

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 09 APR 2025 DAY. Wednesday OF	
TABLED BY:	Hon. Sylvia Ochieng, MP Majority Party Whip
CLERK-AT THE-TABLE:	Ar. Jibuto



THE AUDITOR-GENERAL

ON

**SIMLAW SEEDS COMPANY
UGANDA LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2024**



SIMLAW SEEDS COMPANY UGANDA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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, 2024



SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for The Year Ended June 30, 2024

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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>

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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 it 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



5. Chairman's Statement

Dear Shareholders,

I am privileged to present to you the annual report of financial statements of Simlaw Seeds Company Uganda for the year ended 30th June 2024.

The company experienced various challenges during the year among them effects of climate change which affected rain patterns during the second season starting March-May, post Covid-19 effects such as changes in farmers priorities and inflation, Ukraine war affecting Oil and the prices of farm Inputs.

Business Environment Overview

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2023 and 2.7 percent in 2024. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

This views were echoed by The African Development Bank's East Africa Regional Economic Outlook 2024. This has resulted in weakening national currencies, floods and drought, contraction in agricultural production; depressed business activity, and falling revenue collection, among others. However, the continued reopening of economies globally could mitigate these adverse

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effects in 2024 with a projected growth rate of 4.7%, repositioning East Africa as the top-performer in growth among the regions of the continent.

Uganda's economy experienced a relatively tough environment for business with lockdowns put in place in the first quarter and second quarters. The agricultural sector, 80% percent of Uganda's land is arable but only 35% is being cultivated. In FY 2023/24, agriculture accounted for about 24.1% of GDP, and 33% of export earnings, experienced mixed results with maize. Sunflower and vegetables sub sectors recording fair prices in the international market. The seed subsector faced ordinary challenges with slow adoption of certified seed slowing down demand. This was however mitigated by the fact that with the low investment in farming and low rainfall caused a rare drought which is expected to spur intensive food production in the following year.

Financial Review

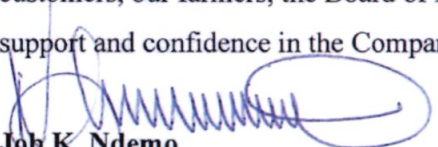
We report that the company recorded a profit of Ugx 323 million as compared to Ugx 141 million in 2023. This was majorly due to an increase of 10% (Ugx 500 M) in sales against an increase in operating expenses by 11% (Ugx 1.1 Billion) which was offset by an increase in other income (Grants and Foreign Exchange Gains).

Future Outlook

The future outlook of Simlaw Seeds Company Uganda is bright. The Board is developing more strategies to grow the market and enhance financial management in order to increase profits and reduce stock outs through local production. The Board is also putting in place strategies to expand business in the regional markets like Democratic Republic of Congo and South Sudan. In addition to expanding the regional market, the Company is also looking at expanding its product portfolio to include to trials for introduction of new products like Leeks and Lablab pasture seeds. The Board of Directors will continually review the various business strategies in place to ensure sustained business profitability and growth.

Appreciation

I wish to extend my sincere appreciation to all our shareholders, business partners, esteemed customers, our farmers, the Board of Directors and the Management team for the unwavering support and confidence in the Company and our products.


Job K. Ndemo
Chairperson

1. Report of the General Manager

The Financial year 2023/2024 was characterized by very unprecedented times especially after effects of the outbreak of the Covid-19 pandemic which totally disrupted the way of life across the whole world bringing many economies down as a result of the lock down in most countries. Despite the challenges, the pandemic also presented opportunities for the agricultural sector to feed the world and sustain economies. Simlaw Seeds took advantage of this opportunity to place herself strategically by ensuring continuous supply of quality seed to facilitate increased food security and contribute to the incomes of households. We had to come up with innovative ways to implement our planned field activities to suit the changing dynamics brought about by the pandemic while ensuring that seed was delivered as close to the farmers as much as possible. We helped improve access to quality seed through last mile deliveries.

The company achieved a sales turnover of Ugx 12 billion in the year 2023/2024 compared to Ugx 11.5 billion achieved in the year 2022/2023 representing a gain of 4%. This resulted into a profit of Ugx 322 million compared to a profit of Ugx 141 million recorded last year.

As we look back on 2023/2024, we are proud of our contribution towards achievement of the Vision 2040 through availing top quality seed to the farmers timely and affordably to increase productivity and hence increased household food security and incomes.

Simlaw Seeds will focus on delivering improved performance to our customers through product developments, digital solutions and enhance distribution channels in order to ensure supply of adequate quantities of quality seed to the farming communities.

On behalf of all Simlaw Seeds staff, I take this opportunity to thank our customers, suppliers and all the other stakeholders for their contributions to Simlaw Seeds performance. I am greatly indebted to the Board of Directors for their support without which we would not have come this far.



Sylvia Kyeyune
General Manager

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2. Statement of Performance against Predetermined Objectives for FY 2023/2024

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 2023/24	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

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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 2023/2024 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		

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	US\$ 13 Billion to US\$ 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				

3. 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 2024

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

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in the financial year ending 30th June 2024 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 2023/2024 is as under:

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

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 SSU is considered a private company.

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Below is a summary of entitlement per Board Member:

Type of payment	Chairman	Member
Sitting allowance (per sitting) (BOU Exchange Rate 26.1362)	Ugx 572,000	Ugx 572,000

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

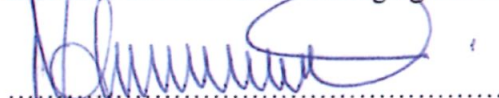
The directors confirm that the Company has adequate resources to continue in business for the foreseeable future and therefore to continue to use the going concern basis when preparing the financial statements.

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: 11.11.2024

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

The company recorded sales increase in Seed Maize 17%, while Vegetable Seed increased by 13%, Chemicals & Fertilizer 19% and an increase of 20% in Pasture.

Seed maize contributed 19% of annual sales revenue while other seeds and agricultural Inputs contributed 81% of the Company Revenues. Vegetable revenues contributed 79% of the company revenue.

The company commenced local production to stabilize the supply of Hybrid Seed maize and also tap into the local varieties market which we are currently missing out from the customer inquiries received.

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A2: Profit before Tax

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

	2024	2023
	Ugx'000	Ugx'000
Profit Before Tax	322,694	141,140

The Profits increased from Ugx 141 million profit recorded last year to Ugx 969 Million in the year.

A3: Cash and Cash Equivalents

The company cash and bank balance stood at a net of Ugx 2.1 Billion compared to Ugx 2.5 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 no long term loan

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).

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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.

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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.

5. 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

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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..

6. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, 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.

	2024	2023
	Ugx'000	Ugx'000
Profit before tax	322,808	140,525
Taxation charge	(96,808)	(59,662)
Profit for the year	225,886	80,862

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for The Year Ended June 30, 2024

ii) Results

The results of the company for the year ended June 30, 2024, 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 2024 (30 June 2023: 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, 2024, 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 11 November 2024

7. 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, 2024. 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).

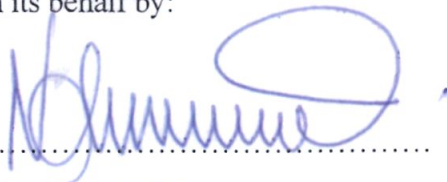
Statement of Directors' Responsibilities (Continued)

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, 2024, 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 11 November 2024 and signed on its behalf by:



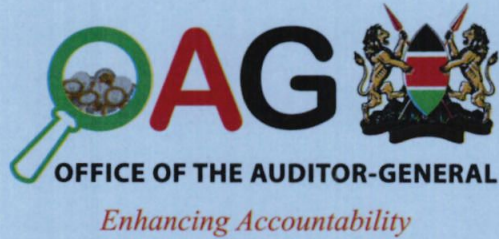
Name: Job Ndemo
Board Chairperson



Name: Sylvia Kyeyune
General Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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, 2024

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 (U) Limited set out on pages 1 to 66, which comprise of the statement of financial position as

Report of the Auditor-General on Simlaw Seeds Company Uganda Limited for the year ended 30 June, 2024

at 30 June, 2024 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 effect of the matters 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 (U) Limited as at 30 June, 2024 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of financial statements submitted for audit revealed the following variances;

- (i) Comparison of financial statement amounts and corresponding Notes to the financial statements revealed unexplained variances as summarised in the table below:

Item	Note	Financial Statements Amount (Ugx)	Note Amount (Ugx)	Variance (Ugx)
Income Tax Expense	16	96,808,000	59,663,000	37,145,000
Property, Plant and Equipment	19	2,350,612,000	2,177,471,000	173,141,000
Trade Receivables	27	313,444,000	960,229,000	646,785,000
Tax Recoverable	28	444,404,000	422,766,000	21,638,000
Short Term Deposits	29	0	2,153,259,000	2,153,259,000
Ordinary Share Capital	31	1,599,492,000	125,000,000	1,474,492,000
Due to Related Parties	35	3,404,180,000	0	3,404,180,000
Trade and Other Payables	39	4,907,798,000	4,433,559,000	474,239,000

- (ii) Review of the financial statements revealed variances between the year 2022/2023 comparative amounts with the previous year's audited amounts as shown Appendix 1.
- (iii) The statement of profit or loss and other comprehensive income reflects cost of sales amounting to Ugx.8,681,000,000 as disclosed in Note 7 to the financial statements. However, re-computation revealed an amount of Ugx.7,516,791,000 resulting in an unreconciled variance of Ugx.1,164,209,000. Similarly, the statement of financial position reflects inventories balance of Ugx.8,835,815,000 as disclosed in Note 26 to the financial statements. However, re-computation revealed a balance of Ugx.10,000,424,000 resulting in an unreconciled variance of Ugx.1,164,609,000.

In the circumstances, the accuracy and completeness of balances reflected in the financial statements could not be confirmed.

2. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Ugx.4,907,798,000 as disclosed in Note 39 to the financial statements. However, supporting schedules, delivery notes, invoices and ledgers to support the trade and other payables balance have not been provided.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Ugx.4,907,798,000 could not be confirmed.

3. Unsupported Trade and Other Receivables

The statement of financial position reflects Nil balance of long-term receivables while Note 27 to the financial statements reflects a balance of Ugx.960,229,000. However, the ledgers and supporting schedules for the balance were not provided for audit.

In the circumstances, the accuracies and completeness of the trade and other receivables balance of Ugx.960,229,000 could not be confirmed.

4. Undisclosed Property, Plant and Equipment

The statement of financial position reflects property plant and equipment balance of Ugx.2,350,612,000 as disclosed in Note 19 to the financial statements. However, Management omitted to record the value of office equipment, furniture & fittings in the fixed assets register. Further, fixed assets with a total historical cost balance of Ugx.534,832,587 in respect of buildings, computer hardware, equipment, motor vehicles and machinery owned and still in use by the Company were fully depreciated and had not been revalued.

In the circumstances, the accuracy, existence and completeness of property, plant and equipment balance of Ugx.2,350,612,000 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 (U) 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 receipts budget and actual on comparable basis of Ugx.15,738,341,000 and Ugx.12,547,383,000 respectively resulting in an under-funding of Ugx.3,190,958,000 or 20% of the budget. Similarly, the Company spent Ugx.3,187,440,000 against a final budget of

Ugx.2,980,160,000 resulting in an over-utilization of Ugx.207,280,000 or 107% of the budget.

The under-performance affected the planned activities and may have affected the overall performance of the company.

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 matters described in the Basis for Qualified Opinion, 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 which comprise of Key Entity Information and Management, the Chairman's Statement, Report of the General Manager, Statement of Performance against Pre-determined Objectives, the Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting 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, I am required to report that fact. I have nothing to report in this regard.

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 effects of the matter described in the Basis for Conclusion on the Lawfulness and Effectiveness in 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. Late Submission of Financial Statements

The financial statements of Simlaw Seeds Company (U) Limited for the year ended 30 June, 2024 were submitted to the Office of Auditor-General's office on 11 December, 2024 two months after expiry of the statutory deadline of 30 September, 2024. This was contrary to the Section 47(1) of the Public Audit Act, 2015 which provides that the financial statements shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Irregular Procurement of Goods and Services

Review of procurement records revealed the Company incurred an expenditure of Ugx.8,669,576,000 on purchases of seeds from various contracted growers and seed companies. However, the policy documents on recruitment and contracting of the growers and a list of prequalified suppliers were not provided for audit to determine whether procurement process was fair, equitable and transparent. Further, the Company did not have a procurement function and the procurement was undertaken by the head of finance.

In addition, the Company did not have in place relevant procurement committees including the tender opening committee contrary to Section 78(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer of a procuring entity shall appoint a tender opening committee specifically for the procurement.

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

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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the 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

Weak Internal Controls

Review of documents and processes revealed that the Company had weak internal controls over its operations including lack of documented and approved policies and procedures to guide operations of the Company in procurement, finance and sales and marketing functions. Further, there was lack of segregation of duties and responsibilities within the Company with regards to procurement and finance functions.

In the circumstances, the effectiveness of the internal controls and governance structures 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, 2015, 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 xi 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, 2015.

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, the 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 the Management is aware of the intention to cease operations.

The 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 for 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 County Assembly'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

27 December, 2024

SIMLAW SEEDS COMPANY (U) LIMITED

Annual Report and Financial Statements for the year ended June 30, 2024

9. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2024

Description	Note	2024	2023
		Ugx '000'	Ugx '000'
Revenues			
Revenue from Contracts with Customers	6	12,037,597	11,537,896
Cost of sales	7	(8,681,000)	(8,665,575)
Gross profit		3,356,597	2,868,321
Other income			
Grants from the national government	8		-
Finance income	9		-
Other income	10	(137,305)	(254,579)
Other gains/(losses)	11		-
Total revenues		3,356,597	2,613,742
Operating expenses			
Administration costs	12	2,162,499	1,631,837
Selling and distribution costs	13	662,156	503,560
Other Operating Expenses	14	71,942	337,205
Total operating expenses		322,694	2,472,602
Profit/(loss) before taxation		322,694	141,140
Income tax expense/(credit)	16	96,808	59,663
Profit/(loss) after taxation		225,886	81,477
Earnings per share – basic and diluted	17	64,538	16,295
Dividend per share	18		-
Other comprehensive income			
Profit/ (loss) after taxation		225,886	81,477
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		225,886	81,477

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2024

10. Statement of Financial Position as at 30 June 2024

Description	Note	2024	2023
		Ugx'000'	Ugx '000'
Assets			
Non-Current Assets			
Property, Plant And Equipment	19	2,350,612	1,799,445
Intangible Assets	20	7,391	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		2,358,003	1,806,836
Current Assets			
Inventories	26	8,835,816	7,298,655
Trade And Other Receivables	27(a)	313,444	2,970,915
Tax Recoverable	28	444,404	422,766
Short-Term Deposits	29	-	-
Bank And Cash Balances	30	2,153,259	2,506,268
Total Non-Current Assets		11,746,922	13,198,297
Total Assets		14,104,926	15,005,133
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	(240,104)	(562,798)
Proposed Dividends		-	-
Capital And Reserves		1,359,388	1,036,694
Non-Current Liabilities			
Due to Related Parties	35	3,404,180	3,199,102
Deferred Tax Liability	36	-	-

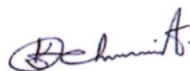
SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2024

Description	Note	2024	2023
		Ugx'000'	Ugx '000'
Lease Liability	37	-	-
Deferred Income	38	-	-
Total Non-Current Liabilities		3,404,180	3,199,102
Current Liabilities			
Borrowings	35	-	-
Trade And Other Payables	39	4,907,798	5,926,218
Retirement Benefit Obligations	40	-	-
Provisions	41	-	-
Due To Related Parties	42	4,433,558	4,843,119
Tax Payable			-
Total Current Liabilities		9,341,357	10,769,337
Total Equity And Liabilities		14,104,926	15,005,133

The financial statements were approved by the Board on 11 November 2024 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, 2024

11. Statement of Changes in Equity for the year ended 30 June, 2024

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, 2022	1,599,492	-	-	(703,938)	-	-	895,554
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	-	-	-	141,139	-	-	141,139
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, 2023	1,599,492	-	-	(562,798)	-	-	1,036,693
As at July 1, 2023	1,599,492	-	-	(562,798)	-	-	1,036,693
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2024

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	-	-	-	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	-	-	-	-	-	-	-
At June 30, 2024	1,599,492	-	-	(240,104)	-	-	1,359,388

SIMLAW SEEDS COMPANY (U) LIMITED

Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Cash Flows for the year ended 30 June 2024

SIMLAW SEEDS COMPANY UGANDA LTD			
STATEMENT OF CASHFLOWS			
AS AT 30TH JUNE 2024			
		June	June
	Note	2024	2023
		Ugx '000'	Ugx '000'
OPERATING ACTIVITIES			
Profit (Loss) before taxation	12	322,694	141,140
		-	-
Adjustment for:		-	-
Finance cost		-	-
Unrealised forex		(232,620)	196,499
Depreciation & Amortisation		186,675	132,088
Amortisation		-	8,505
		276,749	478,232
Working capital adjustments:			
Decrease(Increase) in inventories		(1,537,161)	25,755
Decrease(Increase) in trade and other receivables		2,657,164	512,540
Increase in amounts due from related parties		-	-
Increase in amounts due to related parties		269,758	(1,147,132)
(Decrease)Increase in trade and other payables		(1,492,659)	1,196,299
Movement in reserves		-	-
		-	-

SIMLAW SEEDS COMPANY (U) LIMITED

Annual Report and Financial Statements for the year ended June 30, 2024

Net cash flows used in operating activities		173,851	1,065,694
Interest Paid			
Tax paid		21,638	6,021
Net Cash(utilised in)generated by operating activities		195,489	1,071,715
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(548,497)	(293,821)
Purchase of intangible asset		-	-
Net cash flows used in investing activities		(548,497)	(293,821)
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		(353,009)	777,894
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		2,506,268	1,728,373
Cash and cash equivalents at 30 June	15	2,153,259	2,506,268

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2024

13. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2024

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	15,538,341	-	15,538,341	12,684,383	(2,853,958)	82%
Sale of services	-	-	-	-	-	
Transfers from the government	-	-	-	-	-	
Donations in kind	-	-	-	-	-	
Finance income	-	-	-	-	-	
Other income	200,000	-	200,000	(137,000)	(337,000)	-69%
Total income	15,738,341	-	15,738,341	12,547,383	-3,190,958	80%
Expenses						
Administration costs	1,802,000	-	1,802,000	2,162,500	360,500	120%
Selling and distribution costs	588,000	-	588,000	662,156	84,440	113%
Other Operating Expenses	379,606	-	379,606	71,941	42,401	19%
Taxation paid	210,554	-	210,554	290,843	150,891	138%
Total expenditure	2,980,160	-	2,980,160	3,187,440	638,232	107%
Surplus for the period	12,758,181	-	12,758,181	9,359,943	(3,829,190)	73%
Capital Expenditure	2,106,500	-	2,106,500	293,821	1,812,679	14%

14. 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.

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 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, 2024.

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)

SIMLAW SEEDS COMPANY (U) LIMITED
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Notes to the Financial Statements (Continues)

6. Revenue from contract with customers

REVENUE	2024	2023
	Ugx'000	Ugx'000
Income from Certified Maize Seeds	1,973,955	1,641,449
Income from Vegetable Seeds	9,426,301	9,511,293
Income from Pasture Seeds	422,815	235,886
Income from Other Seeds	214,526	149,268
Total Revenue	12,037,597	11,537,896

7. Cost of Sales

COST OF SALES	2024	2023
	Ugx'000	Ugx'000
Opening Stock	7,324,410	7,324,410
Purchases	8,839,014	8,491,814
Factory Overheads	189,183	152,004
Closing Stock	(8,835,816)	(7,298,655)
Cost of Goods Sold	8,681,000	8,669,576

8. Grants from National Government

Description	2024	2023
	Ugx	Ugx '000'
Reccurent grants received	-	-
Capital grants realized (see note below)	-	-
In kind contributions/ donations	-	-
Total	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
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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'	2023 Ugx '000'	2022 Ugx '000'
Ministry/State Department	-	-	-	-	-
Ministry	-	-	-	-	-
Total	-	-	-	-	-

9. Finance Income

Description	2024	2023
	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, 2024

Notes to the Financial Statements (Continued)

10. Other Income

OTHER INCOME	2024	2023
	Ugx'000'	Ugx'000'
Profit on exchange	140,318	164,450
Other Misc. Income	(3,813)	(2,783)
Grants	799	181,824
Loss on exchange		(88,912)
Total	137,305	254,579

11. Other Gains and Losses

Description	2024	2023
	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
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Notes to the Financial Statements (Continued)

12. Administration Costs

Description	2024	2023
	Ugx'000'	Ugx'000'
Salaries & Allowances	574,680	546,172
Staff Training and Welfare	208,082	151,948
Printing & Stationery	64,141	48,264
Pension	47,927	0
Medical	83,483	65,960
Travelling	201,399	79,757
Rent & Rates	261,933	204,991
Audit	31,175	38,541
Legal	103,771	121,725
Directors Expenses	152,094	21,160
Postage & Telephone	15,167	14,004
Motor Vehicles	144,126	112,862
Power, Light and water	27,801	23,328
Repairs & Maintenance	127,992	120,885
Social Security (NSSF)	118,729	82,240
Total	2,162,500	1,631,837

SIMLAW SEEDS COMPANY (U) LIMITED
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Notes to the Financial Statements (Continued)

12(a) Staff Costs

Description	2024	2023
	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	2024	2023
	Ugx'000'	Ugx'000'
Public Relations and advertising	253,101	190,235
Freight and Transport	55,172	33,888
Travelling	353,882	279,437
Total	662,155	503,560

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

14. Other Operating Expenses

Description	2024	2023
	Ugx'000	Ugx'000
Insurance	86,190	99,374
Depreciation on other Equipment	40,606	140,593
Bank Charges	14,532	9,317
General Expenses	(85,507)	73,592
Repairs & Maintenance	16,121	14,329
Total	71,942	337,205

15. Operating Profit/ (Loss)

The profit before taxation is arrived at after charging:	2024	2023
	Ugx'000	Ugx'000
Auditors' remuneration	31,175	38,541
Depreciation	0	147,128
Operating lease rentals	261,933	204,991
Directors' Emoluments	152,094	21,160
And after crediting:		
Other Income	(137,305)	254,886

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

16. Income Tax Expense/(Credit)

(a) Income tax charge/ credit

Description	2024	2023
	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	2024	2023
	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. – 1,260,323,865 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 2024

SIMLAW SEEDS COMPANY (U) LIMITED
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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, 2023	948,610	1,021,698	186,957	224,942	321,710	-	-	2,703,917
Additions	-	321,534	29,870	160,907	36,187	-	-	548,497
Transfers	-	-	-	-	-	-	(-)	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
At June 30, 2024	948,610	1,343,232	216,827	385,848	357,897	-	-	3,252,414
Depreciation								
At July 1, 2023	56,446	240,158	141,648	174,569	298,188	-	-	911,008
Charge for the year	19,360	59,988	9,869	71,867	25,593	-	-	186,675
Impairment loss		-	-	-	-	-	-	-
Eliminated on disposal		(-)	(-)	(-)	(-)	(-)	(-)	(-)
At June 30, 2024	75,805	300,146	151,516	246,435	323,780	-	-	1,097,683
Net book value at June 30, 2024	872,805	1,043,086	70,786	139,413	51,382	-	-	2,177,471

SIMLAW SEEDS COMPANY (U) LIMITED
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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, 2022	948,610	765,612	184,257	194,577	316,740	-	-	2,410,097
Additions	-	-	2,700	30,364	4,971	-	255,786	293,821
Transfers	-	-	-	-	-	-	(-)	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
At June 30, 2023	948,610	765,612	186,957	224,942	321,710	-	255,786	2,703,917
Depreciation								
At July 1, 2022	37,086	196,247	133,474	136,091	269,485	-	-	772,384
Charge for the year	19,360	43,911	7,113	38,479	23,227	-	-	132,088
Impairment loss		-	-	-	-	-	-	-
Eliminated on disposal		(-)	(-)	(-)	(-)	(-)	(-)	(-)
At June 30, 2023	56,446	240,158	140,587	174,570	292,712	-	-	904,472
Net book value at June 30, 2023	892,164	525,754	46,370	50,372	28,998	-	255,786	1,799,445

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	37,086	911,524
Buildings	573,836	196,247	569,665
Plant And Machinery	169,721	133,474	50,782
Motor Vehicles, Including Motorcycles	180,378	136,091	58,486
Computers And Related Equipment	287,925	269,485	47,254
Office Equipment, Furniture, And Fittings		-	
	2,160,469	772,384	1,637,712

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	115,825	11,583
Motor Vehicles, Including Motor Cycles	98,378	24,595
Computers And Related Equipment	89,479	29,826
Office Equipment, Furniture And Fittings	148,049	29,610
Total	451,731	95,614

SIMLAW SEEDS COMPANY (U) LIMITED
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Notes To The Financial Statements (Continued)

20. Intangible Assets

Description	2024	2023
	Ugx '000'	Ugx '000'
Cost		
At July 1	99,939	77,799
Additions	-	22,140
Disposals	(-)	(-)
At June 30	99,939	99,939
Amortisation		
At July 1	92,547	92,547
Charge For The Year	7,391	7,391
Disposals	(-)	(-)
Impairment Loss	(-)	(-)
At June 30	99,938	99,938
Net Book Value	-	-
At June 30	-	-

[The intangible asset relates to computer softwares]

21. Investment Property

Description	2024	2023
	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).

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2024

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	=	=	=	=

SIMLAW SEEDS COMPANY (U) LIMITED
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Notes To The Financial Statements (Continued)

23. Fixed Interest Investments

Description	2024	2023
	Ugx '000'	Ugx '000'
Central Bank of Kenya 12.5% 15-Year Infrastructure Bond	-	-
- Corporate Bond (Give Details)	-	-
- Corporate Bond (Give Details)	-	-
Total	-	-

Details	2024	2023
	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	2024	2023
	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
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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	2024	2023
	Ugx '000'	Ugx '000'
Cost		
At July 1	-	-
Additions	-	-
Disposals	(-)	(-)
Fair value gains/(losses)	-	-
At June 30	-	-

Notes To The Financial Statements (Continued)

26. Inventories

Description	2024	2023
	Ugx'000'	Ugx'000'
Maize	692,669	1,816,153
Cabbage	3,946,365	2,087,401
Tomatoes	384,117	1,302,795
Other Vegetables	76,952	1,339,203
Packaging	11,320	394,561
Chemicals	249,967	88,726
Fertilizers	692,669	19,849
Provision for Obsolete Stock	3,946,365	249,967
Total	8,835,815	7,298,655

26 b) Consumables

Description	2024	2023
	Ugx '000'	Ugx '000'
Engineering stores	-	-
Fuel, oil and lubricants	-	-
Motor vehicle spare parts	-	-
Stationery and general stores	-	-
Less: Impairment of Stocks	(-)	(-)
Total	-	-

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Reconciliation of Impairment Allowance for Inventories

Description	2024	2023
	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	2024	2023
	Ugx '000'	Ugx '000'
Trade and other receivables	310,852	2,465,493
VAT recoverable	270,335	270,705
Pre-payments	548,437	403,805
Provision for bad and doubtful debts	(169,395)	(169,395)
Net Trade and Other Receivables	960,229	2,970,608

27 (a) Trade Receivables

Description	2024	2023
	Ugx '000'	Ugx '000'
Gross Trade Receivables	2,465,493	2,465,493
Provision for Doubtful Receivables	(169,395)	(169,395)
Net Trade Receivables	2,296,098	2,296,098
ageing analysis of gross Trade Receivables		
Less than 30 Days		
Between 30 and 60 Days	479,800	479,800
Between 61 and 90 Days	545,405	545,405
Between 91 and 120 Days	233,625	233,625
Over 120 Days	1,206,662	1,206,662
Total	2,465,492	2,465,492

Notes to the Financial Statements (Continued)

27 (b) Reconciliation of Impairment Allowance for Trade Receivables

Description	2024	2023
	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	2024	2023
	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	2024	2023
	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	-	-

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Notes To The Financial Statements (Continued)

28. Tax Recoverable

Description	2024	2023
	Ugx '000'	Ugx '000'
At beginning of the year	416,745	416,745
Income tax charge for the year (Note 16)	(59,663)	(59,663)
Under/(Over) Provision in prior year (Note 16)	-	-
Income tax paid during the year	65,684	65,684
At end of the year	422,766	422,766

29. Short Term Deposits

Description	2024	2023
	Ugx'000'	Ugx '000'
Other Commercial Banks		
Centenary Bank	1,134,920	572,922
Kenya Commercial Bank	358,455	1,930,541
MTN	297,802	5
Airtel Uganda	362,082	2,817
Total	2,153,259	2,506,285

30. Bank and Cash Balances

Description	2024	2023
	Ugx '000'	Ugx '000'
Cash at bank	2,153,259	2,506,285
Cash in hand	-	-
Total	2,153,259	2,506,285

Notes To The Financial Statements (Continued)

Detailed analysis of the cash and cash equivalents

Description		2024	2023
Financial institution	Account number	Ugx '000'	Ugx '000'
a) Current Account			
Kenya Commercial Bank, UShs.	2202575138	348,490	1,918,014
Kenya Commercial Bank, USD	2202638024	9,965	12,527
Kenya Commercial Bank, KShs	2200834721	0	0
Centenary Bank, UShs	3100044408	1,134,920	572,922
MTN	646981	297,802	5
Airtel Money	4353702	362,082	2,817
Sub- Total		2,153,259	2,506,285
Grand Total		2,153,259	2,506,285

31. Ordinary Share Capital

Description	2024	2023
	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. Borrowings

Description	2024	2023
	Ugx '000'	Ugx '000'
a) External borrowings		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	(-)	(-)
Balance at end of the year	-	-
b) Domestic borrowings		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	(-)	(-)
Balance at end of the year	-	-
Balance at end of the period- domestic and external borrowings c = a+b	-	-

The analyses of both external and domestic borrowings are as follows:

Description	2024	2023
	Ugx '000'	Ugx '000'
External borrowings		
Dollar denominated loan from 'x organisation'	-	-
Sterling pound denominated loan from 'y organisation'	-	-
Euro denominated loan from Z organisation'	-	-
Domestic borrowings		
Kenya shilling loan from KCB	-	-
Kenya shilling loan from Barclays bank	-	-
Kenya shilling loan from Consolidated bank	-	-
Total balance at end of the year	-	-

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Notes to the Financial Statements (Continued)

Description	2024	2023
	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	2024	2023
	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	2024	2023
	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]

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Notes to the Financial Statements (Continued)

37. Lease Liability

Description	2024	2023
	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	2024	2023
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	2024	2023
	Ugx '000'	Ugx '000'
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
Other (specify)	-	-
Total Deferred Income	-	-

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2024

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	2024	2023
	Ugx '000'	Ugx '000'
Trade payables	4,307,576	5,800,235
Accrued expenses	125,983	125,983
Retention/ Contract monies	-	-
Deposits	-	-
Employee payables	-	-
Other payables	-	-
Total	4,433,559	5,926,218

Aging Analysis for Trade and other Payables]

	2024	% of the total	2023	% of the total
Under one year	4,433,559	100%	5,926,218	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	4,433,559		5,926,218	

Notes to the Financial Statements (Continued)

40. Retirement Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024	2023
	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, 2023. 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	2024	2023
	Discount rates	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	2024	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	2024	2023
	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).

42. Dividends Payable

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

Description	2024	2023
	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 -).

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Notes to the Financial Statements (Continued)

43. Notes to the Statement of Cash Flows

Description	2024	2023
	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	-	-

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Description	2024	2023
	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	-	-

44. 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

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Notes to the Financial Statements (Continued)

Transactions with related parties

Description	2024	2023
	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	-	-

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45. Capital Commitments

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

Description	2024	2023
	Ugx '000'	Ugx '000'
Amounts authorised and Contracted for	-	-
Amounts authorizes but Not Contracted for	2,131,500	1,554,000
Less: Amounts included in Work In Progress	()	(-)
	-	-

46. Contingent Assets and Liabilities

Contingent Assets

Description	2024	2023
	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	2024	2023
	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)

47. 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 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
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)	-	-	-

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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 - (2023: Ugx -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Ugx - (2023 – 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.

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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.

SIMLAW SEEDS COMPANY (U) LIMITED
Annual Report and Financial Statements for the year Ended 30th June 2024

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	2023
	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%

48. Incorporation

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

49. Events after the Reporting Period

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

15. 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



Name : Sylvia Kyeyune
Accounting Officer
General Manager
Date :

SIMLAW SEEDS COMPANY (U) LIMITED
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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							

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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				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Due to Related Parties	
Kenya Seed Company Limited	16/04/2024	Development-Purchase of Processing Plant & Machinery	267,200,000	-	-	-		267,200,000	267,200,000
Total			267,200,000	-	-	-	-	267,200,000	267,200,000

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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 [t name of beneficiary company] as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Ugx) as at 30th June 20xx				Amount Received by [beneficiary company] (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

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Appendix VI: Reporting of Climate Relevant Expenditures

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		

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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

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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



Appendix 1

Variance Between Comparative Amounts and Previous Year's Audited Amounts

a) Statement of Profit or Loss and Other Comprehensive Income

Description	Comparative Amount as per the Financial Statements Kshs.	Amount as per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Cost of Sales	8,665,575,000	8,971,906,000	306,331,000
Other Income	254,579,000	254,886,000	307,000
Administration Costs	1,631,837,000	1,638,327,000	6,490,000
Selling and Distribution Costs	503,560,000	503,559,000	1,000
Other Operating Expenses	337,205,000	343,741,000	6,536,000
Profit/(Loss) before Taxation	141,140,000	-	141,140,000
Income Tax Expense/(Credit)	59,663,000	12,087,000	47,576,000

b) Statement of Financial Position

	Comparative Amount as per the Financial Statements Kshs.	Amount as Per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Property, Plant and Equipment	1,799,445,000	1,792,910,000	6,535,000
Trade and Other Receivables	2,970,915,000	2,973,430,000	2,515,000
Bank and Cash Balances	2,506,268,000	2,503,139,000	3,129,000
Retained Earnings	562,798,000	569,641,000	6,843,000

c) Statement of Cash Flows

	Comparative Amount as Per the Financial Statements Kshs.	Amount as Per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Profit (Loss) Before Taxation	141,140,000	134,297,000	6,843,000
Depreciation & Amortization	132,088,000	138,623,000	6,535,000
Decrease (Increase) in Trade and Other Receivables	512,540,000	509,719,000	2,821,000

d) Notes to the Financial Statements

Revenue from Contract with Customers			
Revenue	Comparative Amount as Per the Financial Statements Kshs.	Amount as Per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Income from Certified Maize Seeds	1,641,449,000	2,373,437,000	731,988,000
Income from Vegetable Seeds	9,511,293,000	8,937,402,000	573,891,000
Income from Pasture Seeds	235,886,000	159,578,000	76,308,000
Income from Other Seeds	149,268,000	67,755,000	81,513,000
Other Income			
Other Income	Comparative Amount as per the Financial Statements Kshs.	Amount as per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Profit on Exchange	164,450,000	88,912,000	75,538,000
Other Misc. Income	(2,783,000)	-	2,783,000
Grants	181,824,000	179,348,000	2,476,000
Loss On Exchange	88,912,000	164,450,000	75,538,000
Other Operating Expenses	Kshs.	Kshs.	Kshs.
Insurance			
Depreciation on Other Equipment	140,593	147,129	6,536
Bank Charges			-
General Expenses	73,592	71,746	1,846

Report of the Auditor-General on Simlaw Seeds Company Uganda Limited for the year ended 30 June, 2024

Property, Plant and Equipment (Net Book Value)	Comparative Amount as per the Financial Statements Kshs.	Amount as per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Buildings & Civil Works	25,754,000	781,540,000	255,786,000
Plant And Machinery	46,370,000	50,373,000	4,003,000
Motor Vehicles, Including, Motor Cycles	50,372,000	45,530,000	4,842,000
Computers & Related Equipment	28,998,000	23,523,000	5,475,000
Capital Work in Progress	255,786,000	-	255,786,000
Inventories	Comparative Amount as per the Financial Statements Kshs.	Amount as per the Previous Year's Financial Statement Kshs.	Variance Kshs.
Maize	1,816,153,000	1,790,206,000	25,947,000
Cabbage	2,087,401,000	2,047,405,000	39,996,000
Tomatoes	1,302,795,000	1,725,356,000	422,561,000
Other Vegetables	1,339,203,000	1,429,363,000	90,160,000
Packaging	394,561,000	481,000	394,080,000
Chemicals	8,726,000	29,780,000	58,946,000
Fertilizers	19,849,000	2,128,000	17,721,000
Provision For Obsolete Stock	249,967,000	299,690,000	49,723,000
Trade and Other Receivables	Comparative Amount as per the Financial Statements Kshs.	Amount as per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Trade And Other Receivables	2,465,493,000	2,527,121,000	61,628,000
VAT Recoverable	270,705,000	305,589,000	34,884,000
Pre-Payments	403,805,000	310,115,000	93,690,000
Cash and Cash Equivalents	Comparative Amount as per the Financial Statements Kshs.	Amount as per the Previous Year's Financial Statements Kshs.	Variance Kshs.
Other Commercial Banks	-	12,202,000	12,202,000
Kenya Commercial Bank	1,930,541,000	1,918,014,000	12,527,000
MTN	5,000	-	5,000
Airtel Uganda	2,817,000	-	2,817,000

Report of the Auditor-General on Simlaw Seeds Company Uganda Limited for the year ended 30 June, 2024

	Comparative Amount as per the Financial Statements	Amount as aer the Previous Year's Financial Statements	Variance
Trade and Other Payables			
Trade Payables	5,800,235,000	4,543,732,000	1,256,503,000
Accrued Expenses	125,983,000	-	125,983,000
Other Payables	-	186,186,000	186,186,000