenue Collection System

Review of revenue system revealed the following weaknesses that undermined the integrity, accuracy, and reliability of the revenue management processes:

- i. The Point of Sale (POS) used across the seven branches were not integrated with the Sage Enterprise Resource Planning (ERP) system, resulting in manual data transfers which exposed the revenue process to risks of data manipulation, omissions and delayed financial reporting.
- ii. The Company lacked an automated revenue collection system integrated with the ERP and banking platforms, limiting the ability to track and reconcile revenue in real time and prevented automated reconciliations with bank and mobile money receipts.
- iii. The Point of Sale (POS) systems lacked linkages between the customer invoicing/receipting, customer data and inventory management modules, impairing tracking of invoices/receipts against dispatched seed stock.
- iv. Instances of manual receipting outside the POS system were noted, creating loopholes for potential revenue leakages.
- v. Lacked of an approved finance manual to guide on receipting, banking, and other related financial procedures.

In the circumstances, the Company is exposed to significant risk of undetected misstatements and potential financial loss.

2. Lack of Effective Internal Audit Function and Internal Audit Committee

The Company did not have a dedicated internal audit function or an audit committee and relied on the parent company's internal audit function and audit committee for oversight. This was in contravention of Regulation 160(c) of the Public Finance Management (National Government) Regulations, 2015, which requires the internal audit to review the effectiveness of the financial and non-financial performance management systems of the entities.

In the circumstances, the effectiveness of internal controls and effectiveness of oversight and overall governance of the Company could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the Companies Act of Uganda, I report, based on my audit, that:

- i. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on page xiv is consistent with the financial statements; and

- iii. The auditable part of the Directors' remuneration report on pages xvii has been properly prepared in accordance with the Companies Act (Uganda), 2012.

Basis for Conclusion

The Companies Act of Uganda, 2012 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Company's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Directors

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

SIMLAW SEEDS COMPANY (U) LIMITED**Annual Report and Financial Statements for the year ended June 30, 2025****13. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2025**

Description	Note	2025	2024
		Ugx '000'	Ugx '000'
Revenues			
Revenue from Contracts with Customers	6	12,774,829	12,037,597
Cost of sales	7	(9,212,400)	(8,681,000)
Gross profit		3,562,428	3,356,597
Other income			
Grants from the national government	8		
Finance income	9		
Other income	10	1,913	(137,305)
Other gains/(losses)	11		
Total revenues		3,564,342	3,356,597
Operating expenses			
Administration costs	12	1,047,090	2,162,499
Staff Costs	12	1,422,195	1,031,702
Selling and distribution costs	13	851,211	662,156
Other Operating Expenses	14	214,097	71,942
Total operating expenses		3,534,593	322,694
Profit/(loss) before taxation		29,749	322,694
Income tax expense/(credit)	16	-	96,808
Profit/(loss) after taxation		29,749	225,886
Earnings per share – basic and diluted	17	6	64,538
Dividend per share	18		
Other comprehensive income			
Profit/ (loss) after taxation		29,749	225,886
Surplus or deficit on revaluation of PPE			
Re-measurement of net defined benefit liability			
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI			
Total comprehensive income for the year		29,749	225,886

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2025

14. Statement of Financial Position as at 30 June 2025

Description	Note	2025	2024
		Ugx'000'	Ugx'000'
Assets			
Non-Current Assets			
Property, Plant And Equipment	19	2,234,883	2,350,612
Intangible Assets	20	7,400	7,391
Investment Property	21	-	-
Right- Of -Use Assets	22	-	-
Fixed Interest Investments	23	-	-
Quoted Investments	24	-	-
Unquoted Investments	25	-	-
Long Term Receivables	27	-	-
Total Non-Current Assets		2,242,283	2,358,003
Current Assets			
Inventories	26	7,737,786	8,835,816
Trade And Other Receivables	27(a)	4,301,871	313,444
Tax Recoverable	28	454,653	444,404
Short-Term Deposits	29	-	-
Bank And Cash Balances	30	1,406,511	2,153,259
Total Non-Current Assets		13,900,821	11,746,922
Total Assets		16,143,103	14,104,926
Equity And Liabilities			
Capital And Reserves			
Ordinary Share Capital	31	1,599,492	1,599,492
Revaluation Reserve	32	-	-
Fair Value Adjustment Reserve	33	-	-
Retained Earnings	34	(210,355)	(240,104)
Proposed Dividends		-	-
Capital And Reserves		1,389,137	1,359,388
Non-Current Liabilities			
Due to Related Parties	35 (A)	3,404,180	3,404,180

SIMLAW SEEDS COMPANY (U) LIMITED**Annual Report and Financial Statements for the year ended June 30, 2025**

Description	Note	2025	2024
		Ugx'000'	Ugx'000'
Deferred Tax Liability	36	-	-
Lease Liability	37	-	-
Deferred Income	38	-	-
Total Non-Current Liabilities		3,404,180	3,404,180
Current Liabilities			
Due To Related Parties	35 (B)	4,907,799	4,907,798
Retirement Benefit Obligations	40	-	-
Provisions	41	-	-
Trade And Other Payables	39	6,441,987	4,433,558
Tax Payable			-
Total Current Liabilities		11,349,786	9,341,356
Total Equity And Liabilities		16,143,103	14,104,942

The financial statements were approved by the Board on 11 November 2025 and signed on its behalf by:



Name: Sylvia N.
Kyeyune
General Manager



Name: Cornelius K.
Chemitei
Head of Finance
ICPAK M/NO:15161



Name: Job K. Ndemo
Chairman of the Board

SIMLAW SEEDS COMPANY (U) LIMITED

Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Changes in Equity for the year ended 30 June, 2025

Description	Ordinary share capital Ugx '000'	Revaluation reserve Ugx '000'	Fair value adjustment reserve Ugx '000'	Retained earnings Ugx '000'	Proposed dividends Ugx '000'	Capital/Development Grants/Fund Ugx '000'	Total Ugx '000'
As at July 1, 2023	1,599,492	-	-	(562,798)	-	-	1,036,693
New capital issued	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Profit for the year	-	-	-	322,694	-	-	322,694
Capital/development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid – prior year	-	-	-	-	-	-	-
Interim dividends paid – current year	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As of June 30, 2024	1,599,492	-	-	(240,104)	-	-	1,359,388
As at July 1, 2024	1,599,492	-	-	(240,104)	-	-	1,359,388
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-

SIMLAW SEEDS COMPANY (U) LIMITED

Annual Report and Financial Statements for the year ended June 30, 2025

Description	Ordinary share capital Ugx '000'	Revaluation reserve Ugx '000'	Fair value adjustment reserve Ugx '000'	Retained earnings Ugx '000'	Proposed dividends Ugx '000'	Capital/Development Grants/Fund Ugx '000'	Total Ugx '000'
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Profit for the year	-	-	-	29,749	-	-	29,749
Capital/development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid – prior year	-	-	-	-	-	-	-
Interim dividends paid – current year	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
At June 30, 2025	1,599,492	-	-	(210,355)	-	-	1,389,137

SIMLAW SEEDS COMPANY (U) LIMITED

Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Cash Flows for the year ended 30 June 2025

SIMLAW SEEDS COMPANY UGANDA LTD			
STATEMENT OF CASHFLOWS			
AS AT 30TH JUNE 2024			
		June	June
	Note	2024	2024
		Ugx '000'	Ugx '000'
OPERATING ACTIVITIES			
Profit (Loss) before taxation	12	29,749	322,694
		-	-
Adjustment for:			
Finance cost		-	-
Unrealised forex		29,549	(232,620)
Depreciation & Amortisation		121,143	186,675
Amortisation		-	-
		180,441	276,749
Working capital adjustments:			
Decrease(Increase) in inventories		1,098,030	(1,537,161)
Decrease(Increase) in trade and other receivables		(3,988,426)	2,657,164
Increase in amounts due from parties			-
Increase in amounts due to related parties			269,758
(Decrease)Increase in trade and other payables		2,008,428	(1,492,659)
Movement in reserves			-
			-
Net cash flows used in operating activities		701,527	1,065,694
Interest Paid			
Tax paid		10,250	21,638
Net Cash(utilised in)generated by operating activities		691,277	195,489
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(44,370)	(548,497)
Purchase of intangible asset		(11,100)	-
Net cash flows used in investing activities		(55,470)	(548,497)

SIMLAW SEEDS COMPANY (U) LIMITED**Annual Report and Financial Statements for the year ended June 30, 2025**

FINANCING ACTIVITIES			
Issue of share capital	16		
Proceeds from Borrowings	13		
Repayments of borrowings	13		
Interest			
Net cash flows generated from financing activities			
Net increase in cash and cash equivalents		(701,527)	(353,009)
Effect of foreign exchange difference on transfer of Loan to unallotted share capital			
Effect of foreign exchange difference on Loan			
Cash and cash equivalents at 1 July		2,153,259	2,506,268
Cash and cash equivalents at 30 June	15	1,406,511	2,153,259

17. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c = a + b	d	E= c - d	d/c%
Revenue	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
Sale of goods	17,915,092	-	17,915,092	12,774,829	(5,140,263)	71%
Cost of Goods Sold	(13,973,772)	-	(13,973,772)	(9,212,400)		66%
Transfers from the government	-	-	-	-	4,761,372	
Donations in kind	-	-	-	-	-	
Finance income	-	-	-	-	-	
Other income	220,000	-	220,000	1,913	(218,087)	1%
Total income	4,161,320	-	4,161,320	3,564,342	(596,978)	86%
Expenses		-				
Administration costs	1,801,351	-	1,801,351	2,469,285	667,934	137%
Selling and distribution costs	587,788	-	587,788	851,211	263,423	145%
Other Operating Expenses	379,469	-	379,469	214,097	(165,372)	56%
Taxation paid	210,478	-	210,478	0	(210,478)	0%
Total expenditure	2,979,086	-	2,979,086	3,534,593	555,507	119%
Surplus for the period	1,182,234	-	1,182,234	29,749	-1,152,485	3%
Capital Expenditure	2,131,500	-	2,131,500	55,470	(2,076,030)	3%

18. Notes to the Financial Statements

1. General Information

Simlaw Seeds Company Uganda Limited is established is a limited liability company, incorporated in Uganda, under the Uganda Companies Act Section 20 and is domiciled in Uganda. The Company is a wholly owned subsidiary of Kenya Seed Company.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the company's accounting policies. The financial statements have been prepared and presented in Uganda Shillings, which is the functional currency of the company, and all values are rounded off to the nearest Uganda shillings. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Application of New and Revised International Financial Reporting Standards (IFRS)

i. *New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.*

Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts.	Effective for annual periods beginning on or after 1 st January 2024.
IAS 8- Accounting Policies, Errors, and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of ‘accounting estimates’ and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.	The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2024, require entities to disclose their material accounting policy information rather than their significant accounting policies.	The amendments are effective for annual periods beginning on or after January 1, 2024.
Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2024, narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	The amendments are effective for annual periods beginning on or after January 1, 2024.

Notes to the Financial Statements (Continued)

Application of New and Revised International Financial Reporting Standards (IFRS)

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an company to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an company provides about liabilities arising from loan arrangements for which an company's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the company complying with conditions specified in the loan arrangement.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

(The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements).

iii. Early adoption of standards

The Company did not early – adopt any new or amended standards in the financial year or *the company adopted the following standards early (state the standards, reason for early adoption and impact on company's financial statements.)*

Notes to the Financial Statements (Continued)

4. Summary of Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

a) Revenue recognition

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognizes revenue when it transfers control of a product or service to a customer.

- i) Revenue from the sale of goods and services** is recognized in the year in which the *company* delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Grants from National Government** are recognized in the year in which the *company* actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
- iii) Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.
- iv) Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
- v) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) Other income** is recognized as it accrues.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

b) In-kind contributions

In-kind contributions are donations that are made to the *company* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *company* includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use, as guided by National Treasury policy on assets depreciation are:

Freehold Land	Nil
Buildings and civil works	49 years or the unexpired lease period
Plant and machinery	10 years
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	4 years

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) Amortisation and impairment of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

g) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

h) Right of Use Asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

i) Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. These bonds are measured at amortized cost/ at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL)

j) Quoted investments

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value through profit or loss (FVTPL).

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

k) Unquoted investments

Unquoted investments are measured at fair value through profit or loss (FVTPL).

l) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

m) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

n) Taxation

i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Company operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

o) Deferred tax

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

Notes to the Financial Statements (Continued)
Summary of Accounting Policies

Deferred Tax

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various Commercial Banks at the end of the reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the

period in which they arise. Loan interest accruing during the construction of a project is capitalised as part of the cost of the project.

s) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the company or not, less any payments made to the suppliers.

t) Retirement benefit obligations

The company operates a defined contribution scheme for all full-time employees from July 1, 2022. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 10% of Basic Pay per employee per month.

u) Provision for staff leave pay

Employees' entitlements to annual leave are recognised as they accrue at the employees. At provision is made for the estimated liability for annual leave at the reporting date.

v) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the company operates, Uganda Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

w) Budget information

The original budget for FY 2023/2024 was approved by the Board of Directors on 14 March 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the company upon receiving the respective approvals in order to conclude the final budget. Accordingly, the company did not record additional appropriations on the FY 2023/2024 budget.

The company's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

Notes to the Financial Statements (Continues)

a) Service concession arrangements

The Company analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Company recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Company also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

b) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

c) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. 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.

Notes to the Financial Statements (Continues)

a) Estimates and assumptions

The key assumptions concerning the future and other key sources 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 described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Company
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the assets

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

Notes to the Financial Statements (Continues)

6. Revenue from contract with customers

REVENUE	2025	2024
	Ugx'000	Ugx'000
Income from Certified Maize Seeds	1,481,300	1,973,955
Income from Vegetable Seeds	10,582,536	9,426,301
Income from Pasture Seeds	471,679	422,815
Income from Other Seeds	239,314	214,526
Total Revenue	12,774,829	12,037,597

7. Cost of Sales

COST OF SALES	2025	2024
	Ugx'000	Ugx'000
Opening Stock	8,835,816	7,324,410
Purchases	7,496,198	8,839,014
Factory Overheads	618,172	189,183
Closing Stock	(7,737,786)	(8,835,816)
Cost of Goods Sold	9,212,400	8,681,000

8. Grants from National Government

Description	2025	2024
	Ugx	Ugx '000'
Reccurent grants received	-	-
Capital grants realized (see note below)	-	-
In kind contributions/ donations	-	-
Total	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Name of the Company sending the grant	Amount recognized in the Statement of Comprehensive Income Ugx '000'	Amount deferred under deferred income Ugx '000'	Amount recognised in capital fund. Ugx '000'	2025 Ugx '000'	2024 Ugx '000'
Ministry/State Department	-	-	-	-	-
Ministry	-	-	-	-	-
Total	-	-	-	-	-

9. Finance Income

Description	2025	2024
	Ugx '000'	Ugx '000'
Interest income from treasury bonds	-	-
Interest income from treasury bills	-	-
Interest from receivables	-	-
Interest from commercial banks and financial institutions	-	-
Interest on staff loans	-	-
Dividends	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

SIMLAW SEEDS COMPANY (U) LIMITED**Annual Report and Financial Statements for the year ended June 30, 2025****Notes to the Financial Statements (Continued)****10. Other Income**

OTHER INCOME	2025	2024
	Ugx'000'	Ugx'000'
Profit on exchange	-	140,318
Other Misc. Income		(3,813)
Grants	4,890	799
Loss on exchange	(6,803)	
Total	(1,913)	137,305

11. Other Gains and Losses

Description	2025	2024
	Ugx '000'	Ugx '000'
Foreign exchange gains / (losses)	-	-
Loss/gain on disposal on sale of investments	-	-
Gain on sale of fixed assets	-	-
Fair value gain or losses on revaluation of investment property	-	-
Revaluation losses on inventory	-	-
Unrealized foreign exchange gains/(losses)	-	-
Total	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

12. A Staff Costs

Description	2025	2024
	Ugx'000'	Ugx'000'
Salaries & Allowances	950,310	574,680
Staff Training and Welfare	191,478	208,082
Pension	13,992	47,927
Social Security (NSSF)	134,843	118,729
Medical	131,572	82,284
	1,422,195	1,031,702

12.B Administration Costs

Description	2025	2024
	Ugx'000'	Ugx'000'
Printing & Stationery	63,437	64,141
Travelling	100,195	201,399
Rent & Rates	249,957	263,133
Audit	36,654	31,175
Legal	141,877	103,771
Directors Expenses	113,299	152,094
Postage & Telephone	17,913	15,167
Motor Vehicles	138,886	144,126
Power, Light and water	34,067	30,556
Repairs & Maintenance	150,805	127,992
Total	1,047,090	1,133,554

Notes to the Financial Statements (Continued)

12(a) Staff Costs

Description	2025	2024
	Ugx '000'	Ugx '000'
Salaries and allowances of permanent employees	-	-
Wages of temporary employees	-	-
Medical insurance schemes	-	-
Employer's contributions to national social security schemes	-	-
Employer's contributions to pension scheme	-	-
Leave pay	-	-
Gratuity provisions	-	-
Fringe benefit tax	-	-
Staff welfare	-	-
Total	-	-
The average number of employees at the end of the year was:		
Permanent employees – management	-	-
Permanent employees – unionisable	-	-
Temporary and contracted employees	-	-
Total	-	-

13. Selling and Distribution Costs

Description	2025	2024
	Ugx'000'	Ugx'000'
Public Relations and advertising	292,560	253,101
Freight and Transport	61,460	55,173
Travelling	497,191	353,882
Total	851,211	662,156

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

14. Other Operating Expenses

Description	2025	2024
	Ugx'000	Ugx'000
Insurance	8,358	86,190
Depreciation on other Equipment	121,143	40,606
Bank Charges	18,144	14,532
General Expenses	45,640	(85,507)
Repairs & Maintenance	20,812	16,121
Total	214,097	71,942

15. Operating Profit/ (Loss)

The profit before taxation is arrived at after charging:	2025	2024
	Ugx'000	Ugx'000
Auditors' remuneration	36,654	31,175
Depreciation	121,143	0
Operating lease rentals	249,957	261,933
Directors' Emoluments	113,299	152,094
And after crediting:		
Other Income	1,913	(137,305)

Notes to the Financial Statements (Continued)

16. Income Tax Expense/(Credit)

(a) Income tax charge/ credit

Description	2025	2024
	Ugx '000'	Ugx '000'
Current taxation based on the adjusted Profit for the year at 30%	59,663	59,663
Current tax: Prior Year Under/(Over) provision	-	-
Current year deferred tax charge	-	-
Prior Year Under-provision for deferred tax	-	-
Total	59,663	59,663

(b) Reconciliation of tax expense/ (credit) to the expected tax based on accounting profit

Description	2025	2024
	Ugx '000'	Ugx '000'
Profit before taxation	81,477	81,477
Tax at the applicable tax rate of 30%	(59,663)	(59,663)
Prior Year Under-Provision	-	-
Tax effects of expenses not deductible for tax purposes	-	-
Tax effects of income not taxable	-	-
Tax effects of excess capital allowances over Depreciation/Amortization	-	-
Deferred tax Prior Year Over-Provision	-	-
Total	21,815	21,815

Notes to the Financial Statements (Continued)

17. Earnings Per Share

The earnings per share is calculated by dividing the profit after tax of Ugx. – 29,749,411 by the average number of ordinary shares in issue during the year of - (5,000): -). There were not dilutive or potentially dilutive ordinary share as at the reporting date.

18. Dividend per Share

Proposed dividends are accounted for as a separate component of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). No dividends was proposed in respect to the year ended 30 June 2025

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

Description	Freehold land	Buildings & civil works	Plant and machinery	Motor vehicles, including, motor cycles	Computers & related equipment	Office equipment, furniture & fittings	Capital work in progress	Total
	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
Cost or valuation								
At July 1, 2024	948,610	1,539,114	216,827	385,849	357,897	-	-	3,448,297
Additions		12,280	8,800		10,484			31,564
Transfers	-	-	-	-	-	-	(-)	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
At June 30, 2025	948,610	1,551,394	225,627	385,849	368,381	-	-	3,479,861
Depreciation								-
At July 1, 2024	56,446	300,146	146,041	246,435	323,780	-	-	1,072,848
Charge for the year	19,359	60,602	10,710	51,369	30,090	-	-	172,130
Impairment loss	-	-	-	-	-	-	-	-
Eliminated on disposal	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
At June 30, 2025	75,805	360,748	156,751	297,804	353,870	-	-	1,244,978
Net book value at June 30, 2024	872,805	1,190,646	68,876	88,045	14,511	-	-	2,234,883

Notes To The Financial Statements (Continued)

Property, Plant and Equipment (Continued)

Description	Freehold land	Buildings & civil works	Plant and machinery	Motor vehicles, including, motor cycles	Computers & related equipment	Office equipment, furniture & fittings	Capital work in progress	Total
	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
Cost or valuation								
At July 1, 2023	948,610	1,021,698	186,957	224,942	321,710	-	-	2,703,917
Additions	-	517,416	29,870	160,907	36,187	-	-	744,380
Transfers	-	-	-	-	-	-	(-)	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
At June 30, 2024	948,610	1,539,114	216,827	385,849	357,897	-	-	3,448,297
Depreciation								-
At July 1, 2023	56,446	240,158	141,648	174,569	298,187	-	-	911,008
Charge for the year	19,360	59,988	9,869	71,867	25,593	-	-	186,677
Impairment loss		-	-	-	-	-	-	-
Eliminated on disposal		(-)	(-)	(-)	(-)	(-)	(-)	-
At June 30, 2024	75,806	300,146	151,517	246,436	323,780	-	-	1,097,685
Net book value at June 30, 2024	872,804	1,238,968	65,310	139,413	34,117	-	-	2,350,612

Notes To The Financial Statements (Continued)**Valuation**

Land and buildings were valued by management at the historical cost. These amounts were adopted on the date of purchase.

Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Ugx '000'	Ugx '000'	Ugx '000'
Land	948,610	75,805	872,805
Buildings	1,551,394	360,748	1,190,646
Plant And Machinery	225,627	156,751	68,876
Motor Vehicles, Including Motorcycles	385,849	297,804	88,045
Computers And Related Equipment	368,381	353,870	14,511
Office Equipment, Furniture, And Fittings	0	0	0
	3,479,861	1,244,978	2,234,883

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost Valuation	Normal Annual Depreciation charge
	Ugx '000'	Ugx '000)
Plant And Machinery	216,827	21,683
Motor Vehicles, Including Motor Cycles	180,378	45,095
Computers And Related Equipment	118,349	39,450
Office Equipment, Furniture And Fittings	160,501	32,100
Total	676,055	138,328

Notes To The Financial Statements (Continued)

20. Intangible Assets

Description	2025	2024
	Ugx '000'	Ugx '000'
Cost		
At July 1	99,939	99,939
Additions	11,100	-
Disposals	(-)	(-)
At June 30	111,039	99,939
Amortisation		
At July 1	92,547	92,547
Charge For The Year	11,091	7,391
Disposals	(-)	(-)
Impairment Loss	(-)	(-)
At June 30	103,639	99,938
Net Book Value	7,400	-
At June 30	-	-

[The intangible asset relates to computer software]

21. Investment Property

Description	2025	2024
	Ugx '000'	Ugx '000'
Opening Valuation	-	-
Movements During The Year		
Additions	-	-
Disposals	(-)	(-)
Fair Value Gains/(Losses)	-	-
Closing Valuation	-	-
Depreciation (If At Cost)		
At July 1	-	-
Charge For The Year	-	-
Disposals	(-)	(-)
Impairment Loss	(-)	(-)
At June 30	-	-
Net Book Value	-	-
At June 30	-	-

(Provide details of the property, date last valued, the valuer and method of valuation as per IAS 40. Where investment property is carried at cost, depreciation will be shown, however, no depreciation is provided for when the asset is carried at fair value).

Notes to the financial statements (continued)

22. Right-of-use assets

Description	Buildings	Plant	Equipment	Total
	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
Cost				
As At 1 July 2023	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	=	=	=	=
Accumulated Depreciation				
As At 1 July 2023	-	-	-	-
Charge For The Year	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge For The Year	-	-	-	-
As At 30 June 2024	=	=	=	=
Carrying Amount				
As At 30 June 2023	=	=	=	=
As At 30 June 2024	=	=	=	=

Notes To The Financial Statements (Continued)

23. Fixed Interest Investments

Description	2025	2024
	Ugx '000'	Ugx '000'
Central Bank of Kenya 12.5% 15-Year Infrastructure Bond	-	-
- Corporate Bond (Give Details)	-	-
- Corporate Bond (Give Details)	-	-
Total	-	-

Details	2025	2024
	Ugx '000'	Ugx '000'
Balance at 1 July	-	-
Additions during the year	-	-
Interest accrued during the year	-	-
Investment maturities during the year	-	-
Fair value gain or (loss) -if measured at FVOCI/FVTPL	-	-
Balance at 30 June	-	-

24. Quoted Investments

Description	2025	2024
	Ugx '000'	Ugx '000'
B/f Valuation	-	-
Movements during the year		
Additions	-	-
Disposals	(-)	(-)
Fair value gains/(losses) (FVTPL)	-	-
C/f Valuation	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

Notes to the Financial Statements (Continued)

Name of company where investment is held	No of shares					
	Direct shareholding	Indirect shareholding	Effective shareholding	Nominal value of shares/purchase price	Fair value of shares Current year	Fair value of shares for prior year
	No	No	No	No	Ugx '000'	Ugx '000'
Company A	-	-	-	-	-	-
Company B	-	-	-	-	-	-
Company C	-	-	-	-	-	-
	-	-	-	-	-	-

25. Unquoted Investments

Description	2025	2024
	Ugx '000'	Ugx '000'
Cost		
At July 1	-	-
Additions	-	-
Disposals	(-)	(-)
Fair value gains/(losses)	-	-
At June 30	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

Notes To The Financial Statements (Continued)

26. Inventories

Description	2025	2024
	Ugx'000'	Ugx'000'
Maize	1,346,489	692,669
Cabbage	2,831,287	3,946,365
Tomatoes	1,172,020	384,117
Other Vegetables	1,306,416	2,781,757
Packaging	298,108	11,320
Chemicals	512,320	76,952
Fertilizers	21,179	692,669
Provision for Obsolete Stock	249,967	249,967
Total	7,737,786	8,835,816

26 b) Consumables

Description	2025	2024
	Ugx '000'	Ugx '000'
Engineering stores	-	-
Fuel, oil and lubricants	-	-
Motor vehicle spare parts	-	-
Stationery and general stores	-	-
Less: Impairment of Stocks	(-)	(-)
Total	-	-

Reconciliation of Impairment Allowance for Inventories

Description	2025	2024
	Ugx '000'	Ugx '000'
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

27. Trade and Other Receivables

Description	2025	2024
	Ugx '000'	Ugx '000'
Trade and other receivables	3,536,328	210,852
VAT recoverable	256,388	92,962
Pre-payments	678,549	179,025
Provision for bad and doubtful debts	(169,394)	(169,395)
Net Trade and Other Receivables	4,301,871	313,444

27 (a) Trade Receivables

Description	2025	2024
	Ugx '000'	Ugx '000'
Gross Trade Receivables	3,536,329	210,852
Provision for Doubtful Receivables	(169,395)	(169,395)
Net Trade Receivables	3,366,934	41,457
ageing analysis of gross Trade Receivables		
Less than 30 Days		
Between 30 and 60 Days	870,136	79,800
Between 61 and 90 Days	989,113	45,405
Between 91 and 120 Days	423,688	33,625
Over 120 Days	1,253,392	52,022
Total	3,536,329	210,852

Notes to the Financial Statements (Continued)

27 (b) Reconciliation of Impairment Allowance for Trade Receivables

Description	2025	2024
	Ugx '000'	Ugx '000'
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

27 (c) Staff Receivables

Description	2025	2024
	Ugx '000'	Ugx '000'
Gross staff loans and advances	-	-
Provision for impairment loss	(-)	(-)
Net staff loans	-	-
Less: Amounts due within one year	(-)	(-)
Amounts due after one year	-	-

[Provide short appropriate explanations as necessary]

27 (d) Reconciliation of Impairment Allowance for Staff Receivables

Description	2025	2024
	Ugx '000'	Ugx '000'
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

Notes To The Financial Statements (Continued)

28. Tax Recoverable

Description	2025	2024
	Ugx '000'	Ugx '000'
At beginning of the year	444,404	422,766
Income tax charge for the year (Note 16)	-	-
Under/(Over) Provision in prior year (Note 16)	-	-
Income tax paid during the year	10,249	21,638
At end of the year	454,653	444,404

29. Short Term Deposits

Description	2025	2024
	Ugx'000'	Ugx '000'
Other Commercial Banks		
Centenary Bank	955,418	1,134,920
Kenya Commercial Bank	409,587	358,455
MTN	17,899	297,802
Airtel Uganda	20,363	362,082
Cash in Hand	3,244	-
Total	1,406,511	2,153,259

30. Bank and Cash Balances

Description	2025	2024
	Ugx '000'	Ugx '000'
Cash at bank	1,403,267	2,153,259
Cash in hand	3,244	-
Total	1,406,511	2,153,259

Notes To The Financial Statements (Continued)

Detailed analysis of the cash and cash equivalents

Description		2025	2024
Financial institution	Account number	Ugx '000'	Ugx '000'
a) Current Account			
Kenya Commercial Bank, UShs.	2202575138	397,060	348,490
Kenya Commercial Bank, USD	2202638024	12,526	9,965
Kenya Commercial Bank, KShs	2200834721	0	0
Centenary Bank, UShs	3100044408	955,419	1,134,920
MTN	646981	17,899	297,802
Airtel Money	4353702	20,363	362,082
Petty Cash		3,244	
Sub- Total		1,406,511	2,153,259
Grand Total		1,406,511	2,153,259

31. Ordinary Share Capital

Description	2025	2024
	Ugx '000'	Ugx '000'
Authorized:		
5000 Ordinary Shares of Ugx 25,000 par value each	125,000	125,000
Issued and Fully paid:		
5000 Ordinary Shares of Ugx 25,000 par value each	125,000	125,000

0

Notes To The Financial Statements (Continued)

32. Revaluation Reserve

The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. As indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

33. Fair Value Adjustment Reserve

The fair value adjustment reserve arises on the revaluation of available-for-sale financial assets, principally the marketable securities. When a financial asset is sold, the portion of the reserve that relates to that asset is reduced from the fair value adjustment reserve and is recognised in profit or loss. Where a financial asset is impaired, the portion of the reserve that relates to that asset is recognised in profit or loss.

34. Retained Earnings

The retained earnings represent amounts available for distribution to the *company's* shareholders. Undistributed retained earnings are utilised to finance the *company's* business activities.

Notes to the Financial Statements (Continued)

35. Related Parties

Simlaw Seeds Company is a subsidiary of Kenya Seed Company Limited which holds 99.98% of its shares. The remaining 0.02% of the shares are held by private individuals. Outstanding balances arising from sale and purchase of goods/services or advances to/from related companies

	2025	2024
	Ugx'000'	Ugx'000'
a) Amounts due to related parties – Long term liabilities		
Kenya seed company Limited	835,911	835,911
Mt Elgon Seeds Company limited	1,596,752	1,596,752
Simlaw Seeds Company limited – Nairobi	62,647	62,647
Kenya seed Loan	908,870	908,870
Total	3,404,180	3,404,180
b) Amounts due to related parties – Current liabilities		
Kenya seed company Limited		
Total	4,907,798	4,907,798

Notes to the Financial Statements (Continued)

Description	2025	2024
	Ugx '000'	Ugx '000'
Short term borrowings (Current Portion)	-	-
Long term borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 35 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). [Foreign denominated loans should be restated based on CBK closing mean rates at the end of financial year. Borrowings are measured at amortized cost.]

36. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2025	2024
	Ugx '000'	Ugx '000'
Accelerated capital allowances	-	-
Unrealised exchange gains/(Losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	(-)	(-)
Provisions for liabilities and charges	(-)	(-)
Net deferred tax liability	-	-

The movement on the deferred tax account is as follows:

Description	2025	2024
	Ugx '000'	Ugx '000'
Balance at beginning of the year	-	-
Credit to revaluation reserve	(-)	(-)
Under Provision in Prior Year	-	-
Income Statement Charge/(Credit)	-	-
Balance at end of the year	-	-

[Provide short appropriate explanations as necessary]

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

Notes to the Financial Statements (Continued)

37. Lease Liability

Description	2025	2024
	Ugx '000'	Ugx '000'
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Details	2025	2024
Maturity Analysis	Ugx '000'	Ugx '000'
Year 1	-	-
Year 2	-	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
On Wards	-	-
	=	=
Less: Unearned Interest	(-)	(-)
	=	=
Analysed As:		
Non-Current	-	-
Current	-	-

38. Deferred Income

Description	2025	2024
	Ugx '000'	Ugx '000'
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
Other (specify)	-	-
Total Deferred Income	-	-

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

Description	National government	International funders	Public contributions and donations	Others (specify)	Total
	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
Balance Brought Forward	-	-	-	-	-
Additions	-	-	-	-	-
Transfers To Capital Fund	(-)	(-)	(-)	(-)	(-)
Transfers To Income Statement	(-)	(-)	(-)	(-)	(-)
Other Transfers	(-)	(-)	(-)	(-)	(-)
Balance Carried Forward	-	-	-	-	-

39. Trade and Other Payables

Description	2025	2024
	Ugx '000'	Ugx '000'
Trade payables	6,316,005	4,307,575
Accrued expenses	125,982	125,983
Retention/ Contract monies	-	-
Deposits	-	-
Employee payables	-	-
Other payables	-	-
Total	6,441,987	4,433,558

Aging Analysis for Trade and other Payables]

	2025	% of the total	2024	% of the total
Under one year	6,441,987	100%	4,433,559	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	6,441,987		4,443,559	

Notes to the Financial Statements (Continued)

40. Retirement Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2025	2024
	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The company operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by - while - are the custodians of the scheme. The scheme is based on - percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IAS 19 was carried out as at - June - by - actuarial valuers. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	2025	2024
Discount rates	x%	x%
Future salary increases	x%	x%
Future pension increases	x%	x%
Mortality (Pre- retirement)	x%	x%
Mortality (Post- retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ losses in the statement of Comprehensive Income

Description	2025	2024
	Ugx '000'	Ugx '000'
The Return On Defined Plan assets	-	-
Actuarial Gains/ Losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses arising from changes in financial assumptions	-	-
Actuarial Gains and Losses arising from experience adjustments	-	-
Others (<i>Specify</i>)	-	-
Adjustments for restrictions on the Defined Benefit asset	-	-
Re-measurement of the Net Defined Benefit Liability (Asset)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	2025	2024
	Ugx '000'	Ugx '000'
Present value of Defined Benefit Obligations(A)	-	-
Fair Value of Plan Assets(B)	(-)	(-)
Funded Status(=A-B)	-	-
Restrictions on Asset recognized	-	-
Others	-	-
Net Asset or Liability arising from Defined Benefit Obligation	-	-

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Ugx. - per employee per month. Other than NSSF the company also has a defined contribution scheme operated by - Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

41. Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
Balance at the beginning of the year	-	-	-	-	-
Additional provisions	-	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)	(-)
Change due to discount and time value for money	-	-	-	-	-
Less: current portion	(-)	(-)	(-)	(-)	(-)
Balance at the end of the year	-	-	-	-	-

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note xx).

The balance of dividends payable relates to unclaimed dividends, payable to different shareholders. The balances are analysed in annual amount below.

Description	2025	2024
	Ugx '000'	Ugx '000'
At the beginning of the year	-	-
Additional declared during the year	-	-
Paid during the year	(-)	(-)
Balance at end of the year	-	-
Ageing analysis:		
Under one year	-	-
1-2 years	-	-
2-3 years	-	-
Over 3 years	-	-
Total	-	-

(Dividends payable to ordinary shareholders amounts to Ksh.-, while dividends payable to preference shareholders amounts to Ksh -).

Notes to the Financial Statements (Continued)

42. Notes to the Statement of Cash Flows

Description	2025	2024
	Ugx '000'	Ugx '000'
(a) Reconciliation Of Operating Profit/(Loss) To Cash Generated From/(Used In) Operations		
Profit or Loss before tax	-	-
Depreciation	-	-
Amortisation	-	-
(Gain)/Loss on disposal of Property, Plant And Equipment	-	-
Operating Profit/(Loss) before Working Capital changes	-	-
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade and Other Receivables	-	-
Increase/(Decrease) in Trade and Other Payables	-	-
Increase/(Decrease) in Retirement Benefit Obligations	-	-
Increase/(Decrease) in Provision for Staff Leave Pay	-	-
Cash Generated from/(used In) operations	-	-
(b) Analysis of Changes in Loans		
Balance at beginning of the year	-	-
Receipts during the year	-	-
Repayments during the year	(-)	(-)
Repayments of previous year's accrued interest	(-)	(-)
Foreign Exchange (Gains)/Losses	-	(-)
Accrued interest	-	-
Balance at end of the year	-	-
(c) Analysis of Cash and Cash equivalents		
Short Term Deposits	-	-
Cash At Bank	-	-
Cash In Hand	(-)	(-)
Balance At End Of The Year	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

Description	2025	2024
	Ugx '000'	Ugx '000'
(d) Analysis of interest paid		
Interest on Loans	-	-
Interest on Bank Overdraft	-	-
Interest on Lease Liabilities	-	-
Interest on Loans Capitalised	-	-
Balance at Beginning of the year	-	-
Balance at end of the year (Note 35(B))	(-)	(-)
Interest paid	-	-
(e) Analysis of Dividend paid		
Balance at beginning of the year	-	-
20xx Dividends paid	-	-
20xx Dividends paid	-	-
20xx Interim Dividends paid	-	-
Balance at end of the year	(-)	(-)
Dividend paid	-	-

43. Related Party Disclosures

Government of Kenya

The Government of Kenya is the principal shareholder of the company, holding 52% of the company's equity interest.

Other related parties include:

- i) Ministry of Agriculture
- ii) Agricultural Development Corporation
- iii) Kenya Farmers Association
- iv) Kenya Seed Company
- v) Simlaw Seeds Company-Kenya
- vi) Mt. Elgon Seed Uganda
- vii) Key management
- viii) Board of directors

Notes to the Financial Statements (Continued)

Transactions with related parties

Description	2025	2024
	Ugx '000'	Ugx '000'
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Interest income from govt commercial banks	-	-
Interest income from bills and bonds	-	-
Others (<i>specify</i>)	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Bank charges paid to govt commercial banks	-	-
Interest expense to investments by other govt. Entities	-	-
Others (<i>specify</i>)	-	-
Total	-	-
c) Grants from the government		
Grants from national govt	-	-
Grants from county government	-	-
Donations in kind	-	-
Total	-	-
d) Expenses incurred on behalf of related party		
Payments of salaries and wages for - employees	-	-
Payments for goods and services for -	-	-
Total	-	-
e) Key management compensation		
Directors' emoluments	-	-
Compensation to key management	-	-
Total	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

44. Capital Commitments

Capital commitments at the year- end for which no provision has been made in these financial statements are:

Description	2025	2024
	Ugx '000'	Ugx '000'
Amounts authorised and Contracted for	-	-
Amounts authorizes but Not Contracted for	4,500,000	2,131,500
Less: Amounts included in Work In Progress	()	(-)
	-	-

45. Contingent Assets and Liabilities

Contingent Assets

Description	2025	2024
	Ugx '000'	Ugx '000'
Contingent assets		
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Receivables from other government entities	-	-
Others (<i>specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	2025	2024
	Ugx '000'	Ugx '000'
Contingent Liabilities	-	-
Court case - against (<i>The Company</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Notes To The Financial Statements (Continued)

46. Financial Risk Management

The company's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The company's financial risk management objectives and policies are detailed below:

(i) Credit risk

The company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the company's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Notes to the Financial Statements (Continued)

Description	Total amount Ugx '000'	Fully performing Ugx '000'	Past due Ugx '000'	Impaired Ugx '000'
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

Credit Risk (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The company has significant concentration of credit risk on amounts due from -.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the company's directors, who have built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Ugx '000'	Ugx '000'	Ugx '000'	Ugx '000'
At 30 June 2023				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

Notes To The Financial Statements (Continued)

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the company on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The company has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	Other currencies		Total
	Ugx '000'	Ugx '000'	Ugx '000'
At 30 June 2024			
Financial assets			
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Financial liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

The company manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Description	In Ugx '000'	Other Currencies	Total
	Ugx '000'	Ugx '000'	Ugx '000'
At 30 June 2024			
Financial Assets			
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Financial Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Notes To The Financial Statements (Continued)

b) Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Uganda Shilling appreciated with all other variables held constant.

Details	Change in currency rate	Effect on Profit before tax	Effect on equity
	Ugx '000'	Ugx '000'	Ugx '000'
2023			
Euro	10%	-	-
USD	10%	-	-
2024			
Euro	10%	-	-
USD	10%	498,250	498,250

c) Interest rate risk

Interest rate risk is the risk that the company's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

i) Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Notes To The Financial Statements (Continued)

ii) Sensitivity analysis

The company analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Ugx - (2024: Ugx -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Ugx - (2024 – Ugx -)

iii) Fair value of financial assets and liabilities

a) *Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *company's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- i)** Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- ii)** Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- iii)** Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *company* considers relevant and observable market prices in its valuations where possible.

Notes to the Financial Statements (Continued)

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

At 30 June 2024	Level 1 Ugx	Level 2 Ugx	Level 3 Ugx	Total Ugx
Financial assets				
Quoted equity investments	xx	xx	xx	xx
Non- financial assets				
Investment property	xx	xx	xx	xx
Land and buildings	xx	xx	xx	xx
	xx	xx	xx	xx
At 30 June 2024				
Financial assets				
Quoted equity investments	-	-	-	-
Non- financial assets				
Investment property	-	-	-	-
Land and buildings	-	-	-	-
	-	-	-	-

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

Financial instruments not measured at fair value

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

Notes To The Financial Statements (Continued)

iv) Capital Risk Management

The objective of the company's capital risk management is to safeguard the Board's ability to continue as a going concern. The company capital structure comprises of the following funds:

Description	2024	2025
	Ugx '000'	Ugx '000'
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank balances	(-)	(-)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	xx%	xx%

47. Incorporation

The company is incorporated in Uganda under the Uganda Companies Act and is domiciled in Uganda.

48. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

19. Appendices

Appendix 1: Implementation Status of Auditor-General prior year recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury



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Name Sylvia Kyeyune

Accounting Officer

General Manager

Date November 25, 2025

Appendix II: Projects implemented by (*The Company*)

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

Appendix IV: Transfers From Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - Ugx	Statement of Financial Performance	Where Recorded/Recognized				
					Capital Fund	Deferred Income	Receivables	Due to Related Parties	Total Transfers during the Year
				-	-	-		267,200,000	267,200,000
Total				-	-	-	-	267,200,000	267,200,000

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

Appendix V- Inter-Company Confirmation Letter

[t your Letterhead]

[t name of beneficiary company]

[t Address]

The *[t SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[t name of beneficiary company]</i> as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (Ugx) as at 30 th June 20xx				Amount Received by <i>[beneficiary company]</i> (Ugx) as at 30 th June 20xx (E)	Differences (Ugx) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary company:

Name SignDate

Appendix VI: Reporting of Climate Relevant Expenditures

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2025

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Appendix VII: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Ugx.)	Comments

