

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 MAR 2026

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THE AUDITOR-GENERAL

ON

**KENYA SEED COMPANY LIMITED AND ITS
SUBSIDIARIES**

**FOR THE YEAR ENDED
30 JUNE, 2025**



KENYA SEED COMPANY LTD

Top Quality Seed

AND ITS SUBSIDIARIES



ANNUAL REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

Prepared in accordance with the Accrual Basis of Accounting Method under the International Financial Reporting Standards (IFRS).



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MBEGU BORA, MAVUNO BORA, MAISHA BORA.















KEY ENTITY INFORMATION

Background Information

Kenya Seed Company Limited is a State Corporation by virtue of majority shareholding by Government through Agricultural Development Corporation (ADC) at 52.88% shareholding. Established under the Companies' Act, Cap 486 of the Laws of Kenya and is governed by the State Corporations Act Cap 446, the PFM Act 2012 and other relevant legislation. At the Cabinet level the Company is represented by the Cabinet Secretary for Ministry of Agriculture, Livestock, Fisheries and Irrigation, who is responsible for the general policy and strategic direction of the Company.

The Company was incorporated in Kenya on 2nd July 1956 to produce and market high quality certified seeds. The Company is domiciled in Trans Nzoia County, Kenya and has established various branches in Kenya to serve the farmers. As an expansion strategy into Eastern Africa market, the Company has incorporated subsidiaries namely Simlaw Seeds Kenya, Kibo Seed Tanzania, Simlaw Seeds Uganda and Kenya Seed Rwanda.

Where we operate:

				
				
KITALE	NAIROBI	KAMPALA	ARUSHA	KIGALI
ELDORET	KARATINA	KAPCHORUA	MBEYA	
KAPSABET	MERU	MBALE	MWANZA	
BUNGOMA	RUARAKA	MASINDI	IRINGA	
KAKAMEGA	LOITOKTOK	NAKIVUBO	MOROGORO	
KISII			MAKAMBAKO	
NAKURU				
NAROK				
BOMET				
KERICHO				



KEY ENTITY INFORMATION (continued)

Principal Activities

The Company's main mandate is to carry out focused research and facilitate production of high yielding, better quality certified seed and to enhance food security and quality living standards for sustainable economic development. The Company's range of products has expanded to over 60 Certified Seed Varieties suitable for different agro-ecological zones in the region. The seed varieties are:

Maize Varieties

Variety	Altitude (Mtrs) Above Sea Level	Maturity Period (Days)	Yield (90kg Bag/ Acre)	Special Attributes	Recommended Growing Areas
H6218	1500-2800	175-210	56	Blight tolerant, good husk cover, Semi-flint.	These are Highland hybrids grown particularly in Trans-Nzoia, Uasin-Gishu, Nakuru, Laikipia, Kisii, Narok, Bungoma, Kakamega, Nandi, and Kericho, Tea zones of central Kenya, Nyahururu, Southern Highlands of Tanzania, Mt. Kilimanjaro slopes, Bomet, Nyeri, Kiambu and Meru Tea Zones, Timau, Nkubu, Nanyuki, Kirinyaga, Igembe, Bukwa, Mbale, Bumula, Lanet,
H6213	1500-2800	160-190	52	Tolerant to lodging, ear rot, rust, Grey Leaf Spot and leaf blight	
H6210	1500-2800	160-190	50	Tolerant to lodging, ear rot, rust, Grey Leaf Spot, Stem and leaf blight.	
H629	1500-2800	160-190	48	Has good husk cover, very tolerant to lodging, ear rot, rust, stem and leaf blight.	
H628	1500-2800	150-180	46	Producer of more than one cob, Tolerant to most leaf diseases, blight and rust, tolerant to lodging.	
H626	1500-2800	150-180	42	Tolerant to most leaf diseases, blight and rust, Tolerant to lodging.	
H625	1500-2800	150-180	40	Tolerant to lodging, has good husk cover	
H624	1500-2800	90-110	32	Tolerant to Grey Leaf Spot, leaf blight and rust, excellent husk cover with flint kernels.	
H614	1500-2800	160-190	38	Tolerant to blight, leaf and ear diseases and weevil attack	
PH1	500-1300	75-90	16	Has better husk cover and can be intercropped with other crops.	
PH4	500-1300	90-120	16	Tolerant to most leaf and ear diseases, excellent husk cover and tolerant to lodging	
H520	1700-2000	90-110	32	Tolerant to leaf rust, Grey Leaf Spot, lodging, has flint kernels and excellent husk cover	Western Kenya, Elgeyo Marakwet, Coffee growing areas of Central Kenya and Nyanza.
H517	800-2400	120-130	30	Tolerant to foliar diseases and pests. Has an excellent husk cover	Western Kenya, Elgeyo Marakwet, Coffee growing areas of Central Kenya and Nyanza.
H516	800-2400	100-110	28	Good husk cover, very tolerant to lodging, ear rot, rust, Grey Leaf Spot, Stem and leaf blight.	Early to medium transitional zones and lowland areas of Kirinyaga, West Pokot, Bungoma, Homa Bay, Kerio Valley, Kagio, Mwea, Makueni, Kitui, Marakwet, Baringo and Koibatek, Voi, Mwatate, Mariakani, Garissa. Western Kenya, elgeyo marakwet, coffee zones of central Kenya, Tharaka Nithi, Nyanza (Migori, Kisii, Nyamira), Baringo, Embu, Chuka Lowland
H522	800-2400	100-110	26		
H515	800-2400	100-110	26	Tolerant to lodging, leaf blight, leaf rust and GLS.	
H513	800-2400	100-110	24	Partially tolerant to Maize streak virus	
DH01	500-1300	70-90	16	Long stay Green trait, drought tolerant, good level of tolerance to leaf blight, common rust and ear rot.	Arid and Semi-arid areas of Makueni, Machakos, Kangundo, Siaya, Kibos, Busia, Kibwezi, Kitui, Mwangi, Voi, Mwatate, Makayo, Turkana, Sigor, West Pokot, Isiolo, Mandera, Karachuonyo, Nyando, Kisumu, Bondo and some parts of Butere
DH02	500-1300	70-100	18	Early, tolerant to MSV, water stress, has a long stay green trait	
DH03	500-1300	95-120	22	A good level of tolerance to blight and MSV, good husk cover, better standability and drought tolerance	
DH04	500-1300	100-130	24	Short, drought tolerant, good husk cover and standability	



KEY ENTITY INFORMATION (continued)

Wheat Varieties

Variety	Altitude (Mtrs) Above Sea Level	Yield (90kg Bags/ Acre)	Maturity Period (Days)	Special Attributes
KS Mwamba	1800-2400	22-25	125	High yielding. Tolerant to field stress conditions. Widely adapted to East African Conditions (especially in Trans– Nzoia, Uasin Gishu, Laikipia, Narok and Mt. Kenya areas.
Ks Far-asi	1800-2400	16-30	119 (+/-5)	Tolerant to most foliar diseases Good Baking Quality. High Yielding Hard red wheat highly recommended for Mount Kenya, Samburu, Laikipia West, Narok, Subukia, Rongai, Nyandarua, Nakuru, Trans-Nzoia, Kericho, Bomet and Uasin Gishu areas.
KS Chui	1800-2400	37-75	119 (+/-5)	Good Tolerance to foliar diseases Adapted to high potential and marginal environments. High tillering ability, high yields. Hard red wheat.
KS Simba	1500-2400	17-32	116-120	Good baking qualities. Good tillering ability. Hard red wheat. Hard red wheat highly recommended for Mount Kenya, Samburu, Laikipia West, Narok, Subukia, Rongai, Nyandarua, Nakuru, Trans-Nzoia, Kericho, Bomet and Uasin Gishu areas.
KS Ndume	1800-2400	37-75	100-110	High yielding. Good Tolerance to foliar diseases Resistant to sprouting and lodging. High tillering ability. Good baking qualities
KS Nyota	1800-2400	30-75	120-130	High yielding. Newly released with moderate resistance to stem rust Ug99 Good tillering ability. Bred for sprouting tolerance Makes a very stable dough.
KS Kanga	1800–2500	53-89	120-130	High yielding. Product of KSC CIMMYT Collaboration. Newly released with moderate resistance to stem rust Ug99 Good tillering ability. Good baking and milling qualities. Tolerant to most foliar diseases. Newly released with adult plant resistance to stem rust UG99 (slow rusting).

Sorghum Varieties

Sorghum Type	Duration to Maturity	Yield (90kg Bags/ Acre)	Special Attributes
Serena	3 - 4 months	12	It is a brown seeded variety It has a long stem and good root system It is widely adaptable Fairly tolerant to Striga, Rust, Leaf blight and Grey leaf spot. Performs well in the moist mid altitude regions and the semi-arid lowlands.
Seredo	3 - 4 months	12	It is a brown seeded variety It is taller than Serena with good tolerance to lodging Its head is conical and semi compact in shape with brown grains which are slightly bigger than those of Serena Sorghum Performs well in moist altitude and the semi-arid lowlands It is widely adaptable
Gadam	3 months	8	It is whitish in colour Has excellent malting qualities Good for human consumption (ugali) Does well in lowland to medium altitude.
E 1291	5 months	15 - 20	It is brown in colour Dual purpose variety with good beverage quality Performs well in the cool semi-arid highlands of Nakuru, Baringo, Laikipia, Naivasha, Narok, Trans Nzoia, Uasin Gishu, Kuria, Kericho, Trans Mara, and Taita Taveta. Good for silage making.

Finger Millet Varieties

Finger Millet Type	Altitude (Mtrs) Above Sea Level	Duration to Maturity	Yield (90kg Bags/ Acre)	Special Attributes
P 224	1150 - 1750	3 - 4 months	10-15	It is a brown seeded variety It is a tall type with uniform plant height It is tolerant to lodging. Average nutrient intake.
Katamani	250 –1150	3 months	7-10	It is a red seeded variety It is a short variety Drought tolerant. Average nutrient intake.



KEY ENTITY INFORMATION (continued)

Pasture Varieties

Pasture Type	Optimal Production Altitude	Duration to Maturity (Days)	Special Attributes
Boma Rhodes Masaba rhodes	1000 - 2500	90 – 105 Days	Soft and excellent herbage Slow growing and hence suited for lower stocking rates. Gives bottom tillers and forms a thick grass It is very popular in all altitude. It is drought tolerant
Elmba Rhodes Mbarara rhodes Pokot rhodes	110 - 130	15 to 20 Bags	Red mottled (Red with white specks)
Nandi Seteria	1000 – 2500	70 – 80 Days	Suitable for the high altitude and high rainfall areas Very persistent but good seed bed essential for proper establishment. Good forage quality Tolerant to mild water logging.
Nasiwa Seteria	1000 - 2500	75 – 90 Days	Good persistence under grazing Drought tolerant Good forage quality Tolerant to mild water logging.
Coloured Guinea	50 - 2000	50 – 60 Days	Good herbage quality Thrives well in a wide range of rainfall regimes Can withstand severe water lodging Establish well in coastal strips.
Desmodium	0 - 3000	3-4 Months	High crude protein levels Rich in minerals and vitamins Improve soil fertility through nitrogen fixation Controls Striga weed growth. Grows in all altitudes.
Lucerne	1000 - 3000	3-4 Months	Very palatable, nutritious and can sustain high milk production levels when fed to dairy cattle. Can last up to four years under good management. Can be fed to goats, rabbit and chicken.
Sudan grass	All altitudes	3 Months	A quick growing annual with smaller stems and thin leaves. Very palatable. Very good for making silage
Columbus grass	All altitudes	3 Months	A quick growing biannual crop with broader leaves which under good management can be harvested twice per annum. Good for silage making.
Oats	All altitudes	135 days	Suitable for forage and grain milling Tolerant to stem rust. High palatability. Good for human porridge.

Dry Shell Beans

Bean Type	Duration to Maturity (Days)	Yield (90kg Bags/Acre)	Special Attributes
GLP 92 Mwite-mania	90 - 95	8	Cream seeds with black-brown spots Has a spreading growth habit with nearly flat pods which contain oval seeds Prefers the medium altitude and is tolerant to drought Tolerant to halo blight
GLP 2 Rose coco	75 - 90	10	Large, dark red with white flecks grains the plant is tall, erect and very vigorous with flat pods Prefers medium altitude zones Tolerant to bean common mosaic virus and anthracnose
GLP 1004 Mwezi moja	80- 90	6	Large beige or light brown speckled purple with long broad pods Medium yielder and performs best in warmer areas Well adapted for planting during the short rains
GLP 24 Canadian wonder	110 - 120	10	Shiny dark purple or reddish-purple seeds Vigorous plant with slight climbing tendency and flat pods Performs best in cool areas
GLP 1127 New mwezi moja	85 - 90	8	An improvement of GLP 1004 on yield and disease tolerance Relatively widely adaptable than GLP 1004 The colours are similar to those of GLP1004.Wairimu
Wairimu dwarf	70	6	An extra early bean type that performs well in most ecological zones but suited to medium to dry areas. It has excellent eating quality Good for intercropping.
Soya Beans SB 19	110 -120	10	High oil content High podding ability.



KEY ENTITY INFORMATION (continued)

Sunflower Varieties

Variety	Optimal Production Levels	Yield (90kg Bags/ Acre)	Special Attributes	Recommended Growing Areas
Hungarian White	12-2400	150-160	3.5-4 t/ha	Long white grains for bird feed Average oil content Livestock feed.
Kenya Fedha	12-2000	130-135	3.-3.5 t/ha	Open pollinated Uniform maturity Suited to all altitudes high oil content
H8998	12-2000	120-125	3.-3.5 t/ha	Uniform in plant height and maturity Tolerant to several plant diseases Has strong stems Matures earlier than the other varieties. High oil content Suited for all altitudes.

Nerica Rice Varieties

Nerica Type	Optimal Production Altitude (M) A.S.L	Duration to Maturity (Days)	Yield (Kg / Ha)	Special Attributes
NERICA 1	0 – 1700	100 – 115 days	4500	Aromatic Medium tolerance to blast Good tolerance to lodging Long grains
NERICA 4	0 – 1700	100 – 130 days	5000	Medium tolerance to blast Good tolerance to lodging Long grains. High aromatic rice
NERICA 10	0 – 1700	90 – 105 days	6000	Early maturing Long Grains Good tolerance to blast Moderate tolerance to lodging. High aromatic rice. 6000
NERICA 11	0 – 1700	130 days	7000	Long grains Good tolerance to blast tolerance to lodging

Groundnuts

Crops	Optimal Production Altitude (M) A.S.L	Duration to Maturity (Days)	Special Attributes
KEN-G NUT 1	200—1000	101 - 110	Mid-brown in color High in oil content tolerance to rosette disease

SimSim

Crops	Optimal Production Altitude (M) A.S.L	Duration to Maturity (Days)	Special Attributes
KSS-6 (KENYA SEED SIMSIM SIX)	200 – 1200	90 – 105	Highly aromatic when roasted High podding ability (average of 52% per plant) Shoot fly tolerance. Tolerance to rust. High oil content.

KEY ENTITY INFORMATION (continued)



Our top-quality seed packaged and ready for sale to farmers

Simlaw Seeds Company Ltd Products

Tomato

Prostar F1, Libra F1, New Fortune Maker F1, Kentom F1, Cal J, Money Maker, Joy F1, Marglobe, M82, Simlaw Rio Grande, Superstar F1, Galaxy F1, Monica F1 and Novelle F1

Cabbages

Riana F1, Pruktor F1, Gloria F1, Rotanda F1, Thomas F1, Queen F1, Serena F1, Dunny F1, Karen F1, Polo F1, Chinese Cabbage, Copenhagen Market, Sugar Loaf, Red Rock, Queen F1, and Serena

Value vegetables

Cauliflower amazing f1, Broccoli conde f1

Eggplant

Black Beauty and Early Long Purple

Okra

Pusa Sawani and Crimson Spineless

Onions

Red Passion F1, Ruby F1, Red Nice F1, Spring Green Bunching, Texas Grano, Bombay Red and Red Creole

Carrots

Carrot Nantes, Napolitana f1

Pepper

California Wonder, Yolo Pepper Lafayette f1, Long Red Cayenne and Fresno (Bullet), Double up, Citrine.

Indigenous vegetables

Amaranthus (Terere), Spider Plant (Saga, Saget), Black Night Shade (Managu), Crotalaria (Mito) and (Murere) and Jews Mallow (murere, mrenda)

Water Melons

Sweet Rose f1, Sugar Belle f1, Julie f1 and Daytona f1, Sugar Baby, Charleston Grey and Crimson Sweet

Leafy vegetables

Spinach Fordhook Giant, Lucullus, Collard Sukuma Wiki- Simlaw Select, Kale 1000 Headed.

Herbs

Coriander Dhania, Parsley and Celery



OUR VISION

To be the leading supplier of Top-Quality Seed in Africa and beyond

OUR MISSION

To avail sufficient quality certified seed competitively through research and development to the satisfaction of stakeholders

OUR CORE VALUES

- **Integrity:** In discharging our functions, we consistently uphold the highest ethical standards, demonstrating honesty and fairness in all our operations at all levels of the organization.
- **Teamwork and effective partnerships:** KSC staff work as a team committed to the realization of the Company goals. We endeavor to pull in one direction internally and externally in delivering on our mandate.
- **Professionalism:** We take a professional and objective approach in all our operations. We uphold competence, high standards, reliability and excellence in our work.
- **Innovativeness:** KSC recognizes that innovation and creativity in processes and products is key in improving service delivery. The Company is therefore committed to fostering innovation and creativity in the entire work force. Towards this, the Company supports and encourages learning among its staff.
- **Passion for quality:** We recognize that our customers are the reason we exist. We therefore endeavor to provide high quality services which meet customer needs and honor commitments that we have made to them.
- **Client focus:** We provide services that satisfy customer needs and exceed expectations. We strive to deliver reliable products and services to our customers.
- **Efficiency:** We provide services with the minimum time, resources and the rightful number of resources. We strive to eliminate wastages in discharging our mandate



Directors

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

Director's Name	Position	Date of appointment
Hon. Purity.W.Ngirici	Chairperson	13 th July 2023
Ms. Edna Atisa, HSC	Alt Dir, CS The National Treasury	13 th July 2023
Dr. Wilson Tonui	Managing Director ADC	
Mr. Edwin.K.Tum	Director	13 th July 2023
Hon.Bernard Wambwa	Director	13 th July 2023
Mr. Job Ndemo	Director	13 th July 2023
Mr.Symon Cherogony	Director	13 th July 2023
Mr. James Wanjohi	Alt Dir Rep, Ministry of Agriculture	

Company Secretary

Ms. Wilkister Simiyu,CPS
(K)

P.O. Box 553 – 30200

Kitale, Kenya.

Registered office and

Wamalwa Street

Principal place of Business

P.O. Box 553 – 30200

Kitale, Kenya

Corporate contacts

Tel: (054)-31909-14

Mobile: 0722205144, 0726141856, 0733623668

Email: info@kenyaseed.co.ke

Website: www.kenyaseed.com

Principal Bankers

KCB I Bank Limited

P.O. Box 1974 – 30200

Kitale, Kenya.

National Bank of Kenya Limited

P.O. Box 1192 – 30200

Kitale, Kenya.

Absa Bank of Kenya Limited; Eldoret Branch

P.O. Box 22 – 30100

Eldoret, Kenya.

Equity Bank Kenya Limited

Kitale Branch; P.O. Box 801 – 30200

Kitale, Kenya.

Cooperative Bank of Kenya

P.O. Box 1058 - 30200

Kitale, Kenya

Independent Auditors

Office of Auditor General

P.O. Box 30084 – 00100 GPO

Nairobi, Kenya

Principal Lawyers

Kidiavai & Company

Advocates, Commissioners for Oaths and Notaries Public

2nd Floor, Mazop Building



P.O. Box 437 – 30200 Kitale, Kenya.

Albert Kamunde & Company
Advocates, Commissioners for Oaths, Notary Public and
Certified Public Secretaries, 4th Floor, Blue Violets Plaza
Kindaruma Road, off Ngong Road
P.O. Box 56936 – 00100 Nairobi, Kenya.

Namachanja & Mbugua
Advocates, Notaries Public and Commissioners for Oaths
A4, Hurlingham Park, Arwings Kodhek Road
P.O. Box 26301 – 00100
Nairobi, Kenya.

Subsidiaries

Simlaw Seeds Company Limited
Kijabe Street
P.O. Box 40042 – 00100
Nairobi, Kenya.

Kibo Seed Company Limited
Mbegu House, Opposite Golden Rose Hotel
Plot No. 355 Block X, Area F
P.O. Box 25 Arusha, Tanzania.

Simlaw Seeds Company Tanzania Limited (Dormant Entity)
Mbegu House, Opposite Golden Rose Hotel
Plot No. 355 Block X, Area F
P.O. Box 25 Arusha, Tanzania.

Simlaw Seeds Company Uganda Limited
6th Street, Industrial Area
P.O. Box 21303
Kampala, Uganda.

Mount Elgon Seed Company (Dormant Entity)
Nakivubo Place
P.O. Box 23810 Kampala, Uganda.

Kenya Seed Rwanda Limited
P.O Box 6312,
Kigali, Rwanda

Champion bulls during Research Field Day at Eigon Down Farm (EDF)



Donation of foodstuff to primary school by Kenya seed Company staff as part of Corporate social Responsibility.





ACRONYMS

Under the context of this Financial statements, the following terms shall be interpreted as follows;

1	KSC	Kenya Seed Company Ltd
2	IAS	International Accounting Standards.
3	IFRS	International Financial Reporting Standards
4	VAT	Value Added Tax
5	MD	Managing Director
6	GRN	Goods Received Note
7	DN	Delivery Note
8	JV	Journal Voucher
9	KRA	Kenya Revenue Authority
10	PFM	Public Finance Management.
11	GIMIS	Government Integrated Financial Management Information System
12	GL	General Ledger
13	ERP	Enterprise Resource Planning
14	SAP	Systems Application and Products
15	AMS	Agricultural Management System
16	OAG	Office of the Auditor General
17	MRIR	Material Requisition & Inspection Report
18	TB	Trial Balance
19	eGP	Electronic Government Procurement system
20	KEPHIS	Kenya Plant Health Inspectorate Service
21	MOA	Ministry of Agriculture
22	NT	National Treasury
23	ASK	Agricultural Society of Kenya
24	ADC	Agricultural Development Corporation
25	STAK	Seed Trade Association of Kenya.
26.	NGO	Non-Governmental Organization
27.	CYMMYT	International Maize and Wheat improvement center.
28.	CSR	Corporate Social Responsibility
29.	PPRA	Public Procurement Regulatory Authority



OUR BOARD OF DIRECTORS



Hon. Purity Wangui Ngirici is a resourceful, accomplished, highly organized, results-oriented, focused, resilient and enthusiastic human resource, strategic management, gender and development specialist with a Masters in Marketing Management and over 20 years of professional hands-on experience cutting across the national, county government and not-for-profit making sectors. She has immense experience at senior management positions having risen through ranks from a Public Investments Committee Member to Kirinyaga County Women Representative. At the national government level, some of the senior positions held was Kirinyaga County Women Representative, Constitutional Implementation Oversight Committee (CIOC) Member, Kenya Women Parliamentary Association (KEWOPA) – Chairperson, Finance and National Planning Committee Member and Public Investments Committee

Chairperson of the Board

Member as well as Leader of Delegation at the UN General Assembly (UNGA) among others. In the private sector, some of the senior most positions held are Managing Director of Giriama Holdings and Marketing Director of Japan Network Trading Company while in the not-for-profit making organizations, one of the senior most positions held is logistics manager at the UN World Food Programme.

She has held numerous senior management and policy advisory positions, liaised with various Regional and National Authorities, bilateral and multilateral donor organizations, financial institutions, local and international non-governmental organizations and other stakeholders in the planning, implementation and monitoring of projects and programmes related to youth affairs, gender and women empowerment, business management and public administration.

From the foregoing, the gem of her career has peaked into extensive resource mobilization and management for youth and gender-related programmes and projects in both public and NGOs sector as well as implementation, management and monitoring of related policy advisory. In addition to implementing and managing such programmes, her work has led to production of varied policy outputs cutting across human resource management, strategic management and gender such as programme documents, reports, briefs, case studies, documentation of best practices including publication of national policies related to women and gender.

Because of that, she holds several awards on Excellency in the line of Human Resource Management, gender advocacy and public administration. She highly derives her motivation from contributing to the betterment of any human being: seeing them make something positive out of their lives. She is the Current Chairperson of Kenya seed company ltd and its subsidiaries having been appointed on 13th July 2023.



OUR BOARD OF DIRECTORS (continued)

Mr. Sammy Kiplagat Chepsiror

Mr. Chepsiror Kiplagat Sammy was born on 12th December, 1966 and is the Managing Director. Mr. Chepsiror has over 27 years' experience in strategic Marketing, Sales, Operations, Banking and Customer Service management. He holds MBA in Strategic Management, Master of Management and Leadership, Bachelor of Commerce (Marketing), Diploma in Management & Development. He is a member of Marketing Society of Kenya (MSK) and Public Relations Society of Kenya (PRSK). He joined the Company in 2006 as Sales and Marketing Manager in Simlaw Seeds Company. He previously worked in banking sector. He is currently the ASK Kitale Region Chairman and ASK Life Governor. Mr. Sammy Chepsiror was appointed Acting Managing Director effective 19th May 2023, confirmed to the position of Managing Director 25th March 2024.



MS Edna Atisa, Alternate Member, The National Treasury (HSC)

Ms. Edna Atisa was appointed to the Board of Kenya Seed on 05th May 2021 as an alternate member representing the Cabinet Secretary for the National Treasury. Ms. Atisa holds a Master's Degree in Economics, Bachelor of Arts in Economics and Postgraduate Diploma in Education all from the University of Nairobi. She is an Economist with vast experience in the public sector specializing in economic policy formulation and implementation and is a member of the Economics Society of Kenya. She is currently a Deputy Director at the National Treasury. She is a Certified Financial Analyst and a Member of ICIFA.

Director Job.K. Ndemo

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

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





OUR BOARD OF DIRECTORS (continued)

Mr. James.W. Wanjohi



Mr. James Wanjohi is career civil servant with a rich distinguished career spanning 28 years as an Agricultural Development, Food Security and extension specialist, with local, regional and international exposure. He is currently working at policy level, at the Ministry of Agriculture, Livestock Development as the Director in charge of over 30 State agencies.

He holds an MSc in Agricultural Extension and a BSc in Agriculture. He has also attended many trainings in the fields of agriculture, food security, leadership, corporate governance, finance, climate change among others. He has corporate experience having been a board member of five other boards across the agriculture sector. He is currently coordinating management of all agencies under the ministry of Agriculture in ensuring effective delivery of their mandates as special purpose vehicles for promoting trade, food and nutrition security

and creation of employment and livelihood avenues amongst rural communities. As a director in the Kenya Seed Company, a seed industry state agency, he provides policy and leadership foresight to ensure quality seed is available timely and accessed to farmers and other stakeholders as envisaged by the Kenyan Government. He is a strong believer on empowering farmers with right tools, knowledge, policy and high quality seed.

Mr. Edwin Kipchirchir Tum



Born in 1976, Edwin was appointed to the Board of Directors in June 2023 and brings to the table a blend of legal and agribusiness experience. He has a vast understanding and interpretation of the corporate legal framework, and he is also adept in advocacy with particular emphasis on Legal Practice Management in both the non-profit and commercial firms. Over the last seven years, Edwin has turned his focus to the agricultural sector concentrating on the management of commercial maize, coffee and tea farms within Trans Nzoia. He holds a Bachelor of Laws Degree (LLB) from the University of Derby, a Diploma in Legal Practice (LPC) from Staffordshire University, and a Master of Laws Degree in Legal Practice (LLM) from Staffordshire University.



OUR BOARD OF DIRECTORS (continued)

Hon. Bernard Wambwa

Director Bernard Wambwa was born on 20th February, 1977 and he is a member of the Board of Kenya Seed Company Ltd. He holds a Diploma in Project Planning and Management and ongoing with Bachelor of Project Planning and Management at University of Nairobi. He was the Majority Chief Whip, Member of County Assembly, Trans Nzoia County. He was appointed to the Board of Kenya seed Company as Director on 13th July 2023.



Dr. Wilson Tonui



Dr. Wilson Tonui is a Professional in the Agricultural sector with a proven track record and a wealth of experience spanning over 28 years working in various capacities in different ADC farms spread across the country. Successful leader and a manager with an in-depth knowledge in livestock and crop production. He has previously served as Regional Manager in charge of ADC Kitale, Technical Manager Strategy Planning, Technical Manager Operations and Livestock. Wilson holds Master's degree in Business Administration (Strategic Management Option) from St. Paul's university, Bachelor's degree in Veterinary Medicine from University of Nairobi. He also holds other professional courses that include: International Certificate in Dairy Cattle Production from Israel, Strategic Leadership and Management skills, Corporate governance, Finance for non-finance managers, Human Resource for non-human resource managers, Performance management and ISO internal quality auditing skills.

Mr. Symon Kipchumba Cherogony



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



OUR BOARD OF DIRECTORS (continued)

● **Company Secretary. Wilkister Simiyu**

Wilkister Simiyu was born on 16th June, 1981 and is the Company Secretary and General Manager Legal Services having joined the company in May 2024.

At a Non-Executive level, she has served as Director, Kenya Revenue Authority and Chair, Kenya Revenue Authority Pension Scheme (KRAPS). Additionally, she has served as Council Member, Kibabii University.

Ms. Simiyu has 19 years' post admission experience as an Advocate of the High Court of Kenya both as a practicing advocate at Kitiwa & Co. Advocates and Nyaundi Tuiyot & Co. As in House Counsel, she has worked at Moi University and its affiliates including Rivatex East Africa (REAL) where she was part of the team that established more than five (5) Constituent Colleges that are now fully fledged Chartered Universities. She was part of the team that birthed the Universities Act, 2012.

Ms. Simiyu holds an LLM specializing in Commercial and Corporate Law and a Post Graduate Diploma in Law and Development both from the University of London. She holds LLB degree (Hons) from Moi University and postgraduate diploma in Law (KSL). She is a Certified Public Secretary (CPS-K), Certified Governance and Legal Auditor as well as a Governance, Ethics, Risk and Compliance profession certified by the Institute of Certified Public Secretaries.

She is a certified Pension trustee having undertaken the Trustee Development Programme Kenya (TDPK) by the College of Insurance.



PASTURE





OUR MANAGEMENT TEAM

The Company has a diverse and dedicated management team that assists the Managing Director in his role of achieving the company's strategic objectives.



SAMMY KIPLAGAT CHEPSIROR
MANAGING DIRECTOR, KENYA SEED COMPANY

Mr. Chepsiror Kiplagat Sammy was born on 12th December, 1966 and is the Managing Director. Sammy Kiplagat Chepsiror is a seasoned and transformative leader with over three decades of professional experience spanning the agri-business value chain, seed industry, and banking sectors across East Africa. He currently serves as the Group Managing Director of Kenya Seed Company, overseeing operations in Kenya, Tanzania, Uganda, and Rwanda. His tenure at Kenya Seed has seen him rise through key leadership roles, including Group Head of Sales and Marketing, Head of Corporate Affairs and Communications. Prior to this, he honed his financial and operational expertise in various senior roles at Postbank Kenya and Simlaw Seeds Company.

Sammy holds an MBA in Strategic Management from the University of Nairobi and is currently pursuing a Master's in Management and Leadership. He is a Board Member of the Seed Trade Association of Kenya (STAK), a National Council Member and Branch Chairman of the Agricultural Society of Kenya (ASK), and a respected community leader.

A registered member of MSK, PRSK, and STAK, Sammy continues to inspire transformation through ethical leadership, people development, and a commitment to excellence in service delivery.

Mr. Sammy Chepsiror was appointed Acting Managing Director effective 19th May 2023, confirmed to the position of Managing Director 25th March 2024.



OUR MANAGEMENT TEAM (continued)

Head of Legal Services



Wilkister Simiyu was born on 16th June, 1981 and is the Company Secretary and General Manager Legal Services having joined the company in May 2024.

At a Non-Executive level, she has served as Director, Kenya Revenue Authority and Chair, Kenya Revenue Authority Pension Scheme (KRAPS). Additionally, she has served as Council Member, Kibabii University.

Ms. Simiyu has 19 years' post admission experience as an Advocate of the High Court of Kenya both as a practicing advocate at Kitiwa & Co. Advocates and Nyaundi Tuiyot & Co. As in House Counsel, she has worked at Moi University and its affiliates including Rivatex East Africa (REAL) where she was part of the team that established more than five (5) Constituent Colleges that are now fully fledged Chartered Universities. She was part of the team that birthed the Universities Act, 2012.

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She is a certified Pension trustee having undertaken the Trustee Development Programme Kenya (TDPK) by the College of Insurance

Internal Audit Manager (CPA) Leonard Kibet was born in 2nd August 1980 and is the Internal Audit Manager. He is a Certified Public Accountant (CPAK) and a Certified Internal Auditor (CIA), a member of the Institute of Internal Auditors (IIA) and Institute of Certified Public Accountant (ICPAK). He has over 15 years of leadership and managerial experience having worked with Nation Media Group, Kenya Bureau of Standards, Vision Fund and University of Eldoret. He holds a Master's Degree in Finance and a Bachelor's Degree in Business Management. He joined the company on 2nd October 2017.



Head of Human Resource



Ms. Teresa Chepchumba Morogo was born on 7th August, 1968. She is a professional member of the IHRM and a licensed HR Practitioner with over 20 years of experience in HR field. She joined the Company in May, 2023 as the Manager, Human Resource. She has held senior positions in HR in both public and private sectors. Prior to joining KSC, Ms. Morogo worked at KALRO, Sovereign Group of Companies, University of Eldoret and Sugar Research Institute as the HR Manager. She has also been a CEC in charge of Administration and Public Service at the County Government of Nandi and Registrar, Administration & HR at Koitaleel Samoei University College. Ms. Morogo has BSc. in H/Econ. from University of EA-Baraton, a Masters in HR from Egerton University and is CHRP(K) holder.



OUR MANAGEMENT TEAM (continued)

Ag Head of Finance

Mr. Hezekiah Keitany was born in the year 1969 and he is the Ag. Head of Finance and Investment. He holds a Bachelor of Commerce from the University of Nairobi. He is a member of Certified Public Accountants of Kenya (ICPAK). He previously worked at Kibo Seed Co. Ltd., a foreign subsidiary of Kenya Seed in Tanzania as head of Finance.



General Manager-Simlaw seeds, Uganda

Mrs. Sylvia Nanteza Kyeyune was born in 1976 and is the General Manager of Simlaw Seeds Company Uganda Ltd, in Uganda, a subsidiary of Kenya Seed Company. She is responsible for coordinating all the activities of the Subsidiary to ensure its smooth operation. Mrs. Kyeyune holds a Master of Science degree in Crop Science and a Bachelor of Science degree in Agriculture from Makerere University, Kampala, Uganda. She has over 13 years' leadership and managerial experience in the seed sector and is currently serving as the Chairperson, Uganda Seed Trade Association. She joined the company in August 2003. She

exited the company in December 2024.



General Manager-Simlaw seeds company, Kenya

Mr. David Kiplagat Tum was born in 1978 and is the General Manager of Simlaw Seeds Company Kenya Ltd, a subsidiary of Kenya Seed Company. Mr Tum holds a BSc in Business Administration from USIU and Masters of Business Administration from Staffordshire University in UK. Mr Kiplagat worked as an Accountant at Simlaw Seeds between 2000 and 2003. He was a Director of Soet Group from 2003 to 2007 and the Managing Director of Commercial Grain Services Ltd from 2008 to 2016. Mr Kiplagat resigned from the Board in September 2016 when he was appointed as the General Manager of Simlaw Seeds Company Limited.





OUR MANAGEMENT TEAM (continued)



General Manager-Production Kenya Seed Company Ltd

Mr. Francis Chege Mwaura was born on 3rd June 1970 and is the General Manager, Seed Production, Previously the General Manager, Kibo Seed Company Tanzania Ltd, a subsidiary of Kenya Seed Company since June 2014 to 2023 before rejoining Kenya seed company as the General Manager Production. Previously he was the Head of sales and marketing for the Group. He holds Bcom degree in Marketing from University of Nairobi and Msc. in Global Marketing from Liverpool University and a Diploma in Marketing and is a member of MSK and C.I.M. He has been in the company for 11 years and has over 20 years' experience in management and marketing. He is the current Production General Manager at Kenya seed

General Manager-Kibo

CPA Patrick Thuo was born on 20th August 1972 and is the General Manager-Kibo seed Company-Tanzania. He holds a Bachelor of Commerce and is pursuing a Master's in Business Administration from the University of Nairobi. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), the Kenya Institute of Management (KIM), a graduate of Advanced Management Programme (Strathmore IESE Business School, Barcelona Spain) and a Certified Public Secretaries (CPSK) finalist. He has over 20 years managerial and leadership experience from key sectors of the economy including banking, public and private organizations having worked with Coca-Cola, Citibank and United Bank for Africa (UBA). CPA Thuo has also served in the management committee of Kitale club and joined Kenya Seed in November 2011, and Head of finance, Kenya seed company till June 2023.



Head of Research

Mr. Joseph Kamau: is the General Manager Research and Development. He joined the company in 2007 as maize breeder. He had previously worked as agricultural officer with the Ministry of Agriculture and as a research officer at KALRO. He is spearheading research in the company. He holds a M.Sc. Degree in plant breeding from University of Nairobi, BSc. Agriculture from the University of Nairobi, and certificate in maize improvement from CIMMYT, Kenya. He has developed and released several maize varieties of like H529, H533, H534 and H535. He is a member of the Plant Breeders Association of Kenya.



OUR MANAGEMENT TEAM (continued)

Eng. Erick Nyamburi was born on 30th April 1973 and is the Head of Processing and Engineering. Eng. Nyamburi is a holder of B.sc in Engineering (Mechanical), Master of Business administration from the University of Nairobi and training in Program for Management Development at Strathmore Business School joined the Company in 2016. He is a corporate member of the Institution of Engineers of Kenya (IEK) and a Registered Professional Engineer with Engineers Board of Kenya (EBK). Eng. Nyamburi has over 16 years of diverse experience in Engineering projects, Maintenance and Operations management from various companies.



Quality Assurance Manager

Mr. Erick Tegei was born on 8th October 1978. He is the Quality Assurance Manager. He joined Kenya Seed Company Ltd in 2010 in the current position. He is a quality assurance professional with over 23 years of experience in seed science, regulatory compliance, and quality management systems within the agricultural and manufacturing sectors. He holds: MBA (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology, Bachelor of Science from Kenyatta University, Post-Graduate Diploma in Total Quality Management from Kenya Institute of Management, Level I&II Certificate in Values-Centered Leadership from Depaul University-USA, ISO 9001:2015 QMS Lead Auditor Certified Certificate from KEBS, KEPHIS Authorized/gazetted Seed Analyst, as well as regular

trainings on National Seed legislations/regulations, ISTA (International Seed Testing Association) seed testing protocols, OECD Seed Schemes. He is also a member of: ISTA, the Kenya Institute of Management (KIM), and participates actively in international, regional and national quality assurance forums. He has published in refereed journals and is currently pursuing MSc in Seed Science and Trade.

In his role as a Quality Assurance Manager, Mr. Tegei provides strategic leadership in ensuring the integrity and certification of all seed products across the company's operations. His work involves close collaboration with regulatory bodies such as KEPHIS, the OECD Seed Schemes, and ISTA, ensuring full compliance with the Seeds and Plant Varieties Act (Cap 326) and international best practices. His technical expertise and leadership continue to drive the company's mission of supporting national food security through reliable seed systems.

ICT Manager

Mr. Philip Chemwetich was born on 2nd August 1969 and is the ICT Manager. He is responsible for the Preparation of strategic and operational plans for the ICT and ensures ICT systems comply with regulatory and legal requirements. He has over 20 years' experience in the implementation and maintenance of technology infrastructure. He holds a Bachelors Science Degree (Maths/Computer Science) from Kenyatta University. He is a Fellow of the Computer Society of Kenya (FSCK). He joined the company in October 1995 as a Systems Analyst/Programmer.





OUR MANAGEMENT TEAM (continued)

Corporate Communications Manager



Ms. Jane Gitau was born on 2nd April 1967 and is the Senior Corporate Communications Officer. Ms. Gitau has over 30 years of experience in public relations and communications. She was previously the President of Public Relations Society of Kenya (PRSK). She holds Masters in Journalism Studies from Cardiff University in UK. She joined the company in August 2019. She is a fellow of Public Relations Society of Kenya (PRSK) and Secretary General of Africa Public Relations Association (APRA). She has previously worked for the International Livestock Research Institute (ILRI), the Eastern African Sub Regional Support Initiative for Advancement of Women (EASSI) and the med.

Ag. Manager Supply Chain Management.

Mr. Joseph Kimutai Kigen was born on 28th May 1976 and is the current Ag. Manager Supply Chain Management since September 2023 to date. He has over 20 years' experience in Procurement and Supply chain related activities, Operations, Sales and Marketing having worked in private sector both in Kenya and the USA and joined the company in 2018. He holds a Master of Science in Procurement and Logistics from JKUAT, Bachelor of Supply Chain management from the same institution, Associate Degree in computer Information Systems from Jefferson State College (Birmingham Alabama USA). He is Member of Kenya Institute of Supplies Management (KISM). He has verse knowledge in supply chain and conversant with procurement & Supply laws.





OUR MANAGEMENT TEAM (continued)

Mrs. Beatrice Aiyabei is the Acting General Manager Strategy & Planning, ICT and Quality Assurance



with responsibility to formulate policies on seed quality, coordinating risk management efforts, leading planning and performance management processes and has been coordinating Business development programs in the company in her recent position as the Head Sales and Marketing. She holds Bachelors (Hons) and Master of Science Degree in Agricultural Economics from Egerton University and Moi University respectively. Her training includes Certificate in Seed Business Management from CYMMIT and carries a vast experience from the seed industry attained while serving in various positions at Kenya Seed Company Ltd and Simlaw

Seeds Company Ltd. She is a member of the Marketing Society of Kenya (MSK) and African Association of Agricultural Economists (AAAE). She has been with the company for over 25 years and strives to share her vision of exemplary seed market gains across the African continent to millions of organizations and farmers. Born 2nd October 1968.

Ag. Head of Sales & Marketing.

Mr. William K. Kiberen is the Senior Principal Marketing Officer.

He was born 11th December 1968. He joined the Company on 01st July 1994. He holds a master's Degree in Strategic Management from Jomo Kenyatta University of Agriculture and Technology degree in Education from Egerton University and a member of the Marketing Society of Kenya. He has a wealth of experience in Seed Sales and Marketing and Strategic Planning Matters. Currently the team Leader on Strategy and Planning Department.



Ag. Head of Security

Mr. Richard Tormoi was Born 12th September 1984, currently is the Ag. Senior Principal Security Officer, Kenya Seed Company.

He provides strategic leadership in safeguarding the organization's Human resource, assets, and operations. He brings extensive experience in security management, governance, and public administration, backed by a strong career foundation as a Senior Police Officer.

He previously served as Personal Assistant to the Cabinet Secretary for Agriculture, a role that exposed him to high-level policy coordination, executive decision-making, and stakeholder engagement within government. His background reflects a unique blend of operational expertise and administrative competence, making him a versatile leader in both public service

and corporate environments.

He holds a Bachelor of Arts in Public Administration and Political Science, Diploma in Public Administration, Senior Management Program at the Kenya School of Government (KSG), and is a Certified Professional Mediator.

He joined the Company in the year 2016 to date.





OUR MANAGEMENT TEAM (continued)

Property & Administration Manager.

Mr. Edwin Kichwen Rutto, Senior Principal Property & Administration Officer Bachelor's degree in business administration, Maseno University, and a master's degree in business administration (JKUAT)-On going. Full Member Kenya Institute of Management (KIM).

Over 20 years' experience in Finance, Operations and Management having worked in various departments in the Company including finance, production, and operations. Born 1978.

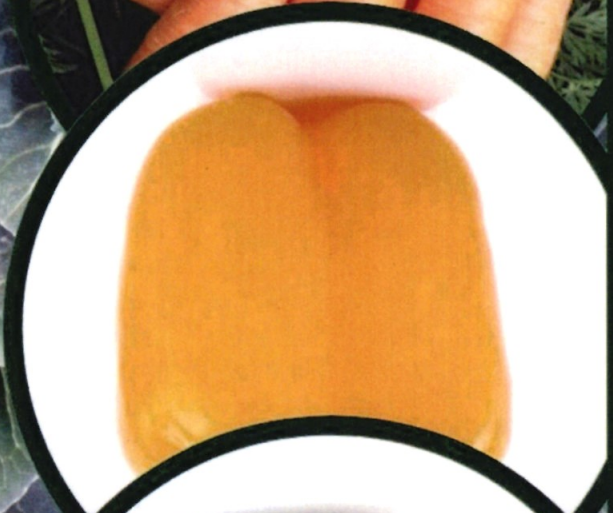


Mr. Leonard Kiptum Kipkosgei, Production Manager – Basic Seed Unit/Ag. Operations Manager Elgon Downs Farm

Bachelor of Science in Agriculture (Crop Sciences), University of Nairobi, and Master of Science in Horticulture, University of Nairobi. Full Member of the African Crop Science Society (ACSS).

Over 20 years' experience in Seed Production, Research, and Agribusiness Management, having served in various technical and leadership roles at Kenya Seed Company and KEPHIS. Skilled in seed bulking, multiplication, processing, and quality assurance, with proven expertise in strategic planning, farm management, and capacity building. Internationally trained in seed production and commercialization with hands-on experience across Africa, Europe, and Asia. Born 1976.

HORTICULTURE





CHAIRPERSON'S STATEMENT



Dear Shareholders,

It is with great pleasure that I present to you the annual report and financial statements of Kenya Seed Company for the year ended 30th June 2025.

Business Environment Overview

Kenya's Beta (Bottom-Up-Economic Transformation Agenda) plan, focuses on manufacturing, affordable housing, universal health coverage, and food and nutrition security. It envisages enhancing structural transformation, addressing deep-seated social and economic challenges. By implementing the BETA strategy, Kenya hopes to reduce poverty rapidly and create the much-needed decent jobs for the youth.

In the year 2024/25, Kenya's economy grew by 5.5 percent with the agricultural sector expected to contribute positively despite the risks from erratic weather patterns. The improved growth performance was attributed to a string rebound in the agricultural sector which faces various challenges such as persistent and severe drought, pests and diseases like Maize Lethal Necrosis Disease (MLND), SMUT, African Army Worm/Fall Army Worm (AAM/FAW), post-harvest losses, low produce prices, low yields per acre and moderate growth in the service sector

Agriculture sector in Kenya dominates Kenya's economy, as it continues to play a critical role accounting for 33 percent of Gross Domestic Product (GDP) and em-

ploying over 40 percent of the total population and more than 70 percent of the rural populace.

The seed subsector faced challenges in land subdivision which has reduced acreage suitable for seed production. The implementation of the Comesa protocol on commodities has seen the flooding of cheap commercial maize into the country from member countries which has led to low commercial maize prices. This is likely to lower the demand of seed maize in the coming year as farmers may opt for alternative agricultural activities.

In order to improve our performance and ensure sustainability, some initiatives have been made to harness potential in the external markets by releasing our varieties in countries such as Rwanda, Burundi and DRC.

In support of the government's Bottom-up economic transformation agenda (BETA), the Company through Research and Technology is working towards the release and commercialization of new varieties, that will ensure there is food security in the Country.

Financial Review

We are hereby delighted to report that we posted a performance of Kshs 9.420 billion and Kshs 7.612 billion for group and the company respectively in the year in 2025 as compared to the same period last year of Kshs. 7.505 billion and Kshs 5.099 billion for the group and the Company respectively. The recorded profit before tax was Kshs 807 million and Kshs 619 million for group and company respectively in the period ended 30th June 2025 indicating significant growth from Kshs 179 million and Kshs 194 million for group and Company respectively for the period ended 30th June 2024.

The Group asset base increased from Kshs 18.035 billion to Kshs 18.593 billion while the company asset base increased from Kshs 17.494 billion in the previous year to Kshs 17.831 billion respectively in the year under review.

Seed Supply

The company made significant progress in increasing seed acreage under irrigation by enhancing partnership with key seed growers who have installed irrigation capacity in their farms. Following this initiative, the Company was able to avail sufficient quantities of seed of all the major varieties for all agro-ecological zones.

The actual Seed Maize production output in the year was 29.745MT up from 21.800MT previous year.

Future Outlook

The future outlook of Kenya Seed Company is bright. The Board has continued to develop more strategies to grow the market and enhance financial management in order to increase profits and optimize operations. The Board is also putting in place strategies to expand business in the regional markets which include Tanzania, Uganda, Rwanda, Burundi and Democratic Republic of Congo. In addition to expanding the regional market, the Company has made strides in expanding her product portfolio to include vegetable seeds, pastures, and sunflower seeds among others. The Board of Directors will continually review the various business strategies in place to ensure sustained business profitability and growth. In the financial year 2024/2025, the board will initiate strategies which will enhance governance and compliance practices to relentlessly focus on risk management.

Appreciation

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

God bless Kenya Seed Company and each one of you.



Hon. Purity Wangui Ngirici
Chairperson.

TOP QUALITY HERBS





Managing Director's Statement

I am delighted to present to you the performance of Kenya Seed Company for the year ended 30th June 2025.

Financial Performance

During the period the company turnover increased from Kshs. 5.099 billion in the year 2024 to Kshs 7.612 billion in the year ending 30th June 2025 while Group turnover increased from Kshs 7.505 billion in 2024 to Kshs 9.420 billion in 2025.

The company posted a pretax profit from Kshs 619 million in 2025 up from Kshs 194 million in 2024, while the Group posted Kshs 807 million in 2025 up from Kshs 179 million in 2024.

The company's closing Cash and Cash equivalent position decreased from Kshs 2.55 billion in 2024 to Kshs 2.29 billion while Group Cash and Cash equivalent decreased from Kshs 2.89 billion to Kshs 2.59 billion. Cash reduction attributable to the increase in the total operating expenditure up from 1.7 billion in 2024 to 2.8 billion in 2025 due to constant increase in inventory and receivables.

The Group asset base increased by 3% from Kshs 18.035 billion to Kshs 18.593 billion and the company asset base increased by 2% from Kshs 17.494 billion in the previous year to Kshs 17.831 billion respectively in the year under review.

Research and Development

The company will continue to invest in research which has enabled her to release new seed varieties. Once these new varieties are fully commercialized shall afford farmers an opportunity to maximize their productivity and diversify into other food crops. Already Kenya Seed Company has forwarded new seed varieties to National Performance Trials (NPT) and we expect that most of these varieties shall be released soon. This is geared towards ensuring that there is food security and nutrition in support of the government's Bottom up economic transformation Agenda.

Operations

In order to improve our performance and ensure sustainability, initiatives have been made to harness potential in the external markets by releasing our varieties in countries such as Rwanda, Burundi and DRC, whose objective is to expand the market and increase earnings and fight competition.

Future Outlook

Going forward, we are on the right path to greater prosperity with numerous opportunities for business growth and expansion supported by anticipated national economic growth. Our future growth will come from:

- Focus on adequate supply of short to medium season seed varieties whose demand is increasing with the changing weather patterns,
- Commercialization of MLND tolerant varieties which are high yielding,
- Commitment to provide resources towards promoting and expanding the vegetable seed market to increase profit margins,
- Turning around external subsidiaries to profitability, thus transforming them into profit generating units,
- Diversifying to non-maize seed product portfolios thus reducing over reliance on maize seed,
- increasing the supply of pasture seeds to support the growing Dairy industry,
- Enhancing the efficiencies and effectiveness in the entire value chain through complete automation of the new AMS/SAP systems.

Acknowledgement

I take this opportunity to express my gratitude to our customers for their loyalty and continued support. My appreciation also goes out to our Shareholders for their commitment to our Strategy, to the Directors of Board whose leadership and guidance have continued to inspire and challenge us, to our regulators and the government whose invaluable oversight and assistance have been key to our progress so far, to our stakeholders and to the communities that we have the privilege of serving. We remain indebted to you all, and look forward to your continued support and goodwill towards jointly building the company envisaged in our Corporate Vision – "The Leading Supplier of Top-Quality Seed in Africa".

Thank you and God bless you.

Mr. Sammy Chepsiror
Managing Director

MBOGA KIENYEJI





REVIEW OF KENYA SEED COMPANY 'S PERFORMANCE FOR FY 2024/2025

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives. The company has 10 strategic pillars and 12 objectives within its Strategic Plan for the FY 2023-2027. These strategic pillars are as follows:

- * Pillar 1: Corporate communication
- * Pillar 2: Technology uptake
- * Pillar 3: Seed production
- * Pillar 4: Quality of seeds
- * Pillar 5: Productivity of subsidiaries
- * Pillar 6: Governance and risk management
- * Pillar 7: Human resources management
- * Pillar 8: Financial sustainability
- * Pillar 9: Marketing growth
- * Pillar 10: Engagement/collaboration/partnerships with stakeholders

The company develops its annual work plans based on the above 10 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The company achieved its performance targets set for the FY 2024/2025 period for its 10 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators (KPI)	Activities	Achievements
Corporate Communication.	Ensure effective real time internal & external communication.	Communication Report	Improve use of existing modes of communication	Addition of five new lines i.e. Safaricom and Airtel added to the existing ones within our switchboard making it convenient for customers to reach us. There was also increased email usage from 200 to 250 users and migration of the entire mailing system to the cloud.
			Embrace emerging modes of communication	Acquisition of social media software (meltwater) which is used to track information about Kenya Seed Company in social media and online bloggers both locally and internationally. Existence of social media chat groups i.e. WhatsApp especially for functional committees
		CSR policy	Develop and implement a CSR policy	The Company is in the process of developing a CSR policy; however, the company spent Kshs 180 thousand on CSR activities in the year where seed and fruit seedlings were issued, a public primary school was built among other community development activities.
Technology uptake.	Develop, release and commercialize market driven varieties and agronomic advice on crop varieties by 2026.	Number of varieties developed	Developing superior crop varieties for each of the macro ecological zones	The following varieties were submitted by R&D to the National Performance Trial (NPT); 6 for maize varieties for different agro zones 2 for wheat varieties. and 2 oat varieties were released for commercialization. Commercialization of H533.
		Number of collaborating institutions	Collaborating with relevant institutions to develop and commercialize crop varieties	The company collaborated with 2 institutions namely, Kenya Agricultural Research Organization (KALRO) and Cimmyt). The collaboration mainly focuses in breeding with new technologies expected to result in commercialization of new superior varieties.
		Number of recommendations made	Use of cost-effective Agromonic practices	Several recommendations were made to growers on the best Fertilizers, herbicides and insecticides to be used.



Strategic Pillar	Objective	Key Performance Indicators (KPI)	Activities	Achievements
	Improve operational efficiency	Number of machinery and equipment's acquired.	Modernize farm machinery and equipment at EDF	The company acquired 2 (Two) tractors of 130 Hp each in its effort to modernize farm machinery and equipment at EDF.
		Number of subsidiaries Linked up	Link up subsidiaries to parent company ERP systems	The Company has begun the process of linking and automating the subsidiaries to parent company ERP systems. Infrastructural assessments have been done for Simlaw Uganda and Kibo seed Tanzania.
		Number of Upgraded equipment and storage.	Upgrade of equipment and storage facilities	The Company is working on a distribution model that ensures early movement of seed to Agents and Stockiest as opposed to keeping the seed in our stores; this will also reduce the pressure on additional storage requirement.
		Electrical energy consumption report	Reduce electrical energy consumption	There is reduced electric energy consumption by use of modern electric energy saving equipment.
		No of outsourced non-core activities	Outsource non-core activities	The company has outsourced non-core activities e.g., Security and staff welfare (tea serving)
		ISTA accreditation certificate	Attain ISTA accreditation by 2025	An approval was issued for the acquisition of additional lab equipment and some laboratory infrastructure adjustments. A compliance audit was done in the 2 nd quarter by the regulators and gaps identified were addressed. The Company fulfilled KEPHIS authorization requirements and was awarded Certificate of Authorization as Seed Inspection and Testing Entity on the 19th January 2021.
Seed Production	Optimize seed production to meet 100% of annual planned target	Kilos per unit area	Increase yields per unit area by 10% by 2025	In the year 2024/2025 the Company Produced 29MT against a target of 31.43MT of maize seed. The average yield per acre was 850 Kilos which is below optimal average of 1,000 Kilos. This was due to bad weather leading to post harvest losses.
		Percentage increase of irrigated seed production area	Increase irrigated seed production area by 25% by 2025.	The Company decreased irrigated seed production area to 6,020 acres in 2024/25 from 5,400 in 2023/24 due to reduced production area in the Wei wei irrigation scheme.
		No of new acreage identified	Explore new areas for seed production	Maize seed production commenced within the foreign subsidiaries mainly in Tanzania and Rwanda with support from the mother company. In Tanzania production is done on 1,702 acres and 58 acres in Rwanda.
Quality of seeds.	To ensure compliance with Seed Act Cap 326 as well as customer and stakeholder expectations on seed quality.	Reduced number of customers complains of seed quality	-Continuously implement and review effectiveness of quality assurance programs to enhance seed quality -Build capacity to attain ISTA accreditation and be an authorized institution in execution of OECD seed schemes. -Seek for authorization by KEPHIS to carry out delegated seed certification	The company has ensured there is effectiveness of quality assurance programs to enhance seed quality hence registering minimal customer complaints. The company attained the ISTA accreditation and KEPHIS Authorization. Training has been done for 12 members of staff from Quality Assurance as Seed inspectors and analysts and who have been gazetted.



Strategic Pillar	Objective	Key Performance Indicators (KPI)	Activities	Achievements
Productivity of subsidiaries.	Invest required resources to revitalize subsidiaries	Assessment report	Establish need assessment for subsidiaries requirements	The subsidiaries have developed five-year strategic plans.
		Kilos produced in host country	Lease land to do production of seed in host countries	There is production of seed maize in Tanzania and Rwanda. In Tanzania 1,702 acres was planted with estimates yield of 1,702,000 kilos and in Rwanda 58 acres was planted with an estimated yield of 58,000 kilos.
		Financial Report	Convert Subsidiary debts into Equity.	The Company has commenced plans to convert Subsidiaries debt into Equity.
	Improve the risk management frame work	Risk management policy.	Develop and implement a risk management policy.	The company has developed and is implementing the risk management policy, as well as departmental risk champions who have developed respective risk registers.
		Company assets status report	Secure company assets	To ensure the safety of property the Company has insured all property and has also installed CCTV cameras in all buildings.
Human Resources Management	Attract, retain and develop a competent motivated staff complement	Reviewed organization structure	Review and implement an organizational structure.	The company has a reviewed organization structure and implementation is ongoing.
		Succession management system	Develop and implement a Succession management system	The process of developing a Succession Management system has been initiated and will be concluded in 2025/25.
		Employee satisfaction index report	Enhance employee satisfaction index by 2% annually	The company commenced the employee satisfaction survey which will be concluded in 2025/26.
		Performance Management system	Enhance the Performance Management system	Top management were trained on Performance management and the company is in the process of reviewing its performance management tools.
		Reward/ sanction report	Enhance the reward/ sanction and remuneration system	The company has a HR policy which guides on the reward/ sanction and remuneration system. The company also rewards its members of staff with a bonus pay based on the organizational performance.
		Training Needs Assessment Report	Ensure Staff Training and Development	The company has developed and is implementing the Training Needs Analysis (TNA).
		Work environment report	Develop and maintain a work environment that stimulates team spirit, passion, engagement and achievement	The company has continued to maintain a work environment that stimulates team spirit, passion, engagement and achievement through departmental team building forums.
Financial Sustainability	Improve Profit Before Tax by 20% annually	Audited Financial Statements	Increase Gross Profit margins by 1% annually	The Company has put in place strict internal control measure to prevent against losses. It has also negotiated for more favorable trading terms with suppliers. The gross profit margin increased from Kshs 1.8 billion in 2023/24 to Kshs 3.3 billion in 2024/25 translating to a 84% increase.
		Sales reports	Attain the Targeted Sales Volume of all Products	The company has always strived to attain the Targeted Sales Volume of all Products. In the flagship product maize, it attained a sales volume 26MT against a target of 270MT.
		Audited Financial Statements	Reduce overheads by 1% annually	There is reduced electric energy consumption by use of modern electric energy saving equipment. It has also ensured that the Seed maize producer price to selling ratio should not be more than 40%. It has also worked towards reducing overheads by



Strategic Pillar	Objective	Key Performance Indicators (KPI)	Activities	Achievements
				outsourcing non-core functions and using internal resources.
Marketing Growth	Increase sales volume	Sales volume report and Promotion report.	Carry out aggressive marketing research in all regional markets	The Company achieved a sales volume of 26.033 MT of its flagship product maize against a target of 27,000 MT translating to 96% achievement. To attain the sales volumes in the subsequent years, the marketing team has done market segmentation and assigned targets to its outlets to step up visibility and sales. It has also intensified planned product promotion activities.
		Sales Volume report	Product diversification i.e. Sale of complementary products and slow moving /adoption products	The company is striving to partner with suppliers of complementary products e.g. fertilizers and herbicides. Establishment of business partnership with strategic stakeholders e.g. the County Governments and NGOs who purchase and distribute orphaned crop seeds e.g. finger millet and soya beans.
		Feedback and Market audit report.	Market 4 established seed varieties per eco zone	The company is in the process of conducting a market survey in 2025/26.
	Improve Customer satisfaction level from 75% to 80 % in 5 years	Survey report	Conduct quarterly market research /intelligence.	Plans to carry out a market research/survey have commenced will be done by an external service provider.
Engagement/collaboration/partnerships with stakeholders	Enhance inter departmental & subsidiary linkages	Reviewed SLAs	Review SLA between departments and subsidiaries.	Ensured enhanced inter departmental linkage in Company and in the value chain.
		Quarterly Reports	Incorporate subsidiary in the parent company plans.	The company has ensured that critical subsidiaries plans have been incorporated into the Parent Company plans. The subsidiaries reports are sent to the parent company and are subsequently discussed at management meetings.
		Reviewed company service charter	Review company service charter	The Citizens Service Delivery Charter was reviewed and approved and subsequent implementation is ongoing.



CORPORATE GOVERNANCE STATEMENT

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The Board of Directors is the primary direct stakeholder influencing Corporate Governance. They are committed to the principle that the company and its subsidiaries 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 Kenya Seed 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 Board of Directors playing their oversight role and the Managing Director are segregated. The Managing Director is in charge of the day to day running of the business of the Company. 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 Kenya Seed Company is composed of eight 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 the Board, date of appointment and position held as on 30th June 2025 is highlighted on Page (x) of this booklet.

As required by the Company's Board Charter, each member of the Committee was given induction on the Company's code of conduct which stresses the importance for each member to fully understand corporate behavior expectations, compliance with Board ethics and regulatory requirements.



CORPORATE GOVERNANCE STATEMENT (continued)

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 21 meetings (aggregated) in the financial year ending 30th June 2025. During their meetings the Board reviews the Company's performance against the planned strategies and also approves issues of strategic nature

Governance Principles

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 of the Company are acting in the interests of the shareholders and other key stakeholders.

At Kenya Seed 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 Kenya Seed 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.

During the Company's successful Annual General Meeting held on 30th June 2023, where the serving Board of Directors were elected.

The following are the Directors, elected and Gazetted in July 2023 Vide Legal Notice Vol. CXXV—No. 168.

Hon. Purity Ngiricii	Chairperson of the Board
Mr. Symon Cherogony	Board Member
Mr. Job Ndemo	Board Member
Hon. Bernard Wambwa	Board Member
Mr. Edwin Tum	Board Member
Mr. Wilson Tonui	Board Member
Mr James Wanjohi-	Alt. Director, State Department for Agriculture, Live-stock & Fisheries
Ms. Edna Atisa- HSC	Alt. Dir, the CS, The National Treasury



CORPORATE GOVERNANCE STATEMENT (continued)

The attendance at the Board meetings during the financial year 2024/25 is as follows:

Member	Meetings Held	Meetings At- tended	% Attendance
1 M/s Edna Atisa-(Hsc)	21	17	81%
2 Hon. Purity Ngirici	21	10	48%
3 Mr. Symon Cherogony	21	12	57%
4 Mr. Gerald Mwangi	21	4	19%
5 Hon. Bernard Wambwa	21	19	90%
6 Mr. James Wanjohi	21	11	52%
7 Mr. Edwin Tum	21	20	95%
8 Dr. Wilson Tonui	21	18	86%
9 Mr. Job Ndemo	21	16	76%

The total Number of meetings are twenty-one (21) in the year under review, including twelve (12) Committee meetings, Three (3) Full Board, Six (6) Special Boards and One (1) Annual General meeting. The Directors sit in the different Committee meetings resulting to the above outlined attendance ratios to the total meetings. The Board Committee attendance are outlined below;

Board Committees

The Company has established three Board committees to assist in the implementation of its policy guidelines and strategy. These committees meet quarterly or more as exigencies of work demand and are chaired by an independent Director. The committees report their findings and recommendations to the Board for further vetting and subsequent Approval. The Committees are as follows;

- The Audit Committee, which is responsible for the oversight of the integrity of financial statements, risk management, internal controls, compliance and ethics and effectiveness of internal and external audit activities in the company and its subsidiaries.
- The Finance, Staff and General Purposes Committee, which handles human resource and finance matters including sourcing and application of funds.
- The Research, Production, and Marketing and related activities Committee, which handles production; research and development; and sales and marketing matters in the Company.
- Boards of subsidiaries namely Simlaw Kenya, Simlaw Uganda and Kibo Tanzania.

The structure of the Board and the planning of the Board's work are key elements to effective governance. The company's Board of Directors has established Board committees as one way of managing its work thereby strengthening the Board's governance role.



CORPORATE GOVERNANCE STATEMENT (continued)

1. Audit Committee

The Board of Directors has entrusted the Board Audit committee to supervise the processes relating to financial reporting and disclosure on financial information in accordance with the financial reporting standards, safeguarding of assets, adequacy of financial systems and reviewing of the company's financial and risk management policies

Role of Audit Committee:

- 1) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible information is disclosed.
- 2) Reviewing the financial statements and draft audit report, including quarterly information.
- 3) Reviewing with management the annual financial statements before submission to the Board focusing primarily on:
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;

Composition and other details of Audit Committee

The Audit Committee comprises of four (4) members, who sit at least once quarterly at the company's registered office in Kitale. The internal auditor is the Secretary to the Audit Committee. In the Financial year 2024/25, the Committee held its meeting to consider the audit reports as per its mandate.

BOARD AUDIT COMMITTEE

NAME	NO. OF MEETING	ATTEND- ANCE	% OF ATTEND- ANCE
Mr.Symon Cherogony	2	2	100%
Mr. James Wanjohi	2	1	50%
Mr. Job K. Ndemo	2	2	100%
Ms. Edna Atisa HSC	2	1	50%

2. Research, Production and Marketing committee:

The company has the Research, Production and Marketing Committee that deals with the core mandate of the company- i.e. ensuring the company avails sufficient Top Quality Certified seed. This committee has 5 members of the Board. The committee held its regular quarterly meetings (4 No) as per the Board calendar.

RESEARCH, PRODUCTION & MARKETING COMMITTEE MEETING:2024/2025

NAME	NO. OF MEETING	ATTENDANCE	% OF ATTENDANCE
Mr. Job K. Ndemo	4	4	100%
Mr. James Wanjohi	4	3	75%
Hon. Bernard Wambwa	4	4	100%
Dr.Wilson Tonui	4	3	75%
Mr. Edwin Tum	4	4	100%



CORPORATE GOVERNANCE STATEMENT (continued)

3. Finance, Staff and General-Purpose Committee

This committee assists the Board in matters relating to finances including sourcing and uses of Company funds, staff remuneration, recruitment, incentives and filling of vacancies.

The Committee held Six (6) meetings in the financial year under review.

FINANCE STAFF & GENERAL-PURPOSE COMMITTEE MEETING: 2024/2025.

NAME	NO. OF MEETING	ATTENDANCE	% OF ATTENDANCE
Mr. Edwin Tum	6	6	100%
Ms. Edna Atisa, HSC	6	6	100%
Hon. Bernard Wambwa	6	6	100%
Dr. Wilson Tonui	6	5	83%

4. Board of Simlaw Seeds Kenya Limited

This Board oversees the operations of Simlaw Seeds Kenya Limited. It comprises of Five (5) Board Members. There were six (6) Board meetings of the Simlaw Seeds Kenya Limited Board meetings during the financial year 2024/25.

5. Board of Kibo Seeds Tanzania Limited

This Board oversees the operations of Kibo Seed Tanzania Limited. It comprises of Four (4) Board Members. There were three (3) meetings of the Kibo Seeds Tanzania Limited Board meetings during the financial year 2024/25.

6. Board of Simlaw Seeds Uganda Limited

This Board oversees the operations of Simlaw Seeds Uganda Limited. It comprises of Four (4) Board Members. There were two (2) Board meetings of the Simlaw Seeds Uganda Limited Board meetings during the financial year 2024/25.

Board Evaluation

The Board undertakes an annual self-assessment to improve its members' individual and collective Performance for continuous growth and sustainability of the Company. The evaluation covers the Board as a whole, individual member, the Chairman, the Managing Director and the Company Secretary. The Board Evaluation will be undertaken by SCAC in any event is expected to be evaluated before September 2025.

FULL BOARD MEETING: 2024/2025

NAME	NO. OF MEETING	ATTENDANCE	% OF ATTENDANCE
Hon. Purity Ngirici	3	3	100%
Mr. Job K. Ndemo	3	3	100%
Mr. Symon Cherogony	3	3	100%
Hon. Bernard Wambwa	3	3	100%
Ms. Edna Atisa, HSC	3	3	100%
Mr. Edwin Tum	3	3	100%
Mr. Gerald Mwangi	3	3	100%
Dr. Wilson Tonui	3	3	100%
Mr. James Wanjohi	3	2	67%



CORPORATE GOVERNANCE STATEMENT (continued)

SPECIAL BOARD MEETING: 2024/2025

NAME	NO. OF MEET- ING	ATTEND- ANCE	% OF ATTEND- ANCE
Hon. Purity Ngirici	6	6	100%
Mr. Job K. Ndemo	6	6	100%
Hon. Bernard Wambwa	6	5	83%
Ms. Edna Atisa, HSC	6	6	100%
Mr. Edwin Tum	6	6	100%
Mr. Symon Cherogony	6	6	100%
Dr. Wilson Tonui	6	6	100%
Mr. James Wanjohi	6	4	67%

CORPORATE GOVERNANCE STATEMENT (continued)

ANNUAL GENERAL MEETING: 2024/2025

NAME	NO. OF MEET- ING	ATTEND- ANCE	% OF ATTEND- ANCE
Hon. Purity Ngirici	1	1	100%
Mr. Job K. Ndemo	1	1	100%
Hon. Bernard Wambwa	1	1	100%
Ms. Edna Atisa, HSC	1	1	100%
Mr. Edwin Tum	1	1	100%
Mr. Gerald Mwangi	1	1	100%
Dr. Wilson Tonui	1	1	100%
Mr. James Wanjohi	1	1	100%
Mr. Symon Cherogony	1	1	100%



CORPORATE GOVERNANCE STATEMENT (continued)

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 State Corporations.

Below is a summary of payments per Board Member in Kshs '000:

	Sitting Allowance	Travel & Accommodation allowances	Total Allowances
Hon. Bernard Wambwa	880,000.00	1,379,980.00	2,259,980.00
Dr. Wilson Tonui	460,000.00	740,200.00	1,220,200.00
Ms. Edna Atisa, HSC	760,000.00	464,250.00	1,224,250.00
Mr. Edwin Tum	520,000.00	1,044,756.00	1,564,756.00
Mr. Gerald Mwangi	240,000.00	290,600.00	530,600.00
Mr. James Wanjohi	360,000.00	464,070.00	824,070.00
Mr. Job Ndemo	720,000.00	996,573.00	1,716,573.00
Hon. Purity Ngirici	920,000.00	3,751,575.00	4,671,575.00
Mr. Symon Cherogony	500,000.00	1,006,676	1,506,676.00
Others(Tea & Snacks)	80,000.00	215,010.00	295,010.00
Total	5,460,000.00	10,353,690.00	15,813,690.00

Below is a summary of entitlements per Board Member.

Type of payment	Chairperson	Member
Honoraria	Kshs 80,000	N/A
Sitting allowance (per sitting)	Kshs 20,000	Kshs 20,000
Telephone – airtime for mobile phone per month - Chairperson	Kshs 5,000	N/A
Transport /mileage	Equivalent to cost of return air ticket	Equivalent to cost of return air ticket
Lunch allowance	Kshs 2,000	Kshs 2,000
Director's fees per annum on prorata basis	Kshs 450,000	Kshs 450,000
Accommodation Allowance when travelling for meeting venues in Kenya	Kshs 18,200	Kshs 18,200
Accommodation Allowance when travelling for Board meeting in Uganda	US\$615	US\$615
Accommodation Allowance when travelling for Board meeting in Tanzania	US\$603	US\$603
Accommodation Allowance when travelling for Board meeting in KSC Rwanda	US\$535	US\$535



CORPORATE GOVERNANCE STATEMENT (continued)

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 Conflict-of-Interest requirements are embedded in the code of conduct and ethics as well as the Directors' letters of appointment. The board and board committees have standing agenda item on declaration of interest where members declare actual, potential or perceived conflicts of interest. The declared items of interest are part of the minutes. 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.

Company Shareholding

ADC acquired shares in KSC through periodic purchases and direct allotments which accumulated in acquiring majority shareholding of 52.88% in 1986. On 30th May 2001, a prospectus was issued for sale of 4 million ordinary shares by private offer to existing shareholders, employees of the company, seed growers, agents and stockists, who were specifically invited to subscribe. The issued and fully paid share capital excludes 3,370,000 ordinary shares worth Kshs 67,400,000 that were issued in the year ended 30 June 2002, which were revoked after the High Court of Kenya ruling on 6 April 2006. These shares are currently a subject matter before the Court in Nairobi HCCC No. 575 of 2004. The nominal share capital together with the premium on these shares was received and is now classified under trade and other payables which amount to Kshs 124.9 Million without interest and has been used in the company's operations and trading since then.

List of Shareholding pre2001			
	List of Shareholders	No. of Shares Held	% of Shareholding
1	Agricultural Dev. Corporation	5,700,720	52.876
2	KFA	1,601,256	14.852
3	Soet Kenya Ltd	1,500,000	13.913
4	Burch Colin Mr.	549,660	5.098
5	Tum Nathaniel Kipkor	419,131	3.888
6	Woodland Kristin Annetta	206,172	1.912
7	Anderson Robert Allen	103,032	0.956
8	Gogar Farms Ltd	103,032	0.956
9	Selly Neville Gordon	86,760	0.805
10	Goes Eufrazio Juliao	79,470	0.737
11	Hazelden Edward James Richard	38,268	0.355
12	Shah R.B. & Co.	34,800	0.323
13	Verburt William Hendrk	28,152	0.261
14	Combes Patricia Mrs.	27,240	0.253
15	Stewart Pamela Mary Mrs.	25,680	0.238
16	Wekesa Noah Dr.	24,000	0.223
17	Imbuye Enoch Gufwatwa	20,220	0.188
18	Burch Colin Mr.	17,124	0.159
19	Mills A.C.	17,124	0.159
20	Mills J.C.	17,124	0.159
21	Mills M.J.C.	17,124	0.159
22	Kinyanjui Peter Mburu	15,975	0.148
23	Gakonyo Teresia Wanjiru	15,344	0.142
24	Chestre Reuben Kipiagat	14,880	0.138
25	Asubwa Elijah George	14,193	0.132
26	Kandie Paul	9,450	0.088
27	Walela Ellicana Lunani	9,000	0.083
28	Walela Lunani	9,000	0.083
29	Kimani George Kamau	8,385	0.078
30	Lutta Benna Wamukoya	8,240	0.076
31	Njuna Charles	7,902	0.073
32	Macharia Charles Ndegwa	6,510	0.060
33	Mbogo Jonathan Indiaz	5,754	0.053
34	Mbigulu Farms	5,100	0.047
35	Otieno Joseph Abonyo	4,800	0.045
36	Machayo Alfred	4,500	0.042
37	Chemonges Beatrice Chelagat	4,120	0.038
38	Ndambuli Francis Musau	3,069	0.028
39	Okui Ezekiel W.	3,000	0.028
40	Shimechero Zacharia B.	3,000	0.028
41	Chisembe Hannah Masitisa Mrs.	2,640	0.024
42	Mbagaya Gideon Asingwa	1,872	0.017
43	Songwa William Wanyonyi	1,872	0.017
44	Libese Lewis Sagala	1,800	0.017
45	Mbuthia Isaac	1,200	0.011
46	Nyanjong Albert Omiti	1,200	0.011
47	Omano Seth Nyawere	960	0.009
48	Tharu Daniel Mwaniki	930	0.009
49	Machayo Florence Mrs.	360	0.003
50	Gray Roger Woodville	120	0.001
	TOTAL	10,781,265	100

The shareholders of the company as at 30th June 2025 were as follows:

CORPORATE GOVERNANCE STATEMENT (continued)





CORPORATE GOVERNANCE STATEMENT (continued)

Distribution of Shareholders

No. of Shares	No. of Shares Held	No. of Shareholders	% Shareholdings
Below 10,000	104,784	25	0.97
10,000-100,000	493,478	17	4.58
100,000-1,000,000	1,381,027	5	12.81
Above 1,000,000	8,801,976	3	81.64
Total	10,781,265	50	100.00

Independence

All the 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 eight Directors. The Managing Director is an Ex officio member.



Hon. Purity Wangui Ngirici
Chairperson, Board of Directors.
30.06. 2025



MANAGEMENT DISCUSSION AND ANALYSIS

Kenya Seed Company's vision is to be the leading supplier of top-quality seed in Africa. The company has issued share capital of 10,781,265 shares of which the Government of Kenya through Agricultural Development Corporation (ADC) owns 5,700,720 shares or 52.88%

Section A: The entity's operational and financial performance

A1. Five Year Performance Trend

Group Trend

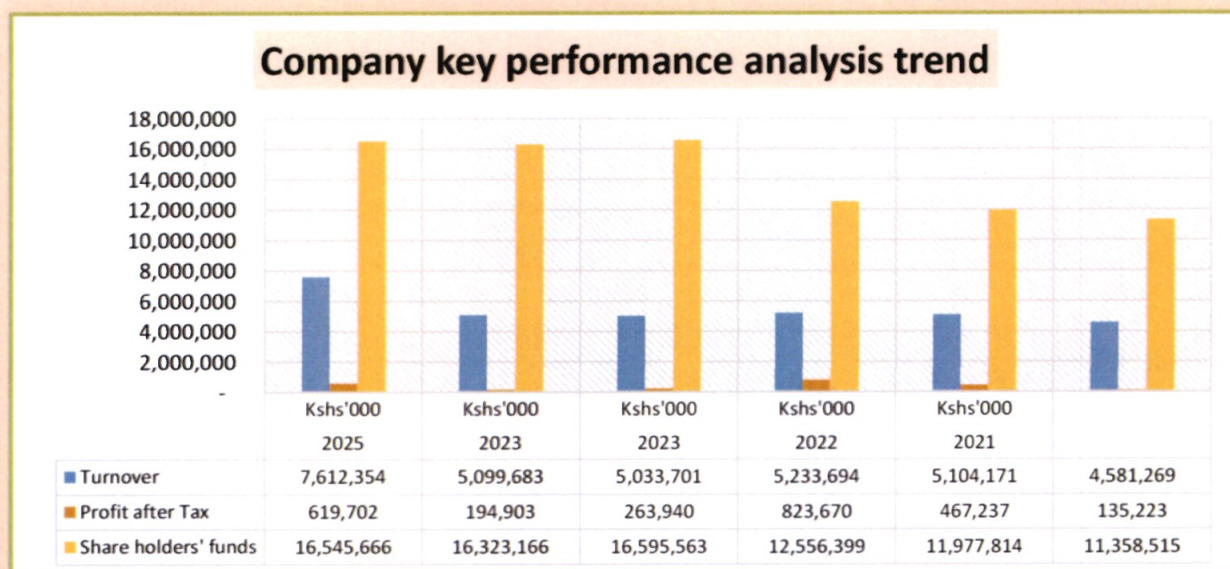
	2025	2024	2023	2022	2021
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Turnover	9,420,006	7,505,273	7,155,959	6,943,124	6,453,492
Profit before tax	807,664	179,306	418,966	359,215	883,076
Tax charge	(334,170)	(243,420)	(192,912)	(188,005)	(273,894)
Profit for the year transferred to retained earnings	473,494	(64,114)	226,054	171,211	609,183
Dividends					-
Share Capital and shareholders' Funds					
Ordinary Share capital	215,625	215,625	215,625	215,625	215,625
Share holders' funds	16,834,386	16,516,089	16,869,332	12,657,597	12,449,867
Earnings and Dividend per Share					
Earnings per share	48	6	21	15	57
Dividend per share (Kshs)	48	6	24	15	5
Seed Maize Produced (Kg)	29,745	21,805	22,544	27,312	27,435
CIG Seed Maize Sales (Kg)	26,033	23,301	23,881	25,875	27,154

Company Trend

	2025	2024	2023	2022	2021
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Turnover	7,612,354	5,099,683	5,033,701	5,127,499	5,233,694
Profit before tax	619,702	194,903	263,940	247,657	823,657
Tax charge	(242,005)	(178,617)	(200,197)	(165,350)	(246,350)
Profit for the year to retained earnings	377,697	16,286	63,743	82,306	577,307
Dividends					-
Share Capital and shareholders' Funds					
Ordinary Share capital	215,625	215,625	215,625	215,625	215,625
Share holders' funds	16,545,666	16,323,166	16,595,563	12,625,225	12,556,386
Earnings and Dividend per Share					
Earnings per share	35	2	6	8	54
Dividend per share (Kshs)	5.25	5.25	5.25	5.25	10.73
Seed Maize Produced (Kg)	29,745	21,805	22,544	27,312	27,435
CIG Seed Maize Sales (Kg)	26,033	23,301	23,881	25,875	27,154



MANAGEMENT DISCUSSION AND ANALYSIS-Continued.



A2: Revenues

The Group's revenue increased from Kshs 7.505 Billion to Kshs 9.420 Billion as highlighted in the table below:

Product	2025	Product Contribution (%)	2024	Product Contribution (%)	Increase/decrease 2024 to 2025
	Kshs '000		Kshs '000		Kshs '000
Certified Maize Seeds	7,499,798	80%	5,350,565	71%	2,421,099
Basic Maize Seeds	83,235	1%	61,083	1%	22,123
Vegetable Seeds	1,449,564	15%	1,688,881	23%	(240,390)
Wheat Seeds	146,655	2%	130,914	2%	15,741
Pasture Seeds	123,727	1%	127,034	2%	(3,310)
Income from Other Seeds	133,956	1%	142,863	2%	(8,977)
Biological Assets (IAS41)	(20,418)	0%	214	0%	(28,367)
Milk	3,489	0%	3,719	0%	(230)
Total	9,420,006	100%	7,505,273	100%	2,512,672

The Company's revenue increased from Kshs 7.612 billion to Kshs 5.099 billion as highlighted in the table below:

Product	2025	Product Contribution (%)	2024	Product Contribution (%)	Increase/decrease 2024 to 2025
	Kshs '000		Kshs '000		Kshs '000
Certified Maize Seeds	7,015,592	92%	4,476,479	88%	2,539,113
Basic Maize Seeds	76,435	1%	60,620	1%	15,815
Vegetable Seeds	274,932	4%	292,940	6%	(18,008)
Wheat Seeds	142,724	2%	131,441	3%	11,283
Pasture Seeds	73,375	1%	79,604	2%	(6,229)
Income from Other Seeds	53,961	1%	54,667	1%	(706)
Biological Assets (IAS41)	(28,154)	0%	214	0%	(28,429)
Milk	3,489	0%	3,719	0%	(230)
Total	7,612,354	100%	5,099,683	100%	2,512,609

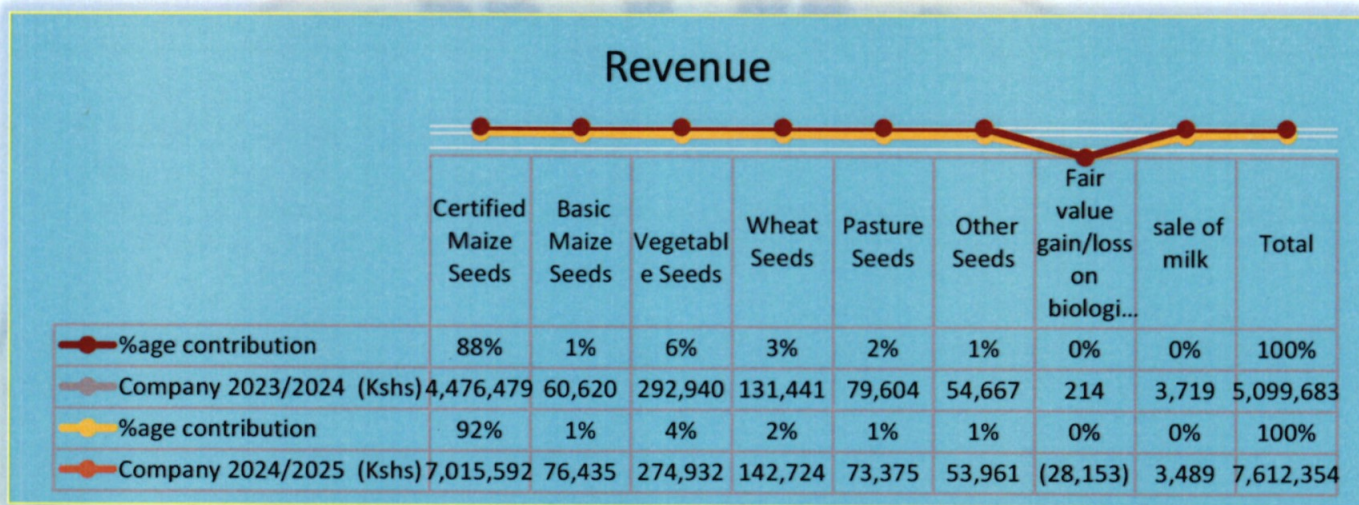


MANAGEMENT DISCUSSION AND ANALYSIS-Continued.

From the above table the increase in Maize Seed Revenue was due to increase in kilos sold from 23 million in 2024 to 26 million in 2025. The selling prices of seed Maize was maintained at Kshs 300 per kilo, until in March 2025 when the Government gave directive to reduce the selling price to Kshs.210 per Kilo for the subsidy programme.

Revenue from Other crops like Rice reduced as a result of availability of cheap imported rice in the market, which makes locally produced rice noncompetitive and most farmers have resorted to using farm saved seed for millet and sorghum production due to its slow consumption adoption in the market.

The following is a chart showing the company revenues and percentage contribution for the year ending June 2025:



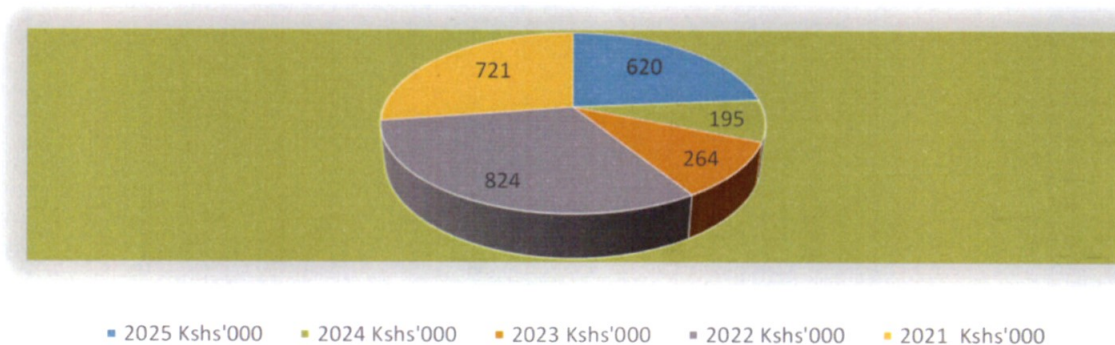
A2: Profit Before Tax

The Group recorded profit before of Kshs 807 million in the year 2025 up from Kshs 179 million for the year ended 30 June 2024. The Company recorded an increase in profit before tax up to Kshs 619 million in the year ended 30 June 2025 from Kshs 194 million in 2024.

Despite the Increase in seed maize sales from 23 million kilos in 2024 to 26 million kilos in 2025, at a price per kilo of Kshs 210. The total expenses increased by 69% from Kshs 1.707 billion in 2024 to Kshs 2.878 billion in 2025 due to obsolete stocks provisions by the company contributing to profit before tax increase of 33%

The Profit before Tax for the company is highlighted in the following chart:

Company 5years Profit before Tax





MANAGEMENT DISCUSSION AND ANALYSIS-Continued.

A3: Cash and Cash Equivalents

The Group Closing Cash and Bank balance decreased from Kshs 2.89 billion in 2024 to Kshs 2.59 billion in 2025 while the Company Closing Cash and Bank Balance decreased from Kshs 2.55 billion in 2024 to Kshs 2.29 billion in 2025. The negative net cash inflows were attributed to increased seed purchases.

A4: Total Assets

The Group assets increased by 3% in the 2025 from Kshs 18.03 billion to Kshs 18.59 billion while the Company assets increased by 2% in the year ended 30th June 2024 from Kshs 17.49 billion to Kshs 17.83 billion, hence increasing the company's value and facilitate the running of our business.

The table below shows the Group's five-year assets trend in Kshs 'millions:

Category	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
Fixed Assets	9,096	9,216	9,364	5,031	5,165
Deferred Tax asset	32	38	42	42	43
Biological Assets	364	360	298	254	317
Inventories	4,153	3,180	3,111	3,330	3,365
Receivables	2,328	2,016	2,230	2,374	2,131
Tax receivable	23	330	395	306	47
Cash & Bank	2,597	2,895	2,944	2,529	2,813
Total	18,593	18,035	18,380	13,967	13,881

The table below shows the Company five-year assets trend in Kshs 'millions:

Category	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
Fixed Assets	8,589	8,737	8,884	4,659	4,814
Investment in Subsidiaries	61	60	60	56	56
Loan Capital to subsidiaries	228	226	224	213	211
Biological Assets	363	360	297	254	317
Inventories	2,413	1,909	1,756	2,265	2,242
Receivables	3,886	3,360	3,552	3,538	3,314
Tax receivable	-	284	365	279	13
Cash & Bank	2,291	2,558	2,607	2,359	2,581
Total	17,831	17,494	17,745	13,623	13,548

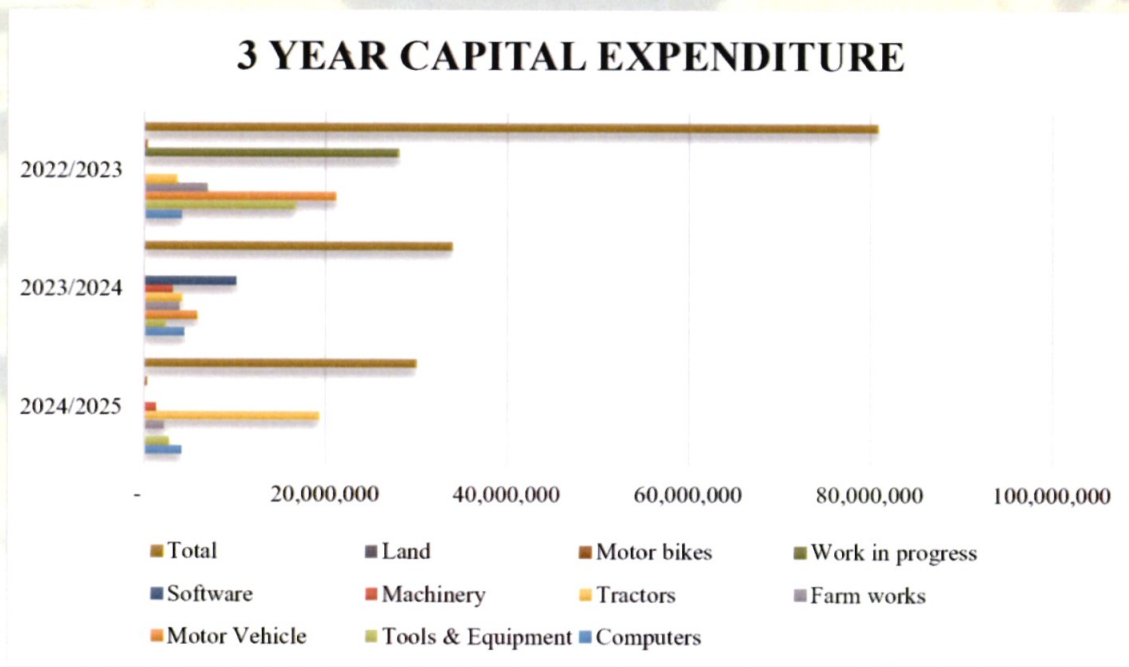


MANAGEMENT DISCUSSION AND ANALYSIS-Continued.

A5: Capital expenditures

The company had budgeted for Kshs 33.5 million to purchase capital items in the year ended 30th June 2025. However, the company incurred capital expenditures of Kshs 29.989 million as shown in the table below.

Asset Class	2024/2025	2023/2024	2022/2023
Computers	4,066,633	4,432,799	4,080,155
Tools & Equipment	2,749,858	2,239,092	16,641,128
Motor Vehicle	-	5,887,930	21,230,829
Farm works	2,189,517	3,895,188	6,949,643
Tractors	19,358,000	4,188,900	3,635,000
Machinery	1,268,534	3,116,379	-
Software	-	10,208,586	-
Work in progress	-	-	28,120,263
Motor bikes	356,897	-	271,819
Total	29,989,439	33,968,874	80,928,837





MANAGEMENT DISCUSSION AND ANALYSIS-Continued.

Section B: Entity's compliance with statutory requirements

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

- (a) Higher Education Loans Board (HELB)
- (b) National Health Insurance Funds (NHIF)
- (c) National Social Security Fund (NSSF)
- (d) Taxes (KRA)
- (e) Public Procurement Oversight Authority (PPOA)
- (f) Environmental Management and Coordination Act (EMCA)
- (g) National Industrial Training Authority (NITA)
- (h) Cess (County Governments)
- (i) KEPHIS
- (j) Disability and Gender Mainstreaming among others

The Company ensured that it obtains the certificates of compliance from KRA, NHIF, NSSF and HELB. The company also ensured timely remittance of staff payroll deductions to the relevant beneficiaries.

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

The Company planned to spend Kshs 33.549 million on capital items for the financial year 2024/2025.

The Board has deemed this Investment critical because of the need for efficiency and the fact that most of the assets need replacement. In FY2024/25, the Company acquired Fixed Assets totaling Kshs 29 Million Budgeted figure of Kshs 33.549 million. This has necessitated the need to buy the items in the Budget for FY2024/25 as listed below as approved by the National Treasury:

- **Plant and Machinery**

The Company's approved budget stands at Kshs 0.71 million due austerity measures imposed by National Treasury.

- **Tools, Irrigation and farm implements totaling Kshs 25.3 million**

The Company's approved budget stands at Kshs 33.549 million due austerity measures imposed by National Treasury, which will hinder replacement of worn out and obsolete assets.

KSC Priority Projects/Programmes (Outcomes aligned to SDGs, MTP III & Sector Performance Standards)

i) "Bottom up" Initiatives

In view of the BETA Plan, the Company will avail sufficient top-quality seeds to the Kenyan farmers in support of 100% Food Security and Nutrition. The seeds include; Maize, Wheat, Pasture, Sunflower, Rice, Sorghum, and Millet among others and indirectly by providing raw materials for agro-processing thus contributing towards manufacturing Agenda. In the medium term, the company will focus on developing varieties that are high-yielding, drought tolerant resistant to pests and diseases as part of the Vision 2030 project.

ii) Vision 2030 Flagship Projects

- **Research and Development of New Varieties (3)**

- The Company will continue to focus on the pre-released varieties to be entered for DUS (Distinctness, Uniformity and Stability) tests with KEPHIS by 30th June 2025 as follow. (i) 1 Maize (ii) 1 wheat (iii) 1 sunflower. The varieties are at the final cycle of release by the regulator.

NB: It takes two years for a variety to be released i.e. 1st cycle is year one and Final cycle is year two.

- The details are as per the table below;



MANAGEMENT DISCUSSION AND ANALYSIS-Continued.

	Variety	Name	Attributes	Activity	Current DUS percentage Status
01	Maize	H535	This is a medium variety that performs better than all existing varieties with a yield of 40 bags per acre.	<ul style="list-style-type: none"> Do Advance DUS Generate descriptor for the same Send to regulator for DUS verification 	50%
02	Maize	H2464-6	This is a Highland variety that performs better than all existing varieties with a yield of 52 bags per acre.	<ul style="list-style-type: none"> Do Preliminary DUS Generate descriptor for the same Sent to regulator for DUS verification	50%
03	Sunflower	H8995	It's for the late maturity zones, has good yield performance, black seeded and has high oil content.	<ul style="list-style-type: none"> Do advanced yield trials. Generate descriptor for the same Sent to regulator for DUS verification 	50%

• **Seed Quality Improvement (3)**

The Company will improve three existing maize seed varieties to eliminate the reported defects as follows.

S/N	Variety	Defect(s)	Activity	Current percentage Status
1	H6506	Lack of uniformity	Identify the sources none uniformity from all the three parentals Select for uniform parentals	60%- The non-uniform parental identified.
2.	H9401	Open tip cover on cobs leading to rotting	Identify the parentals causing bare tips Selecting parentals for good husk cover.	50%
3.	H8998	Lack of uniformity	Identify the sources of none uniformity from all the three parentals to Select for uniform parentals.	70 %

• **Food Security**

Maize Seed Production (29,995 MT)

In the FY 2024/2025 seed maize production was 29,995 MT. In the contract period, the company will produce 28,000 MT which is higher than the previous year. The production is derived from market demand and availability carryover stocks from the previous season.

- The Company plans to achieve this by increasing the land under seed production and increasing seed production per unit area to maximize the land available.

• *Wheat Seeds Production (5,700MT)*

In the year 2024/2025 the Company produced 5,700 MT of Wheat seed, whereas in the contract year production will increase to 3,000 MT due to the availability of carryover stocks that will be sufficient for the market.



MANAGEMENT DISCUSSION AND ANALYSIS-Continued.

- *Sunflower Seed Production (1.1 MT)*
The Company will produce 200 MT of Sunflower seed in the year up from 320 MT produced in the prior year. The increase is being attributed to growing demand.
- *Sorghum Seed Production (190MT)*
The Company will produce 190 MT of sorghum seed in the contract year to meet the market demand up from 125MT produced in the prior year.
- *Pasture Seed Production (279MT)*
In the contract year the Company will produce 279 MT of Pasture seed, up from 179MT produced in the previous year. The increase in demand being driven by growth in the dairy industry. The varieties to be produced in the current year are Rhode and Oats.
- *Soya Seed Production(10MT)*
The Company will produce 10 MT of Soya seed in the year up from 6 MT produced in the previous year

iii) Ease of Doing Business

a) Access to Credit facilities (60%)

The company will continue to facilitate access to affordable credit facilities for seed growers of all seed crops, by entering into Memorandum of Understanding (MOU) with financial institutions and issuing letters of undertaking for respective growers. The facilitation has always focused on the maize seed growers but in the contract year the other crop growers will be incorporated. The seed maize production target for FY 2025/26 will be 38,000 MT and the credit facilitation contributes to the production of 23,000 MT.

b) Access to Insurance facilities (40%)

The Company will collaborate with service providers in the insurance industry for purposes of offering growers of seed insurance covers to mitigate against adverse weather and pest/disease infestations. The target is to increase from 140 to 145 growers and it will be completed by 31st May 2025.

iv) Implementation of Presidential Directives.

The Board commits to implement Presidential Directives, Circulars and Executive Orders relevant to its mandate as shown in table 6 below. In addition, the Board will implement any other directive that may be issued up to 30th June 2025

S/No	Sub indicator	Target (%)	Completion Date
01.	Grow a minimum of 1% 10,000 trees	70	30.06.2025A
02.	Mobilize key stakeholders to grow trees in liaison with state department of forestry.	30	30.06.2025

v) Project Completion Rate (100%) – Irrigation Infrastructure (Elgon Downs Farm)

The Company plans to increase its irrigation infrastructure in its Elgon downs farm which is mainly used for multiplication of its breeder seeds.



MANAGEMENT DISCUSSION AND ANALYSIS-Continued.

Project Name	Project Description	Location	Total Estimated Cost	Current Status (status of physical completion)	Allocation for FY 2024/25	Expected Deliverables (Outputs) for FY 2024/25
Irrigation-Infrastructure	-The company plans to increase its irrigation infrastructure from the current 200 acres to 300 acres. In the current year, the company plans to increase the infrastructure by 30 acres. This involves the purchase of portable rain guns, portable water pumps and installation of the pivot irrigation.	Kitale	100 M	50%	3 M	The benefits of include: <ul style="list-style-type: none"> • Seed production across the year. • Adequate availability of basic seed.

Section D: Major risks facing the entity

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 (mitigation)
1	Political/Legal Risks	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 a counterparty 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 (Operation Risk)	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.



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 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 entity'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.



SUNFLOWER



ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kenya Seed Company' focuses on the community with an overall objective of adding value to the society. The company ensures that community is at the heart of its work either as customers or as recipients of environmental and sustainability effort. The company is a national citizen and in the human spirit of community building we support, provide for, work with and strengthen communities in our region to reassure our society over their well-being. The company makes an investment of 1% annual company profit before tax towards CSR.

Our CSR activities are based on the four pillars of education, health, sports and environmental sustainability. Initially we, donated tree seedling to the farmers that bought our seed. Then we became more systematic developing our own tree nursery from which we donate to schools, religious bodies and anyone else interested in environmental conservation.

Traditionally we have donated indigenous trees. In the year under review, we experienced great demand for fruit tree seedlings. To meet this demand, we had to buy the fruit tree seedlings and then donate them. Unpredictable climate change was also experienced. These two reasons caused us to intensify our environmental sustainability efforts. We started the journey to expand the nursery to cover both indigenous and fruit trees. In the year under review, we started the diversity. This will continue with 10% of our CSR budget going to the expansion & diversity of the nursery.

Besides donating the tree seedlings, we have now sought to express our corporate citizenship even more by joining the community in tree planting and other sustainability efforts. We have for example joined in World environmental Day events and World Water Day events, planting trees with the community in Trans Nzoia

As part of our daily seed production activities also, we use the dried maize cobs to fire up our seed driers. When seed is harvested, it is still wet so that it does not rot in the farm. However, to reach the desired moisture levels of 13.5%, it is dried in a furnace that is heated by maize cobs instead of fossil oils. This reduces the carbon emitted into the atmosphere hence reducing our footprint during operations.

In conclusion these events are always opportunities for the company to assure farmers of our concern with the welfare of the community within our region as well as ensuring creation of awareness of our products. The above-mentioned institution appreciated the support from the company and the institutions got the opportunity to expand their knowledge on Kenya Seed products.

Economic sustainability

Financial sustainability

The company's main mandate is to avail top quality seed products and services through focused research, production, processing and distribution of agricultural seed in order to meet customer needs while increasing the shareholder value by remaining profitable. The company generates its own revenues by selling top quality seed.

Capacity improvement

In order to avail sufficient top-quality seed products and services to the market, the company is upgrading its machines at the factories to increase the seed processing capacity.

With the challenge of scarcity of land, the company through its subsidiary in Tanzania and Rwanda, has recruited contracted seed growers to produce more seed to meet the growing market demand. The Board and Management have also approached the agricultural development corporation who are our largest seed grower and had discussions not to subdivide their land hence avail more acreage to the company for seed production.

The company also has Training Needs program for its employees where employees are taken to trainings to improve on their skills so that they can offer quality services to the customers and this will encourage customers to bring more business to the company.

Regulated environment

The aim of any government is to provide goods and services to the Public at affordable prices and therefore Kenya Seed Company being a state corporation, the prices for our seed products are set at a certain limit to enable farmers get quality seed at affordable prices.

The tax laws are changing fast and therefore the company has to comply with the set regulations regarding taxes. But with the above, the company has to safeguard its stakeholder interests while operating in this regulated environment.

Technology and Automation

One of our company strategic objectives is to leverage on Information Technology to improve on operational efficiency. In the year under review, we implemented a number of initiatives and upgrades geared towards improving the turnaround time for our business processes.

a) Initiatives

- i. Conversion of manual payment system to electronic. For many years, the company has been paying out suppliers and other creditors through the cheque system. This was not only time laborious and time consuming, but also inefficient. The ERP system was configured to output the payment data to a bank software, thus enabling real time payment of creditors and staff salaries.
- ii. Purchases through MPESA. Our customers have been paying for seed purchases through MPESA platform for a short while. The pay-bills amounts are aggregated at the end of the day and the funds transferred to the bank automatically without human intervention. This has increased efficiency in cash management.
- iii. Travel management- Our staff per diem are conveniently paid through MPESA.
- iv. KCB Agency – Our retail customers on seed cash purchases pay through a bank agent and our staff do not handle cash. We therefore do not incur the cost of transporting money to the bank and the security thereof.
- v. Mobile POS applications for our route sales staff- Hitherto, our route sales staff would carry seed and sell manually to customers on their routes. However, with advent of technology, they are now able to sell using a mobile application App installed on a cell phone and a blue tooth printer for cash sale receipts. The systems are updated in real time for inventory and sales.

b) Cloud Applications

With the deployment of key corporate applications such as email and ERP workflows, staff mobility has been enhanced. Issues of security and hardware failures have been transferred to the cloud vendor thus reducing down time and increasing accessibility.

KSC staff can now work anywhere, anytime and access corporate resources, thus increasing efficiency and productivity. Some of noticeable gains already realized from automation include the following:

- Integration of operations into single real time system spreading across all the departments which has resulted in optimal resource use utilization.
- Introduction to designed workflow which has resulted to in efficiency in human resource.
- Improved reporting as departments are now enabled to timely share the information.
- Reduced inventory cost, resulting from better planning, tracking and forecasting of requirements.
- General Low cost of operation.
- Improved information access and provision of consolidated picture of company activities for better decision making.

The company has also embarked on establishment of disaster recovery facility. This project is critical in order to safeguard the gains made in event of a natural calamity/disaster. In this case, normal business operations can be resumed without difficulty.



SAP/AMS systems have greater capability to automate more functions of the company. In this regard, the company is still pursuing to implement other modules to fully utilize the software that has been heavily invested in. Some of the improvements being:

- SAP Employee Self Service/ MSS modules implementation
- SAP Production Planning & Quality Management Modules Implementation.

During the year, we implemented the following systems which reduced the turnaround time for the business processes, improved operational efficiency and enhanced staff productivity. They are:

In the HR function, we implemented a cloud-based solution in our SAP ERP system called Success Factors which is a cloud-based system allowing our staff to:

Do leave applications in real time and obtain approvals in record time without paper work.
Apply for subsistence allowances for staff on travel in real time and obtaining approvals Online

Apply for salary advances in real time without paperwork.
Input their performance contract indicators and to be appraised through the system.
In the management of Company vehicles, a fleet management system was implemented.

This System provided a comprehensive approach to overseeing company fleet by tracking their location in real time, managing fuel consumption including monitoring driver behavior. This has enabled the Company to manage the vehicles efficiently, by improving operational performance, reducing costs and enhancing safety.
Audit software – The Internal Audit department is now using Teammate Software that facilitates the audit process from risk assessment to reporting. The various aspects covered include audit planning, audit execution, issue tracking, risk assessment among others. The solution has streamlined the workflows and enhanced collaboration among the audit team.

ii. Environmental sustainability and performance

Climate change has never been more important than it is today in order to secure the sustainability of not only humans but also that for other species as well. Good environmental practices are encouraged as they secure the wellbeing of the general economic divide.

One of the major environmental factors impacting on the way Kenya Seed Company operates is climate change which results in erratic weather patterns which in turn affects planting times and also currently allows for two cropping seasons. Farmers are moving to early maturing varieties.

There has also been the issue of diminishing soil fertility due to erosions and frequent use of fertilizers which impacts negatively on the quality and quantity of the yields and emergence of new crop diseases and pests such as Maize Lethal Necrosis Disease (MLND), Fall Army Worm (FAW), GLS, and Maize Streak Virus (MSV) among others reduces yields, crop failure and also discourages farmers.

The company through its qualified and trained Field officers and Researchers have continually been educating the farmers on the new seed that is resistant to most diseases and on improved ways of farming so that they do not rely on using the chemicals which are harmful to the environment.

The company distributes tree seedlings to various stakeholders in the society to achieve the objective of forestation. All seeds are packaged in papers/ use of gunny bags and the company has since stopped using the poly bag materials. Every harvest is preceded by the sowing of seeds. We cannot expect a harvest of a bright and secure future without sowing and nurturing tree seedlings today.



iii) Employee welfare

Occupational safety and health

During the year the company carried out the following:

- Maintenance of fire-fighting equipment was done Bi- annually.
- Safety induction was conducted for new employees especially the interns.
- Warning signs clearly marked in the company factories e.g. "Falling Stacks" etc, fire exit and the emergency evacuation procedures.
- Each Workplace in the Company Registered.
- Process has been started to carry out medical examination fire audit and safety audit.
- Occupational Safety and Health Training done.
- Occupational Safety and Health matters handled through the staff committee.
- Workplace accidents reported on time to the insurance.

Talent management

The Company attracts and retains high-quality employees, developing their skills, and continuously motivating them to improve their performance. A training need analysis is developed for each department and consolidated employees send for training to various training institutions/ some training institutions come to the Company to train staff to develop their knowledge and skills.

The table shows the number of staff trained taking into account the gender ratios:

Gender	2025	2024
Male	41	44
Female	36	20
Total	76	64

Performance appraisal frameworks

The Company carries out staff appraisal in the first and second half. The Company recently changed the performance appraisal tool where by a staff is appraised according to their job descriptions and their targets and achievements. The employees meet with their supervisors to discuss the results are used to either promote the staff or renew their contracts This exercise is carried out to measure performance and essential for the growth of a company and the employee. It helps the company to find out whether the employee is being productive or is a liability. It helps the employee to find out where his / her career is heading.

Knowledge sharing platforms

The Company through Corporate Communications Department and the Information Communications Technology department provide information through staff mail sharing information regarding products and services and the Company's achievements through the newsletters, feedback reports from customers and staff that help in improving the services offered by the Company

iv) Market place practices-

a) Responsible Competition practice.

Currently, there are various seed companies in the market, but Kenya seed respects the space for other seed producing companies through marketing its products and demonstrating to our customers the best agronomical practices, which has enabled the company to maintain the largest market space in the country and abroad.

b) Responsible marketing and advertisement

- Modern marketing calls for more than developing a good product, pricing it attractively and making it accessible to the targeted consumers. Kenya Seed Company communicates with both its existing and potential customers as well as other stakeholders in the industry.

- The Kenya Seed Company remains committed to upholding responsible marketing business practices and values across its operations. Over the past Financial Year 2023/2024, the Company continued to follow ethical marketing practices through the use standard procedures and channels to advertise its seed products.
- The Company utilizes several modes for marketing and advertising. These include the use of radio, bill boards, field demonstrations, Agricultural Society of Kenya shows as well as local and international exhibitions through these media the Company promotes its products ethically and with fair practice within the industry, enabling the sharing of factual information to farmers and the public.

c) Product stewardship



Sunflower varieties on a demonstration plot where farmers learn about good agronomical practices

- Kenya Seed Company has a quality assurance system to ensure that seed is of good quality when purchased by smallholder farmers in index countries. The company holds ISO 9001: 2015, ISO 17025 and ISTA certifications, and participates in Organization for Economic Co-operation and Development (OECD) Seed Schemes. The Company works closely with Kenya Plant Health Inspectorate Service (KEPHIS) the official seed quality regulator in the Country. This goes a long way to ensure that consumer rights and interests in getting quality seed is attained.

-The Company has an elaborate seed distribution channel that ensures that Seed gets to our customer, promptly and in the right state. The channel starts from the Marketing stores to the Company branches, then to appointed and licensed Agents and Stockists and finally to the farmers throughout the Country.

Social sustainability

1. Education

The company sponsored school activities and individual school going children through donation of cash and other material that might enhance the process of learning within schools in our business environment. Among the schools and individuals sponsored include.



2. Economic empowerment

Kenya Seed Company enables the surrounding communities to improve their livelihoods by offering jobs to the locals. The company provided casual/temporary employment to 1,600 locals in the company's Elgon Downs Farm and the processing factories during the peak seasons of the year.

The company assists various county governments to collect county Cess from the contracted maize seed growers and remit to the respective County governments. This ensures that the county governments provide the required services to the general public.

3. Innovation and capacity development

During the year, the company collaborated with various stakeholders in breeding of new technologies which are expected to result in commercialization of new superior seed varieties. Some of the institutions involved are University of Nairobi, Kenya Agricultural Research Organization (KALRO), CIMMYT. The company established business partnership and relationship with strategic stakeholders e.g. the County Governments and the Agricultural Society of Kenya. This has ensured that there is synchronized Production, Processing and marketing demand to ensure product availability.

4. Youth Internship and industrial attachment

Recently the government of Kenya set a goal to prepare the youth for economic development. It's with this in mind that the company has taken to commit to developing talent for the students to prepare them for the job market. The company offered industrial attachment opportunities (three months) to various students from various colleges and universities in Kenya to acquire skills and experience in the various departments within the company.

The company also has offered internship opportunities to various students who have graduated from various colleges and universities.

Program	2025	2024	2023
Internship beneficiaries	-	-	6
Industrial attachments	151	161	181
Total	151	161	187

Sports

Sporting activities rejuvenate people's lives and provides an opportunity for networking. Many engage in sports as a way of assisting them avoid dangerous activities or reliving themselves from strenuous work activity. The company utilizes such forum to nurture young talent and promote our products. The sports activities were postponed for the next financial year.

Health

Our business strategy is focus on expanding our role in health care from providing nutritional value crops to supporting members within our community by averting Malnutrition within our business environment, among other health related issues.

We have supported health by sponsoring:



5. Procurement

Kenya Seed Company adheres to principles of transparency, integrity and fairness in its drive to implement best procurement practices across all its engagements with its both internal and external customers. The main objective of procurement function is to form the basis for implementation of procurement strategies through improved processes, increased value creation and delivery of shareholder's value. Procurement plays a key role in timely procurement of quality goods, works and services as well as disposal of obsolete and unserviceable materials and equipment. The procurement process is guided by the Public Procurement and Assets Disposal Act 2015, relevant

regulations, company procedures and best business practices. Procurement is a strategic function in the company assisting in the achievement of best returns on key initiatives like cost reduction and enhanced availabilities of supplies and value addition.

The strategies in procurement target procurement planning, tendering process, contract management, inventory management and disposals. It is the company policy to consolidate procurement requirements while acquiring goods, works and services of the right quality in order to guarantee continuity of supply, external provider service responsiveness and to achieve value for money. The organization maximizes return on money spent through the procurement of goods, works and services throughout the entire procurement process. Value addition has been enhanced through the following initiatives;

- **Procurement Planning**

The Company prepares Procurement plans on an annual basis, which guide all procurements as per approved budgets. The Procurement plan is approved by the Accounting Officer in the organization and executed by management to support company strategic objectives. The plans are implemented in accordance with the Public Procurement and Asset Disposal Act, 2015, ensuring all companies requirements are met.

- **Buy Kenya Build Kenya**

Our Company provides growth and development avenues through procurement of goods, works and services from citizens. This has continued to create wealth sustainably. The following approaches were used under this initiative:

- i) **Creating Value for Special Groups**

The Public Procurement and Asset Disposal Act, 2015 provides for public procuring entities to set aside a reservation of procurement opportunities for Youth, Women and Persons living with Disabilities (YWPD). Our focus in the target group is anchored on our strong belief that local firms support employment creation, and create value for stakeholders. In the year, we awarded these special groups procurement contracts as shown below:

Category	2024/2025 (Awards in Kshs.)	2023/2024 (Awards in Kshs.)
PWD	5,209,119.62	95,700.66
Women	147,718,219.51	53,002,890.07
Youth	50,487,500.93	90,971,997.09
Total	203,414,840.06	144,070,587.82

To improve uptake of the given allocations we have to undertake the following initiatives: -

- Sensitization and awareness programs to these groups to take advantage of the scheme.
- Management of Supplier relationships
- Continuous supplier registration of the disadvantaged groups.
- Effective planning, monitoring and implementation of the allocations

Procurement of goods, works, services, and assets disposal in the company contributes greatly to the success of its operations.



There are three main procurements which consume 80% Of the said budget.

1. Seed Dressing Chemicals,
2. Packaging Materials
3. Fertilizer and Agrochemicals.

It is therefore a challenge to set aside 30% of the total budget however the company is looking on ways to overcome the challenge. In line with the above, Management prepared annual procurement plan with a projected expenditure of Khs 1,996,700,796. (Kenya shillings One billion, nine hundred and ninety-six million, seven hundred thousand, seven hundred and ninety-six.

ii) Empowering Local Firms

Promotion of local content in procurement (Buy Kenya, Build Kenya) initiatives is continuously supported whereby 40% of the company's procurement budget is spent on local products and services supplied by citizen contractors. The department endeavors to give opportunities to many vendors and contractors as possible to participate in its tendering processes whereby there is enhancement of local economic growth and maintenance of good trade relations with the locals. This supports growth of the local industry for sustainable development for its stakeholders. During the year, procurement of locally produced goods and services awarded to citizen contractors as shown below:

Period	2024/2025 (Awards in Kshs.)	2023/2024 (Awards in Kshs.)
1st Half	247,154,513.97	485,627,535.84
2nd Half	763,443,710.76	769,374,020.12
Total	1,010,598,224.73	1,255,001,555.96

- Process Improvement

Our procurement processes require continuous improvement to address emerging challenges and compliance with legal requirements. To achieve this there has been enhanced confidentiality of procurement information from the tendering process to award of contracts and also increased transparency and accountability of the tendering process. We have also had continuous training of various heads of user departments and procurement staff on how to handle emerging challenges and the importance of compliance in all procurement processes. The department through the use of SAP system platform enables the tracking of procurement proceedings through a single integrated system after user department raises an online request.

- Compliance to Statutory Requirements

The procurement function is guided by the Public Procurement and Asset Disposal Act (PPADA), 2015 and relevant regulations as established. All our procurements are processed with due compliance to all these statutory requirements and company procedures.

Following a Presidential directive to all the Procuring Entities' to register on the e-GP system, towards digitization of procurement processes, Kenya Seed was registered on 3rd of July 2025 of which we are now compliant. The company has embraced the new directive as it supports procurement reforms to better manage and monitor public procurement activities and also providing avenue in having access to transparent information by all stake holders

We submit statutory reports to the Public Procurement Regulatory Authority (PPRA)/The National Treasury, Ministry of Trade and Industry and Ministry of Agriculture, Livestock, Fisheries and Irrigation. The reports demonstrate commitment to compliance requirements that enhances transparency, fairness and value for money for sustainable growth. We complied and submitted the following reports;

No.	Report	Body
1.	Buy Kenya Build Kenya-40%	Ministry of Trade and Industry
2.	Implementation of procurement plans	PPRA
3.	Approved Procurement Plan	PPRA
4.	Quarterly reports on procurement contracts awarded to the Special Groups	PPRA
5.	Procurement proceedings terminated before award.	PPRA
6.	Direct Procurement contracts awarded for Value above Kenya Shillings Five Hundred Thousand	PPRA
7.	All procurement contracts awarded for value above Kenya Shillings Five million.	PPRA
8.	Big Four Agenda compliance report	MOALFI
9.	Quarterly progress reports summarizing procurements allocated to target groups	PPRA

6. Other forms of supporting the community

Kenya Company is committed to partnering with the society through different means and ways by giving back. Our initiative to give back to society is through the CSR Program; our staff participates in these programs to give back to society/community around us using their different gifted expertise. This has created a positive relationship with the society, who in turn promotes our business by buying our products.



H.E the President Dr. William Ruto with the KSC team at a tree planting exercise in Kaptagat forest – Kenya.



H.E The first lady Ms. Rachael Ruto with the Kenya Seed Company MD Sammy Chepsiror during a tree planting exercise in Kitale.

7. Enterprise risk management

Risk is a state of uncertainty where some of the possibilities involve a loss, catastrophe or other undesirable outcome. Mitigating risks, or lessening their adverse impacts, is at the heart of its effective management. If attention were not paid to expected risks, planned activities would end in disaster. If implemented correctly a successful risk mitigation strategy reduces any adverse variations in the financial returns or outputs.

Some of the key risks that were identified, together with corresponding mitigating measures are highlighted below:

Risks	Mitigation
Effects of climate change i.e. global warming	<ul style="list-style-type: none"> • Use of insurance • Expansion into irrigated areas • Use of improved varieties
Loss of plant efficiency due to age	<ul style="list-style-type: none"> • Continuous plant improvement • Effective maintenance and retirement of old equipment • Adoption of new technologies
Loss of production area due to land subdivision, competition	<ul style="list-style-type: none"> • Creation of seed villages • Long term contracts with the growers • Competitive seed pricing to the Growers
Emerging diseases and pests	<ul style="list-style-type: none"> • Equipped company laboratories for pathological and entomological tests. • Technical staff training on emerging issues. • Collaboration with research and relevant institutions • Production of tolerant varieties • Develop disease/pest resistant varieties
Decrease in yields	<ul style="list-style-type: none"> • Growers training • Soil analysis • Encourage minimum/conservation tillage • Embrace emerging technologies



Risks	Mitigation
Drought	<ul style="list-style-type: none"> • Expansion of dam and irrigation system at the Elgon Downs Farm
Loss of market to competitors	<ul style="list-style-type: none"> • Availing customer driven seed varieties/as per eco zone. • Timely marketing planned activities • Production of drought resilient seed varieties
High turnover of skilled labour to competition thereby affecting department performance	<ul style="list-style-type: none"> • Ensuring there is knowledge sharing among workers. • Embracing knowledge management strategy
Terrorism	<ul style="list-style-type: none"> • Conduct regular staff sensitizations to create awareness
HIV and Aids, Cancer, drug and substance abuse and other lifestyles diseases	<ul style="list-style-type: none"> • Sensitization programmes • Put in place employee support programs (establish wellness unit, collaborate with relevant institutions)
Erratic weather pattern	<ul style="list-style-type: none"> • Research and Development to release preferred varieties • Sensitize farmers on superior varieties once released • Produce crops in the right Agro-ecological zones
Fake seeds	<ul style="list-style-type: none"> • Frequent surveillance visits, Informers

WHEAT





REPORT OF THE DIRECTORS

The Directors submit their audited consolidated financial statements for the year ended 30th June 2025 which show the state of the company and company affairs.

Principal Activities

The company and its subsidiaries carry on the business of seed growers and seed merchants. It operates a seed maize shelling and drying plant and a small cereal drying plant. The Company also distributes vegetable seeds under the brand name of "Simlaw Seeds".

Results

The results of the company for the year ended 30th June 2025 are set out in the statement of comprehensive income on page 1.

Dividends

The Board of Directors approved a dividend policy where dividend paid will be the higher of Kshs 5.25 per share or 20% of the after-tax profit. Subject to the Shareholders approval, the Directors propose payment of a first and final dividend of (2025: Kshs 5.25, 2024: Kshs 5.25) per share totaling Kshs 75,539,411 in respect of the year ended 30 June 2025 compared to 5,25 Kshs. 56,601,641 for 10,781,265 number of shares. The dividend is payable subject to, where applicable, deduction of withholding tax as required under the Kenyan Income Tax Act, Chapter 470, Laws of Kenya.

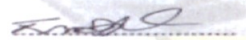
Directors

The Directors who served during the year and to the date of this report are as shown on page (x).

Auditors

The Auditor General is responsible for the statutory audit of the company's financial statements in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.

BY ORDER OF THE BOARD

 ...

Company Secretary.

Kitale, Kenya

30.06.2025



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, and Kenyan Companies Act 2015 require the Directors to prepare financial statements in respect of the company, which give a true and fair view of the state of affairs of the company at the end of the financial year and the operating results of the company for that year. The Directors are also required to ensure that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.

The Directors are responsible for the preparation and presentation of the company's financial statements, which give a true and fair view of the state of affairs of the company for and as at the end of the financial year ended on **June 30, 2025**. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the company;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept 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 Kenya Company's Act 2015. The Directors are of the opinion that the company's financial statements give a true and fair view of the state of the company's transactions during the financial year ended **June 30, 2025**, and of the company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the company, which have been relied upon in the preparation of the company's financial statements as well as the adequacy of the systems of internal financial control.

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.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approval of the financial statements

The financial statements and the accompanying notes from pages 1 to 60 were approved by the Board of Directors on and were signed on its behalf by:

Mr. Sammy Chepsiror
Managing Director

Hon. Purity Wangui Ngirici
Chairperson of the Board

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA SEED COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Seed Company Limited and its Subsidiaries set out on pages 1 to 69, which comprise of the statement of financial

Report of the Auditor-General on Kenya Seed Company Limited and its Subsidiaries for the year ended 30 June, 2025

position as at 30 June, 2025, and the statement of profit and 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 Kenya Seed Company Limited and its Subsidiaries as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Property, Plant and Equipment.

The Group's statement of financial position reflects a property, plant and equipment balance of Kshs.9,040,719,000 as disclosed in Note 16 to the financial statements. However, the balance includes fully depreciated assets disclosed at historical cost balance of Kshs.145,208,003. No explanation has been provided as to why the assets have not been revalued yet they are in use.

In the circumstances, the accuracy and completeness of the reported property, plant and equipment balance of Kshs.9,040,719,000 could not be confirmed.

2. Unsupported Loan Capital to Subsidiaries

The Group' statement of financial position reflects loan capital to subsidiaries balance of Kshs.228,269,000 as disclosed in Note 23(a) to the financial statements. However, a supporting disbursement schedule that discloses the disbursements dates, loan identification numbers, reference numbers to the Board resolutions, the bank reference number, loan agreements or other formal documentation between the Company and its subsidiaries were not provided for audit verification.

In the circumstances, the accuracy and completeness of the loan capital to subsidiaries balance of Kshs.228,269,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Seed Company and its Subsidiaries 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates that the Company received total revenue amount of Kshs.7,640,507,124 against the approved budget of Kshs.7,162,783,273 resulting in an over realization of Kshs.477,723,851 or 7% of the budget. Further, the statement reflects total expenses amounting to Kshs.2,878,545,138 against the actual receipts of Kshs.7,640,507,124 resulting in under-utilization of Kshs.4,761,961,986 or 62% of the actual receipts.

The under-utilization of the actual receipts may have affected the planned activities of the Company and affected service delivery to the public.

2. Unresolved Ownership and Governance Matters

The Group's statement of financial position reflects a share capital balance of Kshs.215,625,000 as disclosed in Note 26 to the financial statements representing issued and fully paid for 10,781,265 ordinary shares of Kshs.20 each. This balance does not include 3,370,000 ordinary shares worth Kshs.67,400,000 that were issued in the year ended 30 June, 2002 but revoked after the High Court of Kenya ruling of 6 April, 2006. These shares are currently a subject matter before the Kenyan Court of Appeal and the nominal share capital together with the premium on these shares amounting to Kshs.124,690,000 is classified under trade and other payables (Note 31 to the financial statements). Further, it was established that the case remained unresolved due to delayed finalization of the Deed of Settlement between Agricultural Development Corporation and the Company.

The case had not been determined as at 30 June, 2025.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

The Directors are responsible for the Other Information set out on page iii to lxxi which comprise of Key Entity Information, Chairperson's Statement, Managing Director's Statement, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, 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 Group'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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregularities in Implementation of Maize Subsidy Programme

Review of records revealed that the Ministry of Agriculture issued a directive to the Company on 28 February, 2025, to supply maize seeds to farmers at a subsidized price of Kshs.210 per kilogram, down from the previously approved selling price of Kshs.300 per kilogram after proposing that the Company reduce the price of maize seeds to Kshs.260. The Ministry was to subsidize the difference of Kshs.50 per kilogram to bring the price down to Kshs.210. However, the following audit matters were observed:

- i. The programme lacked clearly defined objectives and rationale, hindering its effectiveness.
- ii. No criteria for identifying eligible beneficiaries were documented raising concerns regarding the equitable distribution of subsidies to smallholders and resource-poor farmers.
- iii. No public awareness campaigns or training initiatives were conducted to inform farmers about the subsidy programme and best agricultural practices.
- iv. The special Board meeting resolution mandated that maize seed distribution be conducted exclusively through the National Cereals and Produce Board (NCPB) and Kenya Farmers Association (KFA) stores. However, audit findings revealed that 7,579,702 kilograms of maize seed costing Kshs.1,591,737,440 was distributed through unauthorized channels including agents, stockists, and retailers.

- v. The Company submitted a subsidy claim totalling Kshs.683,351,400 to the Ministry, for 13,667,028 kilograms of maize seeds supplied under the subsidy programme. However, as at the time of audit in July, 2025, the payment had not been made.
- vi. The Ministry of Agriculture had a previous outstanding debt of Kshs.717,882,034 from a similar subsidy programme implemented in the 2013/2014 financial year.

In the circumstances, the unpaid subsidy claims of Kshs.683,351,400 under the current programme and the outstanding debt from previous subsidy programmes, amounting to Kshs.717,882,034 represented significant financial burden on the Company.

2. Non-Remittance of Public Procurement Capacity Building Levy

Review of payment records revealed that Management procured works, goods and services during the year. However, Management did not deduct and remit the capacity building levy. This was contrary to Section 3(1) of Legal Notice 206 of the Levy Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

3. Non-Compliance with Law on Staff Ethnic Composition

Review of the employment records revealed that the Company had a total of three hundred and fifty-eight (358) officers, out of whom two hundred and twenty-five (225) or approximately 63% were from the dominant community. Further, eighteen (18) employees were recruited during the year under review for various positions. However, thirteen (13) or about 72% of the employees were from the dominant community. This is contrary to Section 7(1) of the National Cohesion and Integration Act, 2008, which requires that no more than one-third of the staff in any public establishment shall be from the same ethnic community.

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

4. Non-Compliance with the Procurement Requirements

Review of the Company's approved procurement plan revealed that an amount of Kshs.287,337,507, representing approximately 14% of the budget, was reserved to enterprises owned by youth, women, persons living with disabilities and other disadvantaged groups. This reservation falls short of the statutory minimum requirement of 30% required by Section 53(6) of Public Procurement and Asset Disposal Act, 2015 which provides that all procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

5. Long Outstanding Imprests

Review of documents revealed that imprest balance of Kshs.17,159,730 remained unrecovered for more than one (1) year with no evidence of recovery actions taken by Management. This was contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015, which requires that temporary imprests be surrendered within seven (7) working days and that the Accounting Officer take immediate recovery action, including salary deductions and interest, upon default.

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

6. Non-Submission of Monthly Bank Account Reconciliation Statements

The Group has seventeen (17) bank accounts out of which seven (7) are maintained and operated by the Company. However, the Company did not submit an annual list while the monthly bank reconciliation statements for each of the bank accounts were not submitted by 10th of the subsequent month to The National Treasury and the Auditor-General. This was contrary to Regulation 90(1) of the Public Finance Management Regulations, 2015, which requires the submission of monthly bank reconciliation statements by the 10th of the following month to The National Treasury and the Auditor-General.

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

7. Unclaimed Dividends

The Group statement of financial position reflects unclaimed dividends balance of Kshs.1,440,000 as disclosed in Note 32 to the financial statements. However, the dividends were not transferred to the Unclaimed Financial Assets Authority. This was contrary to Section 13(1) of the Unclaimed Financial Assets Act, 2011 which requires that assets presumed abandoned after the dormancy period be reported and subsequently paid, delivered, or held to the order of the Authority at the time of such reporting.

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, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Conduct Annual Governance Audit

Review of documents and operations of the Company's Board of Directors revealed that the Company did not undertake annual governance audit. This was contrary to Paragraph 1.13 of Mwongozo (2015), which requires an annual governance audit by an accredited professional.

In the circumstances, the effectiveness of the Board in governance of the Company could not be confirmed.

2. Lack of Assets and Liabilities Management Controls

Review of the Company's organizational structure and its assets and liabilities management environment revealed several control deficiencies: Management had not established a dedicated asset and liability management unit or a corresponding standing committee. This was contrary to Paragraphs 4.8 (i & ii), of The National Treasury and Planning Policy which require the establishment of an asset and liability management unit and committee.

In the circumstances, existence of effective mechanism for management of assets and liabilities could not be confirmed.

3. Long Outstanding Dues from Subsidiaries

The Company's statement of financial position reflects amounts due from subsidiaries balance of Kshs.2,116,556,000 as disclosed in Note 23(b) to the financial statements. The balance comprised of dues from six (6) subsidiaries amounting to Kshs.2,306,781,000 and provision of doubtful debts amounting to Kshs.190,225,000. This was contrary to Paragraph 3.7 of the Kenya Seed Company Limited Credit Policy, 2022, which requires that all subsidiaries shall operate on a strict thirty (30) day credit period.

In the circumstances, the effectiveness of the Company's internal credit controls on debt management could not be confirmed.

4. Hazardous Roofing Using Asbestos Materials

Review of the asset records and physical inspection revealed building structures with asbestos tile roofing at the Headquarters in Kitale; stores in Endebess and stores at the Nakuru depot. This was contrary to Paragraph 40(a) and (b) of the Second Schedule to the Occupational Safety and Health Act, No. 15 of 2007 and the ban established by Legal Notice No. 121 of 2006 under the Environmental Management and Coordination Act (EMCA), 1999, which prohibited asbestos use and the classification of asbestos-related work as a cause of occupational cancer, mandating its removal to protect human health.

In the circumstances, the working environment exposes the staff and users to life-threatening health risks.

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 xxxi is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on pages xl has been properly prepared in accordance with the Companies Act, 2015.

Basis for Conclusion

The Companies Act, 2015 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Company's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Directors

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 Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 December, 2025



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025.

	Notes	Group 2025	2024	Company 2025	2024
		Kshs '000	Kshs '000	Kshs '000	Kshs '000
Revenue	4	9,420,006	7,505,273	7,612,354	5,099,683
Cost of sales	5	(5,198,008)	(4,848,309)	(4,300,336)	(3,300,156)
Gross profit		4,221,998	2,656,964	3,312,018	1,799,527
Other income	6	211,247	98,060	160,548	76,023
Total Income		4,433,245	2,755,024	3,472,566	1,875,550
Expenses					
Operating expenses	7	(1,510,865)	(1,437,171)	(1,067,248)	(1,000,524)
Administration ex- penses	8	(1,619,071)	(494,005)	(1,471,794)	(360,382)
Selling and distribution expenses	9	(345,683)	(375,669)	(191,412)	(223,368)
Research and devel- opment costs	10	(169,162)	(150,168)	(148,091)	(123,152)
Total operating ex- penses		(3,644,781)	(2,457,013)	(2,878,545)	(1,707,426)
Operating Profit	11	788,464	298,011	594,021	168,124
Finance Income	12 (b)	19,200	(118,705)	25,680	26,779
Finance cost	12 (a)	-	-	-	-
Profit before taxation		807,664	179,306	619,701	194,903
Income Tax expense	13 (a)	(334,170)	(243,420)	(242,005)	(178,617)
Profit for the year		473,494	(64,114)	377,696	16,286
Profit attributable to:					
Owners of the parent company		473,494	(64,114)	377,696	16,286
Earnings per share attrib- utable to:					
Basic (Kshs per share)	14	44	(6)	35	2
Other comprehen- sive income:					
Profit for the year		473,494	(64,114)	377,696	16,286
Exchange differ- ences on translating foreign operations	35	26,701	47,307	-	-
Income tax effect	35	(8,010)	(14,192)	-	-
Fair value loss on Bearer Plants	22(a)	13,130	(23,356)	13,130	(23,356)
Revaluation Surplus					
Total comprehen- sive income		505,315	(54,355)	390,826	(7,070)
Attributable to:					
Owners of the par- ent		505,315	(54,355)	390,826	(7,070)

The notes set out from page 9 form an integral part of the financial statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	Group		Company	
		2025	2024	2025	2024
		Kshs '000	Kshs '000	Kshs '000	Kshs '000
ASSETS					
Non-current assets					
Property, plant and equipment	16	9,040,719	9,159,158	8,536,810	8,681,269
Intangible assets	17	55,689	56,529	52,247	55,653
Investment in subsidiaries	18	-	-	61,324	60,074
Deferred tax asset	29(b)	32,292	38,360	-	-
Staff receivables	21	7,122	6,063	7,122	6,063
Bearer biological assets	22(a)	200,972	185,392	200,971	185,392
Loan capital to subsidiaries	23(a)	-	-	228,269	226,105
		<u>9,336,794</u>	<u>9,445,502</u>	<u>9,086,743</u>	<u>9,214,556</u>
Current assets					
Consumable biological assets	22(b)	162,805	174,461	162,436	174,291
Staff receivables	21	18,675	14,415	4,999	4,302
Cash and Cash equivalent	34(a+b)	2,596,507	2,894,589	2,290,519	2,557,830
Inventories	24	4,153,550	3,180,454	2,412,621	1,909,157
Trade and other receivables	25	1,140,738	826,582	604,107	419,495
Amounts due from subsidiaries	23(b)	-	-	2,116,556	1,769,381
Due from Parastatal and other		-	-	-	-
Government controlled organization	23(c)	1,161,225	1,168,455	1,153,000	1,161,573
Tax recoverable	13(c)	23,004	330,877	-	283,656
		<u>9,256,504</u>	<u>8,589,833</u>	<u>8,744,238</u>	<u>8,279,685</u>
Total assets		<u>18,593,298</u>	<u>18,035,335</u>	<u>17,830,981</u>	<u>17,494,241</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	26	215,625	215,625	215,625	215,625
Share premium	26	281	281	281	281
Revaluation surplus		8,285,566	8,285,566	8,140,620	8,140,620
Translation reserve	35	(43,778)	(25,087)	-	-
Proposed Dividends	15	-	-	-	-
Retained earnings		<u>8,376,692</u>	<u>8,039,704</u>	<u>8,189,140</u>	<u>7,966,640</u>
		<u>16,834,386</u>	<u>16,516,089</u>	<u>16,545,666</u>	<u>16,323,166</u>
Non-current liabilities					
Deferred tax liability	29(c)	431,844	706,989	431,844	706,989
Amounts due to directors	23(d)	24,003	24,445	24,003	24,445
		<u>455,847</u>	<u>731,434</u>	<u>455,847</u>	<u>731,434</u>



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Continued)

	Notes	Group		Company	
		2025	2024	2025	2024
		Kshs '000	Kshs '000	Kshs '000	Kshs '000
Current liabilities					
Amounts due to directors	23(d)	3,600	3,600	3,600	3,600
Due to subsidiaries	19	-	-	-	88,323
Due to Parastatal and other		42,995	-	42,995	-
Corporation tax payable	(13)	148,449	-	140,185	-
government controlled organizations	23(e)	-	-	-	-
Employee benefits obligations	30	82,312	55,776	73,586	50,700
Trade and other payables	31	1,024,269	719,233	567,662	287,815
Unclaimed dividends	32	1,440	9,203	1,440	9,203
		1,303,065	787,812	829,468	439,641
Total equity and liabilities		18,593,298	18,035,335	17,830,981	17,494,241

The financial statements and the notes set out from page 1 were approved by the Board of Directors on 30.06.2025 and signed on its behalf by:

Mr. Sammy Chepsiror
Managing Director

CPA. Hezekiah Keitany
Head of Finance
ICPAK M/NO: 22083

Hon. Purity W. Ngirici.
Chairperson of the Board



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025.

GROUP	Share capi- tal	Share premium	Revalua- tion re- serve	Transla- tion Re- serve	Retained earnings	Proposed Dividend	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Year ended 30 June 2024							
As at 1 July 2023	215,625	281	8,285,566	8,029	8,359,385	-	16,868,886
Prior year adjustment	-	-	-	-	-	-	-
Total comprehensive in- come for the year	-	-	-	-	(64,114)	-	(64,114)
Fair value Gain of Bio Assets	-	-	-	-	(23,356)	-	(23,356)
Proposed Dividends	-	-	-	-	(265,327)	-	(265,327)
Transfer of excess de- preciation	-	-	-	-	-	-	-
Revaluation of assets	-	-	-	-	-	-	-
Translation Reserves	-	-	-	(33,116)	33,116	-	-
As at 30 June 2024	215,625	281	8,285,566	(25,087)	8,039,704	-	16,516,089
Year ended 30 June 2025							
As at 1 July 2024	215,625	281	8,285,566	(25,087)	8,039,704	-	16,516,089
Prior year adjustment	-	-	-	-	1,478	-	1,478
Reinstated Balance	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Total comprehensive in- come for the year	-	-	-	-	473,494	-	473,494
Fair value Gain of Bio Assets	-	-	-	-	13,130	-	13,130
Translation reserves	-	-	-	(18,691)	18,691	-	-
Revaluation of assets	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	(169,805)	169,805	-
Dividends paid in the year	-	-	-	-	-	(169,805)	(169,805)
As at 30 June 2025	215,625	281	8,285,566	(43,778)	8,376,692	-	16,834,386



	Share capital	Share pre- mium	Revaluation reserve	Translation Reserve	Retained earnings	Proposed Dividend	Total
<u>COMPANY</u>	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Year ended 30 June 2024							
As at 1 July 2023	215,625	281	8,140,620	-	8,239,036	-	16,595,563
Prior year adjustment							
Total comprehensive in- come for the year	-	-	-	-	16,286	-	16,286
Fair value Gain of Bio As- sets	-	-	-	-	(23,356)	-	(23,356)
Revaluation of assets	-	-	-	-	-	-	-
Dividend payout in the year	-	-	-	-	(265,327)	-	(265,327)
Transfer of excess depreci- ation	-	-	-	-	-	-	-
As at 30 June 2024	215,625	281	8,140,620	-	7,966,639	-	16,323,166
Year ended 30 June 2025							
As at 1 July 2024	215,625	281	8,140,620	-	7,966,639	-	16,323,166
Prior year adjustment					1,479	-	1,479
Total comprehensive in- come for the year	-	-	-	-	377,696	-	377,696
Fair value Gain of Bio As- sets	-	-	-	-	13,130	-	13,130
Proposed Dividends	-	-	-	-	(169,805)	169,805	-
Dividend payout in the year	-	-	-	-	-	(169,805)	(169,805)
Transfer of excess depreci- ation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
As at 30 June 2025	215,625	281	8,140,620	-	8,189,139	-	16,545,666

The notes set out from page 9 form an integral part of the financial statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025.

	Notes	Group		Company	
		2025 Kshs '000	2024 Kshs '000	2025 Kshs '000	2024 Kshs '000
OPERATING ACTIVITIES:					
Cash generated from operations	39 (a)	106,330	504,525	2,415	221,713
Finance income			-	25,680	26,779
Finance costs		19,200	(118,704)	-	-
Prior year tax paid		(10,158)	-	(10,158)	-
Corp Tax paid	13(c)	<u>(122,991)</u>	<u>(41,277)</u>	<u>(83,152)</u>	<u>(651)</u>
Net Cash flows used in operating activities		(7,619)	344,544	(65,215)	247,841
Investing activities: -					
Purchase of Property, plant and equipment		(120,389)	(68,359)	(29,989)	(23,760)
Purchase of intangible assets		(5,252)	(10,709)	(2,332)	(10,209)
Disposal proceeds from sale of assets		-	(2,641)	-	(2,641)
Asset retirement without revenue		-	158	-	158
Net Cash flows from investing activities		<u>(125,641)</u>	<u>(81,551)</u>	<u>(32,321)</u>	<u>(36,452)</u>
Financing activities					
Dividends paid		(169,805)	(265,328)	(169,805)	(265,327)
Loan repayment.		-	-	-	-
Net cash flows from financing activities		<u>(169,805)</u>	<u>(265,328)</u>	<u>(169,805)</u>	<u>(265,327)</u>
Cash and cash equivalents:					
Movement during the year		(303,065)	(2335)	(267,341)	(53,938)
Effect of movements in exchange rates on cash held		4,983	(46,596)	30	4,379
As at 1 July 2024		<u>2,894,589</u>	<u>2,943,520</u>	<u>2,557,830</u>	<u>2,607,389</u>
As at 30 June 2025	34	<u>2,596,507</u>	<u>2,894,589</u>	<u>2,290,519</u>	<u>2,557,830</u>

The notes set out from page 9 form an integral part of the financial statements



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Budget Line	Approved Budget 2024/2025	Actual on Comparable basis 2024/2025	Performance Difference 2024/2025	% Change
Revenue:				
Maize Seeds (note 1)	6,095,000,000	7,092,026,720	(997,026,720)	(16)%
Wheat Seeds (note 2)	214,500,000	142,723,990	71,776,010	33%
Pasture Seeds (note 3)	157,473,630	73,374,894	84,098,736	53%
Sunflower seeds (note 4)	54,254,581	35,519,011	18,735,570	35%
Sorghum seeds (note 5)	21,337,642	17,035,870	4,301,772	20%
Vegetable Seeds (note 6)	247,000,000	200,746,895	46,253,105	19%
Millet Seeds (note 7)	3,153,867	1,206,100	1,947,767	62%
Beans & Pulses seeds	72,885,322	74,184,783	(1,299,461)	(2)%
Farm produce	230,727,500	3,489,221	227,238,279	98%
Rice seeds	1,670,861	199,639	1,471,222	88%
Other seeds	64,779,870	-	64,779,870	100%
Total Revenue	7,162,783,273	7,640,507,124	(477,723,851)	7%
Cost of Sales	(4,057,410,648)	(4,300,335,545)	(242,924,897)	22%
Gross Profit	3,105,372,625	3,340,171,579	(234,798,954)	
Other income (note 8)	163,712,539	186,228,312	(22,515,773)	-14%
Losses on Bio assets/Finance costs (12)	-	(15,022,947)	15,022,947	
Total Income	3,269,085,164	3,511,376,944	(242,291,780)	
Operating expense (note 9)	1,084,743,101	1,067,247,951	17,495,150	2%
Administration expense (note 10)	846,972,472	1,471,793,549	(624,821,077)	(74)%
Selling & Distribution expense	363,493,577	191,412,131	172,081,446	47%
Research & Development expense (note11)	83,965,009	148,091,507	(64,126,498)	(76)%
Total Expenses	2,379,174,159	2,878,545,138	(499,370,979)	(21)%
Profit Before Taxes	889,911,005	632,831,806	257,079,199	29%
Tax Charges	-	(242,004,870)	242,004,870	
Surplus for the Period	889,911,005	390,826,936	15,074,329	2%

Budget Notes for the variances of more than 10%:

1. Maize seeds sales

The increase in maize seed sales is due to increase in selling price to Kshs. 300 per kilo, before reverting to Kshs.210 per Kilo as per the MOA directory.

2. Wheat Seed sales

The decrease in wheat sales is due to Lack of market for the wheat seeds as the uptake of commercial wheat in the country is low due to imports.

3. Pasture Seed sales

The decrease in pasture sales is attributable to lack of enough pasture seed in the year arising from lack of land for pasture seed growing, as Most dairy farmers have also now established their own pasture fields for own livestock consumption.

4. Sunflower seed sales

The delayed rains which affected the maize planting season led to delay in harvesting of the crop and most farmers therefore had no fields to grow sunflower, hence drop in sunflower revenue, coupled with cheap cooking oil imports.

5. Sorghum seed sales



Sorghum planting season was also affected by delayed long rains in the year in South Nyanza Region and hence led to the drop in its revenue.

6. Vegetable seed sales

There was decrease in demand for vegetable seeds during the year after the maize season was over, due average rain falls in planting season.

7. Millet seed sales

Most farmers have resorted to using farm saved seed for millet production due to its slow consumption adoption in the market.

8. Other Income.

Other incomes met 1 % of the budgeted amount.

9. Operating expenses

The operating expenses reduced majorly due reduction admin expenses, research and laboratory costs, and selling & distribution costs.

10. Administration expenses

11. These expenses increased as result of bad debts written off due to maize seeds subsidy programme to the as a government directive amounting to Kshs.692M, increase in VAT disallowed expenses in the year from Kshs 67M in 2024 to Kshs 92M in 2025, and also provision of the obsolete stocks in the year.

12. Research and development expenses

13. Expenses relating to testing and inspection at the research plots and laboratory Increased to 148 million from 104 million the previous year.

14. Fair value losses on biological assets and finance costs.

15. Fair value loss was attributed to loss in (Consumable and bearer) biological assets, during the year as compared to the previous reporting period where it was a gain. Finance costs is attributed to valuation of foreign currencies in Dollar accounts.



NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) General Information

Kenya Seed Company Limited is a private liability company incorporated in Kenya under the Kenyan Companies Act and is domiciled in Kenya. The company has a number of subsidiaries in Kenya, Uganda and Tanzania. The registered office is as shown on page xi.

b) Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with, and comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), and the manner required by the Kenyan Companies Act.

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Kshs), rounded to the nearest thousand, which is also the functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates as detailed in note 1(d) below. It also requires management to exercise its judgment in the process of applying the company's accounting policies. These accounting policies are consistent with the previous period.

c) Critical judgments and sources of estimation uncertainty

In preparing the financial statements conformity with International Financial Reporting Standards, management (representing directors) is required to make certain critical accounting estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. It also requires directors to exercise their judgment in the process of applying the Company's accounting policies.

Use of available information and the application of judgment is inherent in the formation of estimates. Although these estimates are based on directors' best knowledge of current events and actions they may undertake in the future, actual results in the future could differ from these estimates which may be material to the financial statements. In particular, critical judgments applied include:

- Trade receivables, held to maturity investments and loans and other receivables;
- Available for sale assets;
- Taxation;
- Valuation of biological assets – detailed in Note 22;
- Estimation of useful lives of property, plant and equipment, land and intangible assets; Notes 1(e); 1(f); and 1(g).
- Determination of revalued amounts of property, plant and equipment; Notes 1(e) and 16.

Where applicable, the directors consulted experts to determine accounting estimates that require special or technical knowledge and experience.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade receivables, held to maturity investments and loans and other receivables

The Company assesses its trade receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows of a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Available for sale assets

The company follows the guidance of IAS 39 to determine when an available for sale financial asset is impaired. This determination requires significant judgment.

In making this judgment, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

d) Revenue recognition

i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable and represents the value of goods invoiced to customers during the year less discounts allowed to customers, sales returns and Value Added Tax.

- Revenue from sale of goods is recognized when the company has transferred to the buyers the significant risks and rewards incidental to the ownership of the goods; and
- Interest income is recognized on time basis, using the effective interest method. Effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected useful life of the financial asset to that asset's net carrying amount.

ii) Other income is recognized on an accrual basis. It mainly relates interest on growers' advances, sale of chemicals, fertilizers, rental income and gain on disposal on assets.

e) Property, plant and equipment

Property, plant and equipment are stated initially at cost and subsequently revalued amounts less accumulated depreciation and any impairment losses. Increases in the carrying amounts of property, plant and equipment resulting from revaluations are credited to the revaluation surplus, except to the extent that they represent a reversal of a decrease in the value of an asset previously recognized as an expense, in which case the increase is credited to the income statement to the extent the decrease was previously charged. Decreases in carrying amounts of property, plant and equipment are charged to income statement to the extent they exceed the balances, if any, held in the revaluation surplus relating to previous revaluation of the relevant assets. On subsequent disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation surplus is transferred directly to the retained earnings.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Properties in the course of construction for administrative or other purposes are held in the books of account as work in progress at historical cost less any accumulated impairment losses. The cost of such assets includes professional fees and costs directly attributable to the asset. Such assets are not depreciated until they are ready for the intended use.

Gains or losses arising on disposal of an asset are determined as the difference between the net sales proceeds and the carrying amount of the asset at the time of sale and are recognized in the profit or loss in the year in which the sale occurred.

Depreciation is charged so as to write off the cost or valuation of the property, plant and equipment using straight line method over their estimated useful lives at the following annual rates:

• Industrial and residential buildings	5%
• Farm works	5%
• Plant and machinery	10%
• Tractors, trailers and forklifts	10%
• Furniture and equipment	20%
• Motor vehicles	25%
• Computers	33.33%
• Bearer Biological Assets	5.26%

Freehold land is not depreciated.

The useful life of property, plant and equipment and the pattern of utilization of economic benefits arising from the use of the assets are reviewed at each reporting date to take into account any changes in the market, economic and industry trends.

f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

All other leases are classified as operating leases.

Payments to acquire leasehold interest in land are treated as prepaid operating lease rentals and stated at historical cost less accumulated amortization and any accumulated impairment losses. Annual amortization is charged on a straight-line basis over the remaining period of the lease. Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease.

Assets held under finance leases are recognized as assets of the Company at the lower of the fair value of the leased asset and the present value of the minimum lease payments determined as the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability to income statement over the lease term so as to produce constant annual rate of charge on the remaining balance of the obligations for each accounting year.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Intangible assets

Intangible assets represent computer software and are stated at their historical cost less accumulated amortization and any accumulated impairment losses.

Amortization is calculated to write off the cost of computer software on a straight-line basis over its estimated useful life of three years. The useful life of intangible assets and the pattern of utilization of economic benefits arising from the use of the intangible assets are reviewed at each reporting date to take into account any changes in the market, economic and industry trends.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

h) Investment in subsidiaries

The investments in subsidiaries are stated at their acquisition cost less any accumulated impairment losses in the separate (company) annual financial statements.

i) Biological assets

Living plants and animals with probable future economic benefits which are owned and controlled by the Company are accounted for as biological assets. Biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. They are subsequently measured at lower of cost and net realizable value in accordance with IAS 2 once harvested.

The fair value of the biological assets and agricultural produce that have an active market is determined using the quoted price in the market. The fair value of the biological assets that do not have an active market is determined at the present value of the expected net cash flows discounted at the current market determined pretax borrowing rate.

The fair value of the Company's newly planted crops is estimated by reference to costs incurred on the crops up to the reporting date.

Point of sale costs include commissions to brokers and dealers, levies by regulatory agencies and transfer taxes and duties but exclude transport and other costs necessary to get the assets to the market.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial reporting purposes, the Company classifies its biological assets as follows:

i) Consumable biological assets

Consumable biological assets are those that are to be harvested as agricultural produce or to be sold as biological assets. These are seasonal crops grown by the Company i.e. maize, wheat, sunflower, pasture, millet, oats and vegetables.

ii) Bearer biological assets

Other biological assets are classified as bearer biological assets.

Gains or losses arising on initial recognition of biological assets and agricultural produce and from changes in fair value less point of sale costs is recognized in the income statement for the year.

j) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises expenditure directly incurred in purchasing, field inspection and monitoring costs and processing the inventory, together with appropriate allocation of processing overheads. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and the estimated costs necessary to make the sale.

k) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the relevant asset's recoverable amount is estimated in order to determine the extent of the impairment loss. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a decrease in revaluation. Impairment gains that represent reversal of losses previously recognized in relation to certain assets are captured as income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Recoverable amount is the higher of fair value less selling costs, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the market reassessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

l) Financial instruments– under IAS 39 –up to 31 December 2017

(i) Classification

The Company classifies its financial assets in the following categories; at fair value through profit or loss, loans and receivables and available for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'other receivables' in the statement of financial position.

- (iii) **Recognition and measurement:** Regular purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Offsetting financial instruments: Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Financial instruments – under IFRS 9 – Effective 1 January 2018

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(ii) Classification and subsequent measurement

The Company classifies its financial assets in the following categories; amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The classification of financial assets and their subsequent accounting will be determined by the application of dual tests examining the contractual cash flow characteristics of the financial instruments and the Company's business model for managing the assets. Financial assets may be held at amortised cost only where both the asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that consist solely of principal and interest on the outstanding principal.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under IAS 39, all financial liabilities were initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) model, unless the option to fair value liabilities was taken. This accounting is the essentially the same under IFRS 9.

(l) Financial instruments – under IFRS 9 – Effective 1 January 2018 (Continued)

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(iv) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The “incurred loss” model is replaced by the “expected credit loss” model in IFRS 9. This applies to all financial assets not held at fair value through profit and loss (FVTPL) – certain investments, loans, trade receivables and other receivables.

For financial assets carried at amortized cost (including loans and other receivables such as trade debtors), impairment losses should be recognized under the “expected loss model”, building up a debtors’ provision / allowance account against credit losses over the life of the financial asset (including an estimate of initial credit risk), rather than the “incurred loss model” used under IAS 39, where a loss was recognized only if there was a specific event (such as default) triggering an impairment review. Under the impairment approach in IFRS 9 it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, the Company will account for expected credit losses, and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

(v) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

m) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the profit or loss with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

n) Foreign operations

The subsidiary companies operating in Tanzania and Uganda are classified as foreign entities since their operations are carried out with significant level of autonomy. In translating the financial statements of the subsidiary companies;

- i) The assets and liabilities, both monetary and non-monetary are translated at the closing rate;
- ii) Transactions of the subsidiaries for the year are translated at the average exchange rates ruling in the year;
- iii) All the resulting exchange differences are recognized in other comprehensive income and accumulated in the translation reserve in equity until the disposal of the net investment. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the profit or loss.

o) Provisions

Provisions for liabilities are recognized when there is a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the monetary value of the obligation.

p) Provisions for debtors

Debts are considered for provision when; the debt has remained for twelve months and there is documented evidence that all collection avenues have been exhausted without success; when there is lack of supporting evidence for the debt; when the company has lost court case and will not be able to collect the debt; when the debtor is declared bankrupt; and when the debtor dies and debt cannot be recovered from any other means possible.

q) Provisions for obsolete stocks

The company declares provisions for obsolete stocks based on KEPHIS and the company's Quality Assurance Department results and Board approval. The amount declared has been certified by KEPHIS as low germ and are not meant for sale. These seeds are yet to be destroyed thus provided for as per the schedule.

r) Loan capital to subsidiaries

The loan capital relates to amounts advanced to the subsidiaries to help start operations. The directors resolved that the loans should be treated as loan capital as they will be used to increase the share capital of the parent company in the subsidiaries.

s) Dividends

Dividends payable on ordinary shares are charged to retained earnings in the period in which they are declared. Proposed dividends are not accrued for until ratified in an Annual General Meeting.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Employee benefits

(i) Defined benefits scheme

The Company operates a defined benefits pension scheme for its employees. The scheme was administered independently by Aon Minet Insurance Brokers Limited and was funded by contributions from both the Company companies and employees at rates which were determined every three years by certified actuaries. The employer contributed 15% while the employee contributed 10% of the employee's basic pay to the scheme. The scheme's funds were managed by Old Mutual Asset Managers (Kenya) Limited.

The scheme is subjected to valuations by independent actuaries once every three years to fulfill the requirements under the scheme rules and the requirements of the Income Tax (Retirement Benefits) Rules 1994 and the Retirement Benefits Act, 1997. The actuarial valuation method adopted entailed the comparison of the value of the scheme's assets at the valuation date with its liabilities and an assessment of the ability of the scheme to meet its obligations to members.

The company's obligations to all staff retirement benefits schemes are charged to the profit or loss as they fall due. Gains and losses on the actuarial valuation were dealt with in the statement of comprehensive income.

(ii) Defined contribution scheme

The Company also contributes to the statutory National Social Security Funds (NSSF) in Kenya, Uganda and Tanzania. Contributions to the NSSF are determined by local statutes.

The Company's contributions to the retirement benefit schemes are charged to the profit or loss in the year to which they relate.

(iii) Accrued leave pay

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for outstanding annual leave entitlement as a result of services rendered by employees up to the reporting date.

(iv) Gratuity

Entitlements to gratuity are recognized when they accrue to qualifying employees. A provision is made for the estimated annual gratuity as a result of services rendered by employees up to the reporting date.

u) Contingent liabilities

Contingent liabilities arise if there is a possible obligation; or present obligations that may, but probably will not, require an outflow of economic resources; or there is a present obligation, but there is no reliable method to estimate the monetary value of the obligation.

v) Income Taxes

Current Tax

Current tax assets and liabilities for the current and prior periods 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 by the reporting date. Current tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the income statement.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax

Deferred tax is provided for using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 income tax relating to items recognized directly in other comprehensive income or equity is recognized in equity and not in the profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, 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 associates and interests in joint Ventures, deferred tax assets are recognized only to the extent a 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 reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered; and,
- Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2023

IFRS 16: Leases

The new standard, effective for annual periods beginning on or after 1st January 2019, introduces a new lessee accounting model, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Application of IFRS 16 requires right-of-use assets and lease liabilities to be recognised in respect of most operating leases where the Company is the lessee.

IFRIC 23: Uncertainty Over income tax treatments

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

Amendments to IFRS 9 titled Prepayment Features with Negative Compensation (issued in October 2017)

The amendments, applicable to annual periods beginning on or after 1 January 2019, allow entities to measure prepayable financial assets with negative compensation at amortised cost or fair value through other comprehensive income if a specified condition is met.

Amendments to IAS 28 titled Long-term Interests in Associates and Joint Ventures (issued in October 2017)

The amendments, applicable to annual periods beginning on or after 1st January 2019, clarify that an entity applies IFRS 9, rather than IAS 28, in accounting for long-term interests in associates and joint ventures.

Amendments to IFRS 3 - Annual Improvements to IFRSs 2015–2017 Cycle, issued in December 2017.

The amendments, applicable to annual periods beginning on or after 1st January 2019, provide additional guidance on applying the acquisition method to particular types of business combination.

Amendments to IFRS 11 - Annual Improvements to IFRSs 2015–2017 Cycle, issued in December 2017

The amendments, applicable to annual periods beginning on or after 1st January 2019, clarify that when an entity obtains joint control of a business that is a joint operation, it does not re-measure its previously held interests

Amendments to IAS 12 - Annual Improvements to IFRSs 2015–2017 Cycle, issued in December 2017

The amendments, applicable to annual periods beginning on or after 1st January 2019, clarify that all income tax consequences of dividends should be recognised when a liability to pay a dividend is recognised, and that these income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions to which they are linked.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Amendments to IAS 23 - Annual Improvements to IFRSs 2015–2017 Cycle, issued in December 2017

The amendments, applicable to annual periods beginning on or after 1st January 2019, clarify that the costs of borrowings made specifically for the purpose of obtaining a qualifying asset that is substantially completed can be included in the determination of the weighted average of borrowing costs for other qualifying assets.

Amendments to IAS 19 titled Plan Amendment, Curtailment or Settlement (issued in February 2018)

The amendments, applicable to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st January 2019, requires an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity re-measures its net defined benefit liability (asset) in the manner specified in the amended standard.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

iii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Title	Description	Effective Date
IAS 39-Financial Instruments: Recognition and Measurement	IAS 39 "Financial Instruments: Recognition and Measurement" outlines the requirements for the recognition and measurement of financial assets, financial liabilities, and some contracts to buy or sell non-financial items. Financial instruments are initially recognized when an entity becomes a party to the contractual provisions of the instrument and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument (typically amortized cost or fair value). Special rules apply to embedded derivatives and hedging instruments.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IFRS 4- Insurance Contracts (Super-seded)	IFRS 4 "Insurance Contracts" applies, with limited exceptions, to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. In light of the IASB's comprehensive project on insurance contracts, the standard provides a temporary exemption from the requirements of some other IFRSs, including the requirement to con-	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.



Title	Description	Effective Date
	sider IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" when selecting accounting policies for insurance contracts.	
IFRS 7- Financial Instrument Disclosures	IFRS 7 "Financial Instruments: Disclosures" requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IFRS 16- Leases	IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IAS 1 — Presentation of Financial Statements	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	Earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.
IAS 16 — Property, Plant and Equipment	IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.



Title	Description	Effective Date
IAS 37 — Provisions, Contingent Liabilities and Contingent Assets	IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IAS 41 — Agriculture	IAS 41 "Agriculture" sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IFRS 1 — First-time Adoption of International Financial Reporting Standards	IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general-purpose financial statements. The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IFRS 3 — Business Combinations	IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.
IFRS 17 — Insurance Contracts	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.	The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.

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 entity did not early – adopt any new or amended standards in year ending 30th June 2025



3. OWNERSHIP OF KENYA SEED COMPANY LIMITED

Kenya Seed Company Limited was incorporated as a limited company under the Kenyan Companies Act, Chapter 486 of the Laws of Kenya on 2 July 1956 and its subscribers were private individuals. In 1960, it was converted to a public limited liability company. Until the year 2002, the Company was a 52.88% owned by the Government of Kenya through Agricultural Development Corporation (ADC).

During the year 2002, the Company increased the authorized share capital from 11 million to 20 million ordinary shares of Kshs 20 each. Subsequently, the Company issued 3,370,000 shares following a board resolution. By December 2003, the company had issued 14,151,265 shares, resulting in a dilution of ADC shareholding to 40%.

Following this, Agricultural Development Corporation (ADC) filed a suit in the High Court of Kenya being HCC Nairobi No 575 of 2004 seeking various declarations among them declaring the issue of 3,370,000 ordinary shares illegal and to restore the Company to its original ownership. This case has not yet been concluded.

In addition, by Kenya Gazette Notices No. 976/2003 and 3/2005, the Minister for Agriculture invoked his powers under section 6(1) of the Kenya State Corporations Act and appointed a new management team to take over from the existing management and declared the 3,370,000 shares issued as void. The former company management and some seed growers, moved to court on 31 December 2003 seeking judicial review for orders of Certiorari, mandamus and prohibition.

The 2001 Share Issue

Discussion on the 2001 share issue was carried out between various stakeholders under the chairmanship of the Principal Secretary, State Department of Agriculture in the ministry of Agriculture, Livestock and Fisheries. As a result of this meeting, the Principal Secretary pursuant to the AGs advisory to settle the 2001 share issue out of court, appointed a Verification Committee consisting of officers from the ministry of Agriculture, Attorney General's office, Treasury, Capital Markets Authority, Agricultural Development Corporation (ADC), Kenya Seed Company and representatives of the private shareholders. The committee was tasked with the responsibility of verifying the names of individuals who bought the 2001 shares, amounts paid and scrutinize the Share Certificates issued. The committee also verified the bank statements to establish that all the money paid was banked in the Company's bank account. Upon completion of the exercise the committee presented a report to the Principal Secretary for onward submission to the AG for further guidance. The AG advised that a Deed of Settlement between Kenya Seed Company and ADC be prepared for his review before it being registered in court to facilitate withdrawal of Nairobi HCCC No. 575 of 2004. The Deed of settlement has not been finalized. In the meantime, the case is still in Court and proceeding with the hearing.

EFFECT OF THE SIGNED PRIVATIZATION LAW ON SALE OF KENYA SEED COMPANY LTD.

- The Privatization Act 2023 repealed the previous Privatization Act, 2005, giving the Executive (via the Privatization Authority and the National Treasury) sweeping powers to sell or transfer shares of State-owned corporations without requiring full parliamentary approval.
- It was part of a broader government strategy to raise revenue, reduce the burden of loss-making parastatals on the Treasury, and encourage private sector efficiency.

In relation to KSC, the law meant that KSC was among a list of state corporations earmarked for privatization (sale or partial sale) under the programme.



How KSC is affected / the impact on sale of KSC

- Because KSC is on the list of parastatals targeted by the privatization programme, the law would have opened the way for the Government to divest its interest in KSC (fully or partially) via the mechanisms established under the Act.
- However, there has been *significant push-back*. A major effect: the law was challenged in court, and in September 2024 the High Court declared the Privatization Act 2023 unconstitutional on the basis of inadequate public participation and circumventing parliamentary oversight.
- Because of that ruling (and subsequent appeal developments) the privatization process for KSC (and other listed parastatals) has been **halted** or significantly delayed. The law no longer provides a valid basis (at least until further reform) for the sale of KSC under the flagged provisions.

Key implications / risks for KSC and the sector

- **Access & food security:** Many farmers expressed concern that privatizing KSC could reduce access to affordable, quality seed, especially for smallholders. For example, they fear a profit-oriented private owner might raise seed prices or reduce supply of region-specific/hybrid seeds suited to local conditions.
- **National sovereignty / strategic importance:** The opposition argued (and the court referenced) that KSC plays a strategic role in Kenya's food system and seed sovereignty. Its sale could have implications for national control over a critical input in agriculture.
- **Regulatory and legal uncertainty:** Because the foundational law (Privatization Act 2023) was declared invalid, any process under it is in limbo. This creates uncertainty for investors, KSC employees, the agricultural sector, and farmers. Also raises question of what legal regime governs future sale attempts.
- **Public participation and governance concerns:** One of the main reasons the Act was struck down was lack of meaningful public participation and bypassing parliamentary scrutiny. This sets a precedent that any privatization of KSC must ensure stronger public engagement to avoid legal challenge.

Potential delay in reforms: If KSC remains under state control longer, any potential intended efficiency gains or capital injections via privatization are delayed. On the flip side, this may allow the government more time to restructure KSC, address governance.

Current status for KSC and next steps

- As of now, because the law intended to facilitate its sale has been declared unconstitutional, the sale of KSC is *on hold*. There is no valid legal basis, under the struck-down Act, to proceed with privatization unless a new law or amendment is adopted.
- The Government may need to revisit the policy: craft a new privatization law (or amend existing frameworks), ensure proper public participation, guarantee oversight, and address farmers' concerns.
- For KSC stakeholders (farmers, employees, government, potential investors) the key is to monitor how the legal/regulatory framework evolves, whether KSC's role in seed security is preserved, and whether the conditions of any future privatization safeguard affordability, seed diversity, regional relevance, and national interest.

In summary

- The signing of the Privatization Act 2023 would have paved the way for the sale (or partial sale) of KSC, but because the law has been declared unconstitutional, the sale is effectively paused. For KSC this means: potential privatization is unsettled; farmers and other stakeholders face uncertainty; and the sector must engage with how seed security, access and national interest will be protected in any future privatization process.



Notes to the Financial statements

	Group		Company	
	2025	2024	2025	2024
4. REVENUE	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Income from Certified Maize Seeds	7,499,798	5,350,565	7,015,592	4,476,479
Income from Basic Maize Seeds	83,235	61,083	76,435	60,620
Income from Vegetable Seeds	1,449,564	1,688,881	274,932	292,940
Income from Wheat Seeds	146,655	130,914	142,724	131,441
Income from Pasture Seeds	123,727	127,034	73,375	79,604
Income from Other Seeds	133,955	142,863	53,960	54,667
Income from sale of milk	3,489	3,719	3,489	3,719
Fair value gain/loss on biological assets	(20,417)	214	(28,153)	214
	9,420,006	7,505,273	7,612,354	5,099,684
5. a) COST OF SALES	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening stock	3,180,454	4,426,853	1,909,157	1,755,791
Purchases	6,803,214	3,653,812	4,197,606	3,000,245
Factory overheads	633,791	481,623	606,194	453,277
Less:				
Closing stock	(4,153,550)	(3,180,454)	(2,412,621)	(1,909,157)
Intra-Group purchases	(1,265,901)	(533,525)		
Total Cost of goods sold	5,198,008	4,848,309	4,300,336	3,300,156
5. b) COST OF SALES				
Cost for Certified Maize Seeds	3,871,642	3,330,882	3,766,154	2,766,066
Cost for Basic Maize Seeds	79,378	57,474	76,332	60,178
Cost for Vegetable Seeds	922,739	1,137,959	245,412	258,318
Cost for Wheat Seeds	122,252	108,182	120,781	111,465
Cost for Pasture Seeds	97,155	99,118	61,055	70,811
Cost for Other Seeds	85,758	89,589	30,602	33,318
Cost for by products	18,873	12,222	-	-
Cost for seedlings	211	12,883	-	-
Total Cost of goods sold	5,198,008	4,848,309	4,300,336	3,300,156
The above is a presentation of the cost of sale by Product sold				
6. OTHER INCOME	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Bad debts recovered - trade debtors	107,802	24,781	107,078	15,579
Gain on disposal of property	29,616	1,955	-	-
Rental income	1,897	1,622	1,897	1,622
Interest on subsidiary loan	2,164	1,919	2,164	1,919
Interest on growers advances and car loans	4,188	14,465	4,188	14,465
By-products	18,773	(6,090)	18,773	(6,090)
Coffee sales	9,182	3,880	9,182	3,880
Sale of chemicals and fertilizer	29,811	31,982	13,431	29,160
Sale of gunnies & sundry items	2,155	12,850	2,155	12,850
Miscellaneous	5,659	10,696	1,680	2,639
	211,247	98,060	160,548	76,024



7. OPERATING EXPENSES	Group		Company	
	2025 Kshs '000	2024 Kshs '000	2025 Kshs '000	2024 Kshs '000
(a) EMPLOYMENT COSTS				
Salaries and allowances	600,301	606,543	382,455	387,432
Wages	202,007	152,120	177,235	130,938
Staff welfare	175,772	127,341	101,658	75,364
Leave pay accrual	(3,200)	10,845	(8,530)	5,001
Pension scheme contributions	29,523	25,389	21,916	17,279
Staff gratuity accrual	48,162	52,230	30,127	34,689
National Social Security Fund (NSSF)	34,613	25,624	25,738	17,265
Affordable housing levy	11,309	9,201	9,567	7,796
Personal Guide to disability allowance	240	80	240	80
	1,098,727	1,009,373	740,406	675,844

Staff Establishment	Group		Company	
	2025	2024	2025	2024
Gender distribution in numbers				
Female		278	144	205
Male		389	210	134

(b) ESTABLISHMENT COSTS	Group		Company	
	2025 Kshs '000	2024 Kshs '000	2025 Kshs '000	2024 Kshs '000
Depreciation	140,327	137,408	107,934	107,789
Amortization (Note 18)	7,611	5,660	7,222	5,660
Rent and rates	53,359	63,077	35,496	35,913
Power and light	15,818	16,881	12,673	13,107
Repairs and maintenance	14,035	24,402	10,653	20,356
Water supply	1,110	1,112	605	652
	232,260	248,540	174,583	183,477
(c) MACHINERY COSTS				
Depreciation	68,507	64,960	66,480	63,276
Fuel and oil costs	47,616	62,651	32,100	41,067
General repairs	56,265	46,427	46,406	31,640
Weighbridge costs	199	-	199	-
Other workshop costs	7,291	5,220	7,074	5,220
	179,878	179,258	152,259	141,203
TOTAL OPERATING EXPENSES	1,510,865	1,437,171	1,067,248	1,000,524



8. ADMINISTRATION EXPENSES

	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Bad Debts W/o Trade receivables	728,044	84,423	723,860	59,936
Obsolete stocks W/o	490,083	25,035	464,386	25,035
Directors' remuneration - fees	7,710	10,355	3,600	3,600
- other expenses	29,621	42,709	20,350	32,715
Legal and professional fees	30,290	25,079	21,936	12,169
Insurance	35,769	35,388	28,161	24,934
Training expenses	16,879	20,858	12,304	19,185
Postage and telecommunications	17,470	17,558	13,070	12,942
Bank charges	6,930	7,614	3,174	3,474
Mpesa charges	126	121	126	121
Printing and stationery	15,123	19,459	5,945	10,546
Auditors' remuneration	16,711	8,990	4,027	4,272
Office equipment	3,186	1,802	-	-
Licenses and trade subscriptions	25,776	28,002	11,734	10,538
AMS/SAP Maintenance	24,129	33,370	20,762	29,584
VAT disallowed expenses	92,775	67,067	92,775	67,067
Statutory levies	1,513	640	1,513	640
Security Services	36,190	40,093	25,901	28,158
ISO/Corruption prevention	4,760	1,538	4,760	1,538
Fumigation & hygiene maintenance	18,409	3,303	1,361	2,411
Tender expenses	1,442	1,146	1,374	798
Withholding tax	140	3,180	-	-
Miscellaneous expenses	5,172	5,506	926	440
Corporate social responsibility	312	2,839	180	2,349
Loss on sale of fixed assets	-	2,641	-	2,641
Intangible Assets loss on retirement	-	158	-	158
Loss on sale of by products	5,682	2,865	5,682	2,865
FEX(Loss) Rwanda	941	-	-	-
Farm expenses	3,887	2,266	3,887	2,266
	1,619,071	494,005	1,471,794	360,382

	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
9. SELLING & DISTRIBUTION EXPENSE				
Transport and travelling	267,075	298,519	156,193	173,876
Publicity	59,867	58,699	21,944	35,398
Entertainment	19	15	-	-
Demonstrations	10,505	10,758	5,058	6,417
Sampling and testing seed products	8,217	7,678	8,217	7,677
	345,683	375,669	191,412	223,368
10. RESEARCH & DEVELOPMENT EXPENSES				
Research and development	160,319	71,072	140,865	50,166
Laboratory and analysis of sample	8,843	79,096	7,226	72,987
	169,162	150,168	148,091	123,153



11. OPERATING PROFIT	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
The operating profit is arrived at after charging:				
Obsolete inventories W/O	490,083	25,035	464,386	25,035
Bad and doubtful debts W/O	728,044	84,423	723,860	59,936
Depreciation	210,034	202,368	174,414	171,065
Amortization of intangible assets	7,192	5,589	7,222	5,660
Employment costs (note 7(a))	1,098,727	1,000,373	740,406	675,844
Directors' emoluments - fees	3,600	3,600	3,600	3,600
- other expenses	29,621	42,709	20,350	32,715
Auditors' remuneration	16,711	8,990	4,027	4,272
Effects of discounting of staff receivables	(5,051)	(14,221)	(5,051)	(14,221)
Gain on disposal of property, plant and equipment	-	(2,641)	-	(2,641)
Operating rentals receivable	1,897	1,622	1,897	1,622
Bad debts recovered	107,078	15,579	107,078	15,579
12. a) FINANCE COSTS				
Bank Loan interest	-	-	-	-
Loan negotiation fees	-	-	-	-
Foreign exchange loss	-	-	-	-
b) FINANCE INCOME				
Interest on FDR	(25,680)	(26,779)	(25,680)	(26,779)
Foreign exchange gain	6,480	145,484	-	-
	(19,200)	(118,705)	(25,680)	(26,779)
13. TAXATION				
- Statement of comprehensive income: -				
(a) Taxation charge				
Charge for the year	580,466	113,264	506,993	81,576
Deferred tax credit	(275,145)	97,041	(275,145)	97,041
Over provision in previous years	10,158	-	10,157	-
Foreign exchange translations	18,691	33,115	-	-
	334,170	243,420	242,005	178,617
(b) Reconciliation of tax based on accounting profit to tax expense: -				
Accounting profit before tax	838,321	208,495	619,702	194,903
Tax at the applicable rate of 30%	251,496	62,547	185,911	58,471
Tax effect of expenses not deductible	137,517	169,223	45,937	97,041
Tax effect of revenues that are not taxable	(83,692)	(21,465)	-	23,105
Prior year current tax adjustments	10,158	-	10,157	-
Foreign exchange translations	18,691	33,115	-	-
	334,170	243,420	242,005	178,617



	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
13. TAXATION (Continued)				
Statement of financial position: -				
(c) Tax (payable)/recoverable				
As at 1 July	330,877	395,241	283,656	364,581
Exchange rate differences	(9,005)	7,624	-	-
Taxation charge	(580,466)	(113,264)	(506,993)	(81,576)
Tax paid	122,991	41,277	83,152	651
Prior years understatement	10,158	-	-	-
As at 30 June	(125,445)	330,878	(140,185)	283,656
Further Disclosure				
Tax Recoverable for the Group	23,004	-	-	-
Tax Payable for the Company	(148,449)	-	-	-
Total payable for the Group	(125,445)	-	-	-

14. EARNINGS PER SHARE

Earnings per share have been calculated on the after-tax profit (loss) for the year of Kshs 491 million and Kshs 377 million for the Group and Company respectively (2024: Kshs (16 million) and Kshs (64) million for the Group and Company respectively), for the 10,781,265 shares in issue at the respective reporting dates.

There were no potentially dilutive shares in issue on either 30 June 2025 or 30 June 2024. Therefore, the diluted earnings per share are the same as the basic earnings per share.

15. PROPOSED DIVIDEND

In respect of the current year, the directors propose that a dividend of Kshs 5.25 (2024: Kshs 5.25) per share amounting to Kshs 56,601,641 be paid to shareholders or (higher of 20% of the Profit after Tax, compared to Kshs 5.25 per share). Amounting to Kshs. 75,539,411. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

The following proposed dividends are subject to approval when the respective annual general meetings are held. The unpaid proposed dividends have been recognized as liabilities in the financial statements, having it coming from retained earnings.

Financial year	Proposed Dividend	Declared Dividend in AGM, Audited ac-accounts received 30.06.2025 & paid	Total Unpaid proposed dividend, both Audited and non-audited ac-accounts dividend
	Kshs '000	Kshs '000	Kshs '000
2021/2022	56,602	56,602	-
2022/2023	56,602	56,602	-
2023/2024	56,602	56,602	-
2024/2025	75,539	-	75,539
Totals	245,344	169,805	75,539

The dividends are payable subject to, where applicable, deduction of withholding tax as required under the Kenya Income Tax Act, Chapter 470 Laws of Kenya.



16. PROPERTY PLANT AND EQUIPMENT

a) Group –Year ended 30 June 2025

	Free hold Land	Industrial, residential buildings	Farm works	Plant and machinery	Tractors, trailers and Forklifts	Furniture and Equipment	Motor vehicles	Computers	Work-in-progress	Motor Cycles	Coffee bushes Bearer	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000		Kshs '000	Kshs '000
Cost or Valuation												
At 1 July 2024	5,053,836	3,644,906	474,259	1,452,969	154,316	355,279	571,542	190,831	-	1,087	96,255	11,995,280
Additions	-	63,956	2,190	3,190	19,358	4,774	18,998	6,865	701	357	-	120,389
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Asset retirement	-	-	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-	-	-	-	-	-	-
Effect of Foreign Exchange	-	-	-	(18,345)	-	-	-	-	-	-	-	(18,345)
Disposals	-	-	-	-	-	-	(3,517)	(105)	-	-	-	(3,622)
At 30 June 2025	5,053,836	3,708,862	476,449	1,437,814	173,674	360,053	587,023	197,591	701	1,444	96,255	12,093,702
Accumulated depreciation												
At 1 July 2024	2,706	978,810	190,615	915,320	47,179	237,130	300,373	127,989	-	538	35,462	2,836,122
Charge for the year	736	71,630	35,978	20,150	4,166	15,338	52,101	14,997	-	287	5,066	220,448
Eliminated on disposal	-	-	-	-	-	-	(3,517)	(70)	-	-	-	(3,587)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2025	3,441	1,050,440	226,593	935,470	51,345	252,468	348,957	142,916	-	825	40,528	3,052,983
At 30 June 2025	5,050,394	2,658,422	249,856	502,344	122,329	107,585	283,066	54,675	701	619	55,727	9,040,719



16. PROPERTY PLANT AND EQUIPMENT
b) Company –Year ended 30 June 2025

	Land	Industrial, residential Buildings	Farm works	Plant & Machinery	Tractors, trailers & Forklifts	Furniture & Equipment	Motor Vehicles	Computers	Work-in-Progress	Motor Cycles	Coffee Bushes Bearer	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Cost or Valuation												
At 1 July 2024	4,867,098	3,443,458	474,259	1,318,905	154,316	262,478	373,642	151,706	-	1,087	96,255	11,143,205
Additions	-	-	2,191	1,268	19,358	2,750	-	4,067	-	357	-	29,991
Capitalized WIP	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment on Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Retirements through transfer	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(105)	-	-	-	(105)
At 30 June 2025	4,867,098	3,443,458	476,450	1,320,173	173,674	265,227	373,642	155,668	=	1,444	96,255	11,173,090
Accumulated depreciation												
At 1 July 2024	-	942,868	190,615	820,064	47,179	158,531	172,647	94,031	-	538	35,462	2,461,936
Prior yr adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	66,890	35,978	13,936	4,166	9,020	26,851	12,221	-	286	5,066	174,414
Depr charge on revaluation(Increase / decrease)	-	-	-	-	-	-	-	-	-	-	-	-
Depr Transfer to respective classes	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-	-	(70)	-	-	-	(70)
At 30 June 2025	=	1,009,758	226,593	834,000	51,345	167,551	199,498	106,183	=	825	40,528	2,636,280
At 30 June 2025	<u>4,867,098</u>	<u>2,433,700</u>	<u>249,856</u>	<u>486,174</u>	<u>122,329</u>	<u>97,677</u>	<u>174,145</u>	<u>49,486</u>	=	<u>620</u>	<u>55,727</u>	<u>8,536,810</u>



16. PROPERTY PLANT AND EQUIPMENT
c) Group –Year ended 30 June 2024

	Free hold Land	Industrial, residential buildings	Farm works	Plant and machinery	Tractors, trailers and Forklifts	Furniture and Equipment	Motor vehicles	Computers	Work-in-progress	Motor Cycles	Coffee bushes Bearer	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000		Kshs '000	Kshs '000
Cost or Valuation												
At 1 July 2023	5,053,836	3,633,680	470,364	1,433,013	150,127	350,708	540,040	183,662	158	1,087	96,255	11,912,929
Additions	-	11,226	-	16,840	-	2,332	34,827	3,134	-	-	-	68,359
Revaluation	-	-	3,895	3,116	4,189	2,239	5,888	4,433	-	-	-	23,760
Asset retirement	-	-	-	-	-	-	-	-	(158)	-	-	(158)
Capitalization	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from WIP	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(9,213)	(398)	-	-	-	(9,610)
At 30 June 2024	5,053,836	3,644,906	474,259	1,452,969	154,316	355,279	571,542	190,831	=	1,087	96,255	11,995,280
Accumulated depreciation												
At 1 July 2023	1,971	903,607	154,782	894,333	43,926	220,577	246,556	112,938	-	266	30,396	2,609,352
Charge for the year	735	75,203	35,833	20,987	3,253	16,554	54,501	15,236	-	272	5,066	227,640
Eliminated on disposal	-	-	-	-	-	-	(685)	(186)	-	-	-	(870)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2024	2,706	978,810	190,615	915,320	47,179	237,130	300,373	127,989	=	538	35,462	2,836,122
At 30 June 2024	5,051,129	2,666,096	283,644	537,650	107,137	118,149	271,168	62,843	=	549	60,793	9,159,158



16. PROPERTY PLANT AND EQUIPMENT
d) Company year-ended 30th June, 2024

	Land	Industrial, residential buildings	Farm works	Plant and machinery	Tractors, trailers & Forklifts	Furniture and Equipment	Motor vehicles	Computers	Work-in- progress	Motor Cy- cles	Coffee bushes Bearer	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Cost or Valuation												
At 1 July 2023	4,867,098	3,443,458	470,364	1,315,789	150,127	260,239	373,177	147,671	158	1,087	96,255	11,125,423
Additions	-	-	3,895	3,116	4,189	2,239	5,888	4,433	-	-	-	23,760
Asset retirement	-	-	-	-	-	-	-	-	(158)	-	-	(158)
Disposals	-	-	-	-	-	-	(5,422)	(398)	-	-	-	(5,820)
At 30 June 2024	<u>4,867,098</u>	<u>3,443,458</u>	<u>474,259</u>	<u>1,318,905</u>	<u>154,316</u>	<u>262,478</u>	<u>373,642</u>	<u>151,706</u>	<u>-</u>	<u>1,087</u>	<u>96,255</u>	<u>11,143,205</u>
Accumulated depreciation												
At 1 July 2023	-	-	875,979	154,782	806,521	43,926	149,733	146,987	83,880	-	266	30,396
Prior yr. adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	66,890	35,833	13,543	3,253	8,797	27,074	10,337	-	272	5,066	171,065
Depr charge on revaluation(Increase / decrease)	-	-	-	-	-	-	-	-	-	-	-	-
Depr Transfer to respective classes	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-	(1,414)	(186)	-	-	-	(1,599)
At 30 June 2024	-	-	<u>942,868</u>	<u>190,615</u>	<u>820,064</u>	<u>47,179</u>	<u>158,531</u>	<u>172,647</u>	<u>94,031</u>	-	<u>538</u>	<u>35,462</u>
At 30 June 2024	<u>4,867,098</u>	<u>2,500,589</u>	<u>283,644</u>	<u>498,841</u>	<u>107,137</u>	<u>103,947</u>	<u>200,995</u>	<u>57,675</u>	<u>158</u>	<u>549</u>	<u>60,793</u>	<u>8,681,269</u>



16. PROPERTY PLANT AND EQUIPMENT

The Fixed Assets include assets that are fully depreciated as shown below:

Non-Current Assets	COST/VALUATION	ACCUMULATED DEPN as at 30.06.2025
Plant & Machinery	27,084,609.75	(27,084,609.75)
Office Equipment & Tools	67,629,180.42	(67,629,180.42)
Furniture and Fittings	9,285,300.06	(9,285,300.06)
Motor Vehicles	14,105,761.85	(14,105,761.85)
TR/TRAILERS	2,280,672.20	(2,280,672.20)
Computer Hardware	20,564,268.76	(20,564,268.76)
TOTAL	145,208,003.04	(145,208,003.04)

Non-Current Assets	COST/VALUATION	ACCUMULATED DEPN as at 30.06.2024
Plant & Machinery	27,084,609.75	(27,084,609.75)
Office Equipment & Tools	67,524,780.42	(67,524,780.42)
Furniture and Fittings	8,396,694.33	(8,396,694.33)
Motor Vehicles	14,105,761.85	(14,105,761.85)
TR/TRAILERS	2,280,672.20	(2,280,672.20)
Computer Hardware	9,013,298.49	(9,013,298.49)
TOTAL	128,405,817.04	(128,405,817.04)

The Additions in 2019 relate to three parcels of Land which were revalued in the year but had not been revalued in 2015 due to lack of documentation

17. INTANGIBLE ASSETS

	Group		Company	
	2025 Kshs '000	2024 Kshs '000	2025 Kshs '000	2024 Kshs '000
Cost				
As at 1 July	194,598	183,890	169,512	159,304
Additions	5,252	10,709	2,333	10,208
Adjustment	-	-	-	-
Retirement of obsolete software	-	-	-	-
As at 30 June	199,850	194,598	171,845	169,512
Amortization				
As at 1 July	138,069	131,857	113,860	108,193
Charge for the year	7,192	5,308	7,222	5,660
Prior year adjustment	(1,484)	-	(1,484)	-
Software retirement	-	-	-	-
Exchange rate difference	384	904	-	-
As at 30 June	144,161	138,069	119,598	113,860
Net carrying amount As at 30 June	55,689	56,529	52,247	55,653

The intangible assets consist of SAP and AMS systems, C4 Evo Premium tracking system, Anti-counterfeit software, Google Apps suite email service, Mobile retail POS software and Teammate audit software and accounting systems used by the subsidiaries.



	2025	2024
	Kshs '000	Kshs '000
18. INVESTMENT IN SUBSIDIARIES		
Unquoted investments at historical cost in wholly owned subsidiaries are as follows:		
Simlaw Seeds Company Uganda Limited (5,000 shares of Ushs 25,000 each)	4,496	4,496
Simlaw Seeds Company Uganda Limited (Unallotted share capital)	50,000	50,000
Kibo Seed Company Limited (10,000 shares of Tshs 500,000 each)	1,000	1,000
Simlaw Seeds Company Limited (5,000 shares of Kshs 40 each)	200	200
Unquoted investments	3	3
Kenya Seed Company Rwanda (5000 shares of Rwf 7000each)	4,375	4,375
Simlaw Seeds DRC-(12,500 Shares @ Kshs.100 per share)	1,250	-
	61,324	60,074

The principal activities of the subsidiaries are importing and selling various types of plant seeds. The details of the above subsidiary companies are as follows:

Company	Percentage Holding	Country of Incorporation
Kibo Seed Company Limited	99.96%	Tanzania
Simlaw Seeds Company Limited	99.96%	Kenya
Mt Elgon Seed Company Limited	99.96%	Uganda
Simlaw Seed Uganda Limited	99.96%	Uganda
Simlaw Seed Company (TZ) Limited	99.96%	Tanzania
Kenya Seed Rwanda Limited	99.96%	Rwanda
Simlaw seeds DRC	99.96%	Congo



19. DUE TO RELATED PARTIES & SUBSIDIARIES	Company	
	2025 Kshs '000	2024 Kshs '000
Simlaw Seeds Kenya Limited	41,863	83,385
National Cereals and produce Board	19	4,937
Kenya Farmers association Ltd	1,112	-
Kibo seed company	-	-
	42,995	88,322

The Overpaid amount to National Cereals & Produce Board has been reclassified under the Domestic customers. Totalling Kshs. 13,129

20. AVAILABLE FOR SALE INVESTMENTS-UNQUOTED	2025 Kshs000'	2024 Kshs 000'
Mt Elgon Hospital-Equity shares	200	200
Kenya Farmers Association-Equity shares	2	2
Less: Accumulated impairment losses	(202)	(202)

21. STAFF RECEIVABLES	Group		Company	
	2025 Kshs '000	2024 Kshs '000	2025 Kshs '000	2024 Kshs '000
Gross staff receivables	158,071	133,629	142,665	121,896
Provision for bad and doubtful debts	(132,165)	(113,151)	(130,544)	(111,531)
Net receivables	25,906	20,478	12,121	10,365
Within one year (note 25)	(18,779)	(14,415)	(4,999)	(4,302)
Amounts receivable after one year	7,122	6,063	7,122	6,063

The balances represent staff car loans and other advances. Terms and conditions applicable are that the staff car loans and staff laptop loans are for a period of four years and two years respectively and are charged interest at the rate of 6% p.a. (2022: 6% p.a.) while other advances are given for varying periods and are interest free.

The company Staff receivables at the end of the year are made up of the following:

	2025 Kshs '000	2024 Kshs '000
Advances	51,856	51,207
Car Loan	6,351	6,339
Imprest	17,143	17,446
Others	67,296	46,133
Impairment	(130,544)	(111,531)
Net receivable	12,102	9,996



22. BIOLOGICAL ASSETS	Group and Company	
	2025	2024
	Kshs '000	Kshs '000
(a) Bearer biological assets		
Coffee	49,609	36,479
Livestock	84,288	80,558
Trees	67,075	68,355
	200,972	185,392
i Coffee:		
Fair value as at 1 July	36,479	59,835
Increase in fair value (note 22(c))	13,130	(23,356)
Fair value as at 30 June	49,609	36,479

In the year ended 30th June 2017, Coffee was transferred to PPE in line with IFRS changes (IAS 16 and IAS 41).

The comparative in a above are for the company alone.



22. BIOLOGICAL ASSETS (continued)

In the estimation of the fair value of the coffee plants, the following significant assumptions were made in 2024/2025:

- i) The coffee bushes will remain productive for the next 16 years due to revaluation after year end;
- ii) The biological transformation will remain at 100%;
- iii) The pretax incremental borrowing rate will remain at 15.44 %;
- iv) The prevailing weather and climatic conditions will not change; and,
- v) The sales and cost of sales are expected to escalate at an average of 3.56% p.a.

In the estimation of the fair value of the coffee plants, the following significant assumptions were made in 2023/2024:

- i) The coffee bushes will remain productive for the next 17 years due to revaluation after year end;
- ii) The biological transformation will remain at 100%;
- iii) The pretax incremental borrowing rate will remain at 16.85 %;
- iv) The prevailing weather and climatic conditions will not change; and,
- v) The sales and cost of sales are expected to escalate at an average of 4.64% p.a.

Livestock	Cattle Kshs'000	Sheep Kshs'000	Goats Kshs'000	Total Kshs'000
Year ended 30 June 2025				
Fair value as at 1 July 2024	68,117	6,531	5,909	80,557
Decreases due to sales	(20,390)	(888)	(348)	(21,626)
Additional Costs/Expenses	3,944	1,581	2,145	7,670
As at 30 June 2025	<u>51,671</u>	<u>7,224</u>	<u>7,706</u>	<u>66,601</u>
Gains arising from physical changes	16,437	577	376	17,390
Increases due to newborns	241	28	27	296
Fair value (loss)/gain on livestock (note 22 (c))	<u>16,678</u>	<u>605</u>	<u>403</u>	<u>17,686</u>
Fair value as at 30 June 2025	<u>68,349</u>	<u>7,829</u>	<u>8,109</u>	<u>84,287</u>
Year ended 30 June 2024				
Fair value as at 1 July 2023	65,595	4,323	3,704	73,622
Decreases due to sales	(14,784)	(489)	(822)	(16,095)
Additional Costs/Expenses	4,821	2,375	2,268	9,464
As at 30 June 2024	<u>55,632</u>	<u>6,209</u>	<u>5,150</u>	<u>66,991</u>
Gains arising from physical changes	12,249	306	732	13,287
Increases due to newborns	236	16	26	278
Fair value (loss)/gain on livestock (note 22 (c))	<u>12,485</u>	<u>322</u>	<u>758</u>	<u>13,565</u>
Fair value as at 30 June 2024	<u>68,117</u>	<u>6,531</u>	<u>5,909</u>	<u>80,557</u>



22. BIOLOGICAL ASSETS (continued)

During the year, the livestock yielded 83,162 litres of milk (2023/24 – 86,270 litres).

Significant assumptions made in the estimation of the fair value of the livestock in 2024/2025 include:

- (i) The market conditions will remain constant;
- (ii) The prevailing climatic conditions will not change;
- (iii) The sales and cost prices are expected to escalate at an average rate of 3.56% p.a.;
- (iv) The level of biological transformation for each category of livestock are follows: -
- (v) The livestock will attain their full maturity at the age of 36 months.

Category	Age	Percentage
Calves I	0 - 6 months	28%
Calves II	6 months - 1 year	15%
Weaners I	1 & half years - 2 years	8%
Weaners II	2 & half years - 3 years	11%
Mature	over 3 years	38%
		100%

For purposes of valuation, the livestock have been Grouped as above.

During the year, the livestock yielded 86,270, litres of milk (2023 –68,950litres).

Significant assumptions made in the estimation of the fair value of the livestock in 2023/2024 include:

- (vi) The market conditions will remain constant;
- (vii) The prevailing climatic conditions will not change;
- (viii) The sales and cost prices are expected to escalate at an average rate of 4.64% p.a.;
- (ix) The level of biological transformation for each category of livestock are follows: -
- (i) The livestock will attain their full maturity at the age of 36 months.

Category	Age	Percentage
Calves I	0 - 6 months	22%
Calves II	6 months - 1 year	11%
Weaners I	1 & half years - 2 years	14%
Weaners II	2 & half years - 3 years	22%
Mature	over 3 years	31%
		100%

For purposes of valuation, the livestock have been Grouped as above.

i) The livestock count at the end of the year is as summarized as below:	2025	2024
	no.	no.
Cattle	616	680
Goats	335	320
Sheep	247	335
Totals	1,198	1,335



22. BIOLOGICAL ASSETS (Continued)

iii	Trees			
	Significant assumptions made in the estimation of the fair value of the trees in 2025 include:			
	(i) The sales and cost prices are expected to escalate at an average rate of 3.56% p.a.; (ii) Since the trees are not fully mature, their transformation is based on the current age of tree species; (iii) Prevailing market lending interest rate of 15.44% has been used as the discounting factor; (iv) Cash inflows and outflows accrue evenly throughout the useful life; and (v) 20% of the trees planted will not attain maturity due to natural factors.			
	Trees are categorized as follows:			
			Number	Value
	Category	Maturity	of trees	Kshs '000
	Eucalyptus Grandis	20 years	23,860	31,959
	Ordinary Blue Gum	20 years	18,238	24,301
	Cupressus Lusitanica	20 years	6,688	10,815
			48,786	67,075
	The 48,786 trees cover 134 acres of land.			
	Trees			
	Significant assumptions made in the estimation of the fair value of the trees in 2024 include:			
	(i) The sales and cost prices are expected to escalate at an average rate of 4.64% p.a.; (ii) Since the trees are not fully mature, their transformation is based on the current age of tree species; (iii) Prevailing market lending interest rate of 16.85% has been used as the discounting factor; (iv) Cash inflows and outflows accrue evenly throughout the useful life; and (v) 20% of the trees planted will not attain maturity due to natural factors.			
	Trees are categorized as follows:			
			Number	Value
	Category	Maturity	of trees	Kshs '000
	Eucalyptus Grandis	20 years	23,995	28,406
	Ordinary Blue Gum	20 years	18,242	28,841
	Cupressus Lusitanica	20 years	6,726	11,109
			48,963	68,356
	The 48,786 trees cover 134 acres of land.			



22. BIOLOGICAL ASSETS

	Maize Kshs '000	Wheat Kshs '000	pasture Kshs '000	Sunflower Kshs '000	Sorghum Kshs '000	Oats Kshs '000	Millet Kshs '000	Beans Kshs '000	Vegetables Kshs '000	Total Kshs '000
(b) Consumable biological assets										
i) Group										
Fair value at 1 July 2024	115,302	6,002	39,983	8,362	113	4,340	-	190		174,292
Additional costs for old crop	20,359	16,952	3,148	1,387	219	3,042	-	2,617		47,724
Gains in fair values due to physical changes - 2022/2023 crop	53,382	35,415	(34,494)	(7,100)	115	(7,234)	124	(9,434)		30,774
Decrease in fair value due to harvesting	(189,044)	(58,369)	(8,636)	(2,650)	(447)	(148)	(124)	6,627		(252,791)
Increase in fair value due to new planting	160,150	35,374	19,514	5,016	461	5,436	347	7,144		233,442
Gain/(loss) in fair value due to physical changes - 2022/2023 crop	(28,147)	(30,340)	(9,446)	3,621	437	(298)	-	(6,832)		(71,005)
Fair value at 30 June 2025	132,002	5,034	10,069	8,636	898	5,138	347	312		162,436
ii) Company										
Fair value at 1 July 2024	115,302	6,002	39,983	8,362	113	4,340	-	190		174,292
Additional costs for old crop	20,359	16,952	3,148	1,387	219	3,042	-	2,617		47,724
Gains in fair values due to physical changes - 2022/2023 crop	53,382	35,415	(34,494)	(7,100)	115	(7,234)	124	(9,434)		30,774
Decrease in fair value due to harvesting	(189,044)	(58,369)	(8,636)	(2,650)	(447)	(148)	(124)	6,627		(252,791)
Increase in fair value due to new planting	160,150	35,374	19,514	5,016	461	5,436	347	7,144		233,442
Gain/(loss) in fair value due to physical changes - 2023/2024 crop	(28,147)	(30,340)	(9,446)	3,621	437	(298)	-	(6,832)		(71,005)
Fair value at 30 June 2025	132,002	5,034	10,069	8,636	898	5,138	347	312		162,436



22. BIOLOGICAL ASSETS

	Maize Kshs '000	Wheat Kshs '000	pasture Kshs '000	Sunflower Kshs '000	Sorghum Kshs '000	Oats Kshs '000	Millet Kshs '000	Beans Kshs '000	Vegetables Kshs '000	Total Kshs '000
(b) Consumable biological assets										
i) Group										
Fair value at 1 July 2023	58,309	3,995	4,104	5,862	157	1,450	-	382		74,258
Additional costs for old crop	76,561	35,506	2,705	1,590	-	828	-	472		117,662
Gains in fair values due to physical changes - 2022/2023 crop	20,671	(15,275)	3,133	(5,042)	(157)	(792)	54	(550)		2,041
Decrease in fair value due to harvesting	(155,541)	(24,225)	(9,942)	(2,410)	-	(1,486)	(54)	(304)		(193,962)
Increase in fair value due to new planting	135,202	11,268	16,565	2,385	408	5,000	42	856		171,726
Gain/(loss) in fair value due to physical changes – 2022/2023 crop	(19,900)	(5,266)	23,418	5,977	(295)	(660)	(42)	(666)		2,566
Fair value at 30 June 2024	115,302	6,002	39,983	8,362	113	4,340	-	190		174,292
ii) Company										
Fair value at 1 July 2023	58,309	3,995	4,104	5,862	157	1,450	-	382		74,258
Additional costs for old crop	76,561	35,506	2,705	1,590	-	828	-	472		117,662
Gains in fair values due to physical changes – 2022/2023 crop	20,671	(15,275)	3,133	(5,042)	(157)	(792)	54	(550)		2,041
Decrease in fair value due to harvesting	(155,541)	(24,225)	(9,942)	(2,410)	-	(1,486)	(54)	(304)		(193,962)
Increase in fair value due to new planting	135,202	11,268	16,565	2,385	408	5,000	42	856		171,726
Gain/(loss) in fair value due to physical changes - 2023/2024 crop	(19,900)	(5,266)	23,418	5,977	(295)	(660)	(42)	(666)		2,566
Fair value at 30 June 2024	115,302	6,002	39,983	8,362	113	4,340	-	190		174,292



22. BIOLOGICAL ASSETS (continued)

The seed output from the company's biological assets were as follows:

	Group and Company	
	2025	2024
	Kgs '000	Kgs '000
Maize	2,247.67	825.52
Wheat	929.77	510.86
Sunflower	15.62	28.39
Pasture	28.82	31.43
Sorghum	4.92	-
Beans	6.20	-
Millet	4.36	0.74
Oats	5.26	-
	<u>3,242.62</u>	<u>1,396.94</u>

In valuation of crops, the following key assumptions have been made:

- (i) That the crops mature after within four to nine months and biological transformation takes place uniformly over the life cycle of the crops;
- (ii) That the market conditions will remain unchanged; and,
- (iii) That climatic and weather condition will not change.

The financial risk management strategies formulated by the company to reduce various financial risk exposures relating to its biological assets are disclosed in note 37.

22. (c)	Group		Company	
	2025	2024	2025	2024
Fair value gains/(losses)	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Coffee (IAS 16-Bearer Plants)	<u>13,130</u>	<u>(23,356)</u>	<u>13,130</u>	<u>(23,356)</u>
Livestock	17,686	13,565	17,686	13,565
Trees	(1,280)	(21,373)	(1,280)	(21,373)
Consumable biological assets	<u>(44,558)</u>	<u>8,022</u>	<u>(44,558)</u>	<u>8,022</u>
	<u>(28,152)</u>	<u>214</u>	<u>(28,152)</u>	<u>214</u>
Total as per IAS 41	<u>(15,023)</u>	<u>(23,142)</u>	<u>(15,023)</u>	<u>(23,142)</u>



23. RELATED PARTIES TRANSACTIONS AND BALANCES

In the normal course of business, trading occurs among the related parties at terms and conditions similar to those offered to other clients.

The Government of Kenya through Agricultural Development Corporation (ADC) is the principal shareholder of the Kenya Seed Company, holding 52.88% of the company's equity interest.

Other related parties include:

- i) The Parent Ministry
- ii) County Governments
- iii) Other Government of Kenya Parastatals
- iv) The subsidiary companies
- v) Shareholders
- vi) Key management
- vii) Board of directors

Details of related party balances and transactions are as follows: -

	Company	
	2025	2024
(a) Loans capital to subsidiary companies	Kshs '000	Kshs '000
Simlaw Seeds Company Limited	144,298	144,298
Mt Elgon Seed Company Limited	50,078	50,078
Kibo Seed Company Limited	21,452	21,452
Simlaw Seeds Company Tanzania Limited	28,816	28,816
Simlaw Seed Company Uganda Limited	33,703	31,538
	<u>278,347</u>	<u>276,183</u>
Less provisions for Mt. Elgon Seed Company Limited	(50,078)	(50,078)
	<u>228,269</u>	<u>226,105</u>

The loan capital relates to amounts advanced to the subsidiaries to help start operations.

The directors resolved that the loans should be treated as loan capital as they will be used to increase the share capital of the parent Company in the subsidiaries in future. There are no fixed repayment terms.

	Company	
	2025	2024
(b) Amounts due from subsidiaries (Sales+sundry)	Kshs '000	Kshs '000
Simlaw Seeds Company Limited	1,275,351	936,514
Kibo Seed Company Limited	511,158	517,742
Mt Elgon Seed Company Limited	112,381	112,381
Simlaw Seed Company Uganda Limited	190,414	189,010
Kenya Seed Company Rwanda	210,308	203,080
DRC Congo	<u>7,169</u>	<u>878</u>
	<u>2,306,781</u>	<u>1,959,605</u>
Less provisions for Mt. Elgon Seed Company Limited	(112,381)	(112,381)
Less provisions for KSC Rwanda Company Limited	(77,844)	(77,844)
	<u>2,116,556</u>	<u>1,769,381</u>



Aging analysis amounts due from subsidiaries as at 30.06.2025

	Just not Due	0-30	31-60	61-90	91-120	120-180	180-365	over 365	Total
Kibo	-	(6)	389	-	-	-	-	510,776	511,158
Mt. Elgon	-	-	-	-	-	-	-	112,381	112,381
Simlaw Kenya	-	2,625	5,396	78,376	125,999	340,521	98,012	624,422	1,275,351
Simlaw Uganda	-	-	-	1,316	-	-	825	189,098	190,414
Kenya seed Rwanda	-	-	-	-	-	-	1,349	208,959	210,307
DRC Congo	-	1,230	-	-	-	-	1,559	4,380	7,169
Total	-	3,861	5,784	79,692	125,999	340,521	100,920	1,650,017	2,306,781
Less: Mt Elgon Provision	-	-	-	-	-	-	-	-	(112,381)
Less: Ksc Rwanda Prov	-	-	-	-	-	-	-	-	(77,844)
Net	-	3,861	5,784	79,692	125,999	340,521	100,920	1,650,017	2,116,556

(c) Amounts due from Parastatal and other government-controlled organizations

	Group		Company	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ministry of Agriculture	1,519,336	839,773	1,511,111	832,890
Various County Governments	315,715	320,675	315,715	320,675
Kenya Farmers Association (KFA) – net	11,634	3,413	11,634	3,414
National Cereals and Produce Board	7,287	4,594	7,287	4,594
Less: Provisions	(692,747)	-	(692,747)	-
	1,161,225	1,168,455	1,153,000	1,161,573
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Kenya Farmers Association (KFA) – net				
Gross receivable amount	11,634	9,553	11,634	3,413
Provision for bad and doubtful debts	-	-	-	-
Net receivable amount	11,634	9,553	11,634	3,413

Aging Analysis for Government controlled organizations for the Company:

	Not due	0-30	31-60	61-90	91-120	120-180	180-365	over 365	Total
Ministry of Agriculture	9,396	683,351	1,165	-	-	-	948	816,252	1,511,112
County Governments	-	-	-	1,179	56,108	(24,150)	1,000	281,579	315,715
Kenya Farmers Ass	(826)	-	1,124	6,358	4,979	-	-	-	11,634
ADC	-	-	-	-	-	-	-	-	-
NCPB	-	-	-	-	2,716	-	-	4,570	7,286
KARI	-	-	-	-	-	-	-	-	-
Total	8,570	683,351	2,289	7,537	63,803	(24,150)	1,948	1,102,401	1,845,747
Less Provision MOA	-	-	-	-	-	-	-	-	(692,747)
Net	8,570	683,351	2,289	7,536	63,803	(24,150)	1,947	1,102,401	1,153,000

	2025	2024
	Kshs'000	Kshs'000
Kenya Farmers Association (KFA) – net		
Gross receivable amount	11,634	9,553
Provision for bad and doubtful debts	-	-
Net receivable amount	11,634	9,553



	Group and Company	
	2025	2024
	Kshs '000	Kshs '000
(d) Amounts due to directors		
Provision for accrued fees, gratuity, leave	27,603	28,045
Due after one year	<u>(24,003)</u>	<u>(24,445)</u>
Due within one year	<u>3,600</u>	<u>3,600</u>

(e) Amounts due to Parastatal and other government-controlled organizations

	Group		Company	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
National Cereals & Produce Board (Kericho)	19	-	19	-
Kenya Farmers Association	1,112	-	1,112	-
Others-Simlaw seeds	41,863	-	41,863	-
	<u>42,995</u>	<u>-</u>	<u>42,995</u>	<u>-</u>

	Group and Company	
	2025	2024
	Kshs '000	Kshs '000
(f) Transactions within the Group		
<i>Kenya Seed Company Limited sales to:</i>		
Simlaw Seeds Uganda	1,316	2,142
Simlaw Seeds Company Limited	980,627	527,117
Kibo Seed Company Limited	3,348	2,812
Ksc Rwanda	1,349	576
Simlaw seeds DRC Congo	2,789	878
	<u>989,428</u>	<u>533,525</u>
 <i>Simlaw Seed Company Limited sales to:</i>		
Kenya Seed Company Limited	276,473	313,316
Simlaw Uganda	-	-
Kibo Seed Company Limited	-	-
	<u>276,473</u>	<u>313,316</u>

	2025	2024
<i>Payments made by Kenya Seed Company Limited on behalf of:</i>		
Simlaw Seeds Company Limited	273	-
Kibo Seed Company Limited	59	-
Ksc Rwanda	5,878	-
DRC Congo	3,503	-
Mt Elgon Seed Company Limited	-	-
Simlaw Seeds Uganda Limited	88	-
Total	<u>9,802</u>	<u>-</u>



(f) Transactions within the Group

	Group and Company	
	2025	2024
	Kshs '000	Kshs '000
<i>Payments made on behalf of Kenya Seed Company Limited:</i>		
Simlaw Seeds Company Limited	-	-
Kibo Seed Company Limited	-	-
	<u>-</u>	<u>-</u>

(g) Transactions with Parastatal organizations

	Group and Company	
	2025	2024
<i>Sales to:</i>		
National Cereals and Produce Board	7,286	4,594
Kenya Farmers Association	11,634	3,913
Agricultural Development Corporation	-	-
	<u>18,921</u>	<u>8,508</u>
<i>Purchases from:</i>		
Agricultural Development Corporation	11,770	65,947
The Kenya Power & Lighting Company Limited	79,392	70,531
Kenya Farmers Association	1,722	5,181
Telkom Kenya	129	254
Kenya Agricultural Research Institute	438	1,269
Agricultural Society of Kenya	-	-
National Cereals and Produce Board	797,683	360,439
KNTC	-	-
	<u>891,134</u>	<u>503,621</u>

(h) Transactions with directors

Directors Fees	3,600	3,600
Managing Director's salary and gratuity provision	18,233	15,081
Board Salaries and allowances	15,814	29,284
	<u>37,647</u>	<u>47,965</u>

(i) Key management compensation

Salaries and allowances	<u>92,004</u>	<u>83,262</u>
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(j) Transactions with the staff retirement benefit scheme

Contributions collected on behalf of the scheme	<u>48,957</u>	<u>42,424</u>
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	Group	Company		
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
24 INVENTORIES				
Certified Maize Seeds	1,052,424	766,710	977,891	413,046
Basic Maize Seeds	206,861	203,231	204,673	198,845
Wheat Seeds	308,657	70,978	307,750	70,307
Pastures	261,642	181,330	194,381	165,282
Sorghum	21,707	7,923	22,461	8,677
Finger millet	2,832	2,092	2,832	2,092
Rice	5,159	8,650	5,159	8,650
Vegetables	1,364,213	969,772	65,946	58,985
Beans & pulses	38,919	44,820	38,912	44,813
Sunflower	253,204	105,630	246,001	97,735
Chemicals	198,961	154,260	292,763	294,636
Fertilizers	147,121	190,349	145,814	189,086
Packaging materials	356,272	431,718	238,583	310,392
Fuel and other inventories	71,709	66,164	48,808	45,018
Miscellaneous & Welfare items	30,360	32,088	24,990	26,987
Cleanings and rejects	308,875	34,351	25,882	29,856
Provision for Obsolete stocks	(475,366)	(89,613)	(430,225)	(55,250)
	4,153,550	3,180,453	2,412,621	1,909,157

24.(b) Provision for obsolete stocks movement	2025	2024
Opening Provision	(55,250)	(135,208)
Provision for the year	(464,386)	(25,035)
Cost of stocks Sold	-	51,094
Cost of stocks Written off	89,411	53,899
Total	(430,225)	(55,250)

24.(b) Inventories	2025	2024
Goods in transit	-	-
Finished goods (FG)	1,977,354,026	1,549,566,874
Work in Progress (SFG)	865,491,462	414,840,166
Less: Impairment of Stocks	(430,224,968)	(55,249,832)
Total	2,412,620,520	1,909,157,207



25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'
Trade receivables	1,686,383	1,504,845	1,040,521	1,026,339
Other receivables	149,125	113,118	143,454	73,075
Provision for bad & doubtful debts	(694,919)	(791,473)	(579,868)	(679,918)
Trade & Other Receivables	<u>1,140,738</u>	<u>826,582</u>	<u>604,107</u>	<u>419,496</u>
Staff receivables (note 21)	18,676	14,507	4,999	4,302
Total	<u>1,159,414</u>	<u>840,997</u>	<u>609,106</u>	<u>423,798</u>

25(a) Provision for bad and doubtful debts

Movement for Provisions	Company	
	2025	2024
	Kshs '000	Kshs '000
As at 1 July	679,918	724,674
Recoveries during the year Note 6 in Fs	(106,588)	(15,095)
Bad debts for the year-Trade	6,625	52,485
Adjustments/Reversal of overprovision	(86)	(82,149)
As at 30 June-Trade receivable only	579,868	679,918
Provisions for the year-staff	24,589	7,450
Prior year overprovision-staff	(14)	(725)
	31,213	6,725
Total bad debts (Note 8)	31,213	59,935

For trade receivables in respect of contracted seed growers, credit amount is limited to the deliveries of seeds expected from the growers. The credit would be in form of the cost of farm inputs and supplies taken by the grower to facilitate farm operations during a seed growing season in a year.

However, the seed grower is charged interest at the prevailing Overdraft rate per month on the inputs for the period of the credit.

The other trade receivables are non-interest bearing and credit amount is limited to the amount of bank guarantee and for a credit period of 30 days.

Customer orders are accompanied by 30 days postdated cheques that are within the customer's bank guarantee.



	2025 Kshs '000	2024 Kshs '000
26. SHARE CAPITAL		
Authorized share capital: 20,000,000 ordinary shares of Kshs 20 each	400,000	400,000
Issued and fully paid: 10,781,265 ordinary shares of Kshs 20 each	215,625	215,625

The issued and fully paid share capital excludes 3,370,000 ordinary shares worth Kshs 67,400,000 that were issued in the year ended 30 June 2002, which were revoked after the High Court of Kenya ruling on 6 April 2006. These shares are currently a subject matter before the Kenyan Court of Appeal (Note 2). The nominal share capital together with the premium on these shares is now classified under trade and other payables (Note 31).

27. REVALUATION RESERVE

The revaluation reserve amounting to Kshs 8,140,620,290.25 relates to the revaluation for Property, Plant and Equipment for the Company in the year. 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.

28. RETAINED EARNINGS

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

	Group		Company	
	2025 Kshs '000	2024 Kshs '000	2025 Kshs '000	2024 Kshs '000
29. DEFERRED TAX				
<i>Statement of comprehensive income</i>				
(a) Deferred liability credit	(275,145)	121,744	(275,145)	121,744
Deferred asset credit/(charge)		-		-
Charge for the year	<u>(275,145)</u>	<u>121,744</u>	<u>(275,145)</u>	<u>121,744</u>

(b) *Deferred tax asset*

Deferred taxation is calculated on all temporary differences under the liability method using the enacted tax rate of 30% in the current year.



(c) **Deferred tax liability**

Deferred taxation is calculated on all temporary differences under the liability method using the enacted tax rate of 30% in the current year.

The net deferred taxation liability movement is attributable to the following items:

	As at 1 July 2024	Statement of comprehensive Income	As at 30 June 2025
	Kshs '000	Kshs '000	Kshs '000
Deferred tax liabilities:			
Accelerated capital allowances	1,061,338	26,707	1,088,045
Revaluation surplus	-	-	-
Fair value gain on biological assets	-	-	-
Leave pay provision	-	-	-
	<u>1,061,338</u>	<u>26,707</u>	<u>1,088,045</u>
Deferred tax assets:			
Gratuity provision	(14,811)	(6,736)	(21,547)
Obsolete stock provision	(16,575)	(112,493)	(129,067)
Leave pay provision	(6,405)	2,852	(3,554)
Staff bad debts loss amortization	(1,130)	417	(713)
General bad debts provision	(275,921)	(177,954)	(453,875)
Unrealized foreign exchange losses	-	-	-
Unrealized foreign exchange gain	(2,595)	2,595	-
Directors Provision	(4,539)	(3,742)	(8,281)
Staff bad debt provision	(32,372)	(6,791)	(39,163)
Fair value gain on biological assets	-	-	-
	<u>(354,348)</u>	<u>(301,852)</u>	<u>(656,201)</u>
Net deferred tax liability	<u>706,989</u>	<u>(275,145)</u>	<u>431,844</u>

Deferred tax assets and deferred tax liabilities are not offset due to legal jurisdiction of the entities.

Deferred tax assets and deferred tax liabilities are not offset due to legal jurisdiction of the entities.



30. EMPLOYEE BENEFITS OBLIGATIONS	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Gratuity provision	80,551	54,445	71,824	49,370
Benevolent fund	1,761	1,331	1,761	1,331
As at 30 June	<u>82,312</u>	<u>55,776</u>	<u>73,585</u>	<u>50,701</u>

31. TRADE AND OTHER PAYABLES	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Due to disputed share-holders (note 26)	124,690	124,690	124,690	124,690
Trade payables	879,750	544,954	332,169	98,899
Accrued leave pay	27,841	34,387	11,846	21,352
Accruals and other payables	(8,903)	15,197	98,068	42,869
Customers advance payments	890	5	890	5
	<u>1,024,268</u>	<u>719,233</u>	<u>567,663</u>	<u>287,815</u>



	Group and Company	
	2025	2024
	Kshs '000	Kshs '000
32. UNCLAIMED DIVIDENDS		
At beginning of the year	9,203	9,203
Paid during the year	(7,763)	-
At end of the year	<u>1,440</u>	<u>9,203</u>

These are in respect of dividend that owners cannot be located or dividend uncollected by the owners. They are comprised of dividends that have been declared and paid, but the owners were either not found or they did not bank their payment cheques. The company is in the process of submitting these to UFAA. The Unclaimed Financial Assets Act was enacted as an Act of Parliament in Kenya in December 2011. The Act provides for the reporting and dealing with unclaimed financial assets and the establishment of the Unclaimed Financial Assets Authority (UFAA) and the Unclaimed Financial Assets Trust Fund. Under the provisions of the Act, unclaimed dividends payable are considered to be unclaimed assets. The Unclaimed Financial Assets Authority has set a cut-off of 3 years' dormancy for unclaimed assets. During the year, the Company did not forward any unclaimed dividends to the Authority. Once unclaimed assets are paid to the Authority, the Authority assumes custody and responsibility for the safekeeping of the assets and indemnifies the payee against any future liability in respect of those assets

33. BANK LOAN

	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
a) Bank Loan	<u> </u>	<u> </u>	<u> </u>	<u> </u>

- As at 30 June 2025, Simlaw Seeds Kenya had Nil bank loan. (2025- Kshs Nil).



34. CASH AND CASH EQUIVALENTS

	Company Ac- count number	Group		Company	
		2025	2024	2025	2024
		Kshs '000	Kshs '000	Kshs '000	Kshs '000
Cash on Hand		4,529	9,694	598	1,243
Mpesa		33,878	31,467	32,502	31,467
Barclays Bank-Kshs	0038202995	421,894	660,706	390,230	634,751
Barclays Bank-Dollar	227213949	9,802	56,943	2,364	25,883
KCB-Rwanda	4400617351	1,687	-	-	-
KCB-Kenya	1105122484	848,887	677,175	719,922	535,045
NBK-Kenya	01003048613200	30,972	30,447	30,972	30,447
Equity-Kenya	0330293593306	913,987	1,057,176	913,987	1,057,176
Cooperative Bank	1141502576900	119,248	163,271	119,247	163,271
KCB Tanzania		27,470	5,405	-	-
Standard Chartered Bank - Ug		92	90	-	-
KCB-Uganda		14,724	12,604	-	-
Centenary Bank Uganda		34,346	39,588	-	-
National Bank of Commerce TZ		12,218	7,791	-	-
National Micro Finance Bank TZ		8,268	34,047	-	-
Stanbic Bank Ltd -UG		29	22,959	-	-
Stanbic Bank Ltd -TZ		33,779	6,680	-	-
Total Cash (Note 34a)		2,515,810	2,816,043	2,209,822	2,479,283
Fixed Deposits (Note 34b)	1126074047	80,697	78,547	80,697	78,547
Cash & Cash Equivalent (34a +34b)		2,596,507	2,894,589	2,290,519	2,557,830

Fixed Deposits (Note 34b) is an amount invested as a Fixed Deposit by the company for use by the bank to subsidize staff mortgage interest rates. The interest earned in this account is re-invested/ploughed back into the same account.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the below:

		Group		Company	
		2025	2024	2025	2024
		Kshs '000	Kshs '000	Kshs '000	Kshs '000
Fixed deposits	(Note34 b)	80,697	78,547	80,697	78,547
Cash at bank and in hand	(Note34 a)	2,515,810	2,816,043	2,209,822	2,479,283
		2,596,507	2,894,589	2,290,519	2,557,830



35. FOREIGN OPERATIONS TRANSLATION RESERVE

Subsidiary	2025 Kshs	2024 to 2025 Kshs	2024 Kshs
Simlaw UG	(3,020,873)	11,256,307	(14,277,180)
Kibo	43,468,345	13,793,016	29,675,328
Simlaw TZ	3,009,071	304,860	2,704,212
MESC	4,755,398	(1,305,436)	6,060,834
KSC Rwanda	(4,434,281)	(5,357,604)	923,323
	43,777,660	18,691,143	25,086,517
Exchange differences on translating foreign operations	26,701,633		
Income tax effect at 30%	(8,010,490)		
	18,691,143		



36. CAPITAL EXPENDITURE COMMITMENTS

These are the budgeted capital expenditure made by the Group and company to purchase assets in future for which no provisions have been made in these financial statements include:

	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Authorised but not contracted for			33,548	489,515

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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:

- Credit risk;
- Liquidity risk;
- Market risk;
- Operational risk.

The policy of the company is to minimize the negative effect of such risks on cash flow, financial performance and equity

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The directors have adopted various measures to minimize losses that may arise from these exposures. These are explained as follows:

(a) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation and cause the company to incur a financial loss.

The largest concentrations of credit exposure within the company relate to cash and cash equivalents held with banks, trade receivables and amounts due from related parties. The maximum exposures for credit risk are therefore in regards to the carrying amount of cash and cash equivalents, trade receivables and amount due from related parties net of any impairment losses. The company only places significant amounts of funds with recognized financial institutions with strong credit ratings and does not consider the credit risk exposure to be low. Amounts due from related parties do not expose the company to significant credit risk.

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer risk assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by valid contracts. For the growers the credit risk arises when there is a crop failure due adverse weather condition.

The amount that best represents the company's maximum exposure to credit risk as at 30 June 2025 is made up as follows:



37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group'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 Group does not enter into derivative transactions.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

The directors have adopted various measures to minimize losses that may arise from these exposures. These are explained as follows:

(a) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

The largest concentrations of credit exposure within the Group relate to cash and cash equivalents held with banks, trade receivables and amounts due from related parties. The maximum exposures for credit risk is therefore in regards to the carrying amount of cash and cash equivalents, trade receivables and amount due from related parties net of any impairment losses. The Group only places significant amounts of funds with recognised financial institutions with strong credit ratings and does not consider the credit risk exposure to be low. Amounts due from related parties do not expose the Group to significant credit risk.

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The amount that best represents the company's maximum exposure to credit risk as at 30 June 2025 is made up as follows:

The Group's and Company's trade and other receivables were as follows:

	2025	Group	2025	Company
	Kshs '000	2024	Kshs '000	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Net trade receivables	1,140,739	826,582	604,107	419,495
Net staff receivables	18,676	14,415	4,999	4,302
	<u>1,159,414</u>	<u>840,997</u>	<u>609,106</u>	<u>423,797</u>

Collateral is held in form of bank guarantees for trade receivables. No collateral is held for the other assets. All trade receivables that are neither past due nor impaired are within their approved credit limit, and no receivables have had their terms renegotiated.

None of the above assets are past due or impaired except for the following amounts (which were due within 30 days of the end of the month in which they are invoiced).



37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Past due but not impaired:				
- by up to 30 days	8,150	5,083	8,150	5,083
- by 31 to 60 days	11,427	10,102	11,422	10,102
- by 61 to 90 days	217,781	51,333	204,109	41,278
- over 90 days	922,056	774,479	385,425	367,334
	<u>1,159,414</u>	<u>840,997</u>	<u>609,106</u>	<u>423,797</u>

Movement in provisions for doubtful debts:

	Group		Company	
	2025	2024	2025	2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
As at 1 July	791,474	897,138	679,918	724,678
Recoveries during the year	(106,589)	(100,169)	(106,589)	(15,095)
Provisions for the year	27,299	76,654	6,625	52,484
Reversal of overprovision	(17,265)	(82,149)	(86)	(82,149)
As at 30 June	<u>694,918</u>	<u>791,474</u>	<u>579,868</u>	<u>679,918</u>

(b) Market risk

Market risk is the risk that the fair value or future value of instruments will fluctuate due to changes in market valuables such as interest rates and foreign exchange rates. The objective of market risk management policy is to protect and enhance the statement of financial position and income statement by managing and controlling market risk expenses within acceptable parameters and to optimize the funding of business operations and facilitate capital expansions. There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

Interest rate risks arise from fluctuations in the bank borrowing rates in the market. The interest rates vary from time to time depending on the prevailing economic circumstances. Since the base rates charged by the banks are determined by the market forces, the Company has not formulated any practical measures to minimize the exposure. The interest earning financial assets that the company holds include investments in government securities and short-term deposits whose rates of return are predetermined.

	Change in Interest rate	Effect on profit Before Tax	Effect on Equity
		Kshs '000	Kshs '000
2025	-10.00%	(78,846)	(55,192)
	10.00%	78,846	55,192
2024	-10.00%	(23,868)	(16,708)
	10.00%	23,868	16,708



37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Exchange risks

The Group operates in Kenya, Tanzania, Rwanda and Uganda. The operations in Tanzania and Uganda are significantly autonomous from those in Kenya and most of the transactions are carried out in the local currencies. Other transactions in the foreign currency are carried out in the relatively stable US Dollars. 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 rates. The carrying amount of the company's foreign exchange denominated monetary assets is:

Financial assets	Group 2025 Kshs '000	Group 2024 Kshs '000	Company 2025 Kshs '000	Company 2024 Kshs '000
Amount due from Rwanda customers (note 25)	67,415	67,114	67,415	67,114
Cash and cash equivalents (note 34) Dollar & Rwanda accounts	11,995	56,943	2,364	25,883
	79,410	124,057	69,779	92,997

USD	Change in currency rate	Effect on profit Before Tax Kshs '000	Effect on Equity Kshs '000
2025	-10.00%	2,670	1,869
	10.00%	(2,670)	(1,869)
2024	-10.00%	(1,272)	(891)
	10.00%	1,272	891

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has 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 by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At 30 June 2025	Up to 1 month Kshs '000	1 – 3 Months Kshs '000	3 - 12 months Kshs '000	over 1 year Kshs '000	Total Kshs '000
Financial assets					
Trade receivables	416,209	208,104	260,130	156,078	1,040,521
Other receivables and prepayments	-	-	143,454	-	143,454
Amount due from related parties	-	-	2,116,556	-	2,116,556
Bank balances and cash deposits	2,290,519	-	-	-	2,290,519
Total financial assets	<u>2,706,727</u>	<u>208,104</u>	<u>2,520,141</u>	<u>156,078</u>	<u>5,591,050</u>
Financial liabilities					
Total financial liabilities	<u>(227,065)</u>	<u>(113,533)</u>	<u>(141,916)</u>	<u>(85,149)</u>	<u>(567,663)</u>
Net liquidity gap	<u>2,479,662</u>	<u>94,572</u>	<u>2,378,225</u>	<u>70,929</u>	<u>5,023,387</u>



	Up to 1 month	1 – 3 Months	3 - 12 months	over 1 year	Total
At 30 June 2024					
Financial assets					
Trade receivables	410,536	205,268	256,585	153,951	1,026,339
Other receivables and prepayments	-	-	73,075	-	73,075
Amount due from related party	-	-	1,769,381	-	1,769,381
Bank balances and cash deposits	2,557,830	-	-	-	2,557,830
Total financial assets	<u>2,968,365</u>	<u>205,268</u>	<u>2,099,040</u>	<u>153,951</u>	<u>5,426,625</u>
Financial liabilities					
Total financial liabilities	(115,126)	(57,563)	(71,954)	(43,172)	(287,815)
Net liquidity gap	<u>2,853,239</u>	<u>147,705</u>	<u>2,127,086</u>	<u>110,779</u>	<u>5,138,815</u>

(d) *Operational risk*

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as from legal and regulatory requirements and generally accepted standards of corporate behavior. The company seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for the yearly assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards; and,
- Risk mitigation, including insurance where this is effective.

Operational risk is managed by a program of regular reviews undertaken by the Internal Audit and the results of the reviews are discussed with the management, with summaries submitted to the Audit Committee and senior management of the company.



38. CAPITAL MANAGEMENT

The company defines capital as the total equity of the Company. The company's long-term objective for managing capital is to deliver sustainable returns to maximize long-term shareholder value.

The company is not subject to any externally imposed capital requirements.

The major items that impact the equity of the company include the following:

- Revenue received from seed sales (which is a function of price and sales volume);
- Seed purchase cost;
- Cost of operating the business;
- Cost of expanding the business to ensure that capacity growth is in line with seed sales demand;
- Taxation; and,
- Dividends.

In the short to medium term, profits are distributed via dividends, and extra profits retained in the company are used to self-fund investing and operating activities. The company does not have any long-term debt. The company aims to maintain capital discipline in relation to investing activities.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 10% and 25%. The company includes within net debt, interest bearing loans and borrowing, trade and other payables, less cash and cash equivalent.

	2025	2024
	Kshs '000	Kshs '000
Trade and other payables (note 31)	567,663	287,815
Less: Cash and other short-term deposits (note 34)	<u>(2,290,519)</u>	<u>(2,557,830)</u>
Net debt	<u>(1,722,855)</u>	<u>(2,270,015)</u>
Total Capital (Equity)	<u>16,834,386</u>	<u>16,746,094</u>
Capital and net debt	15,111,531	14,476,080
Gearing ratio	<u>(10)%</u>	<u>(14)%</u>

Though the company's gearing ratio is below its' lower end, the directors consider this to be favorable. There were no changes in the company's approach to capital management as regards the objectives, policies or processes during the year.



39. CASH FLOW ITEMS

		2025	2024	2025	2024
		Group		Company	
	Notes	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Reconciliation of operating profit to cash generated from operations					
Profit before taxation		807,664	179,306	619,701	194,903
Adjustment for :-					
Depreciation and amortization		227,640	232,948	181,636	176,725
Proceeds from sale of assets (Loss)		-	2,641	-	2,641
Fixed asset retirement without revenue		-	(158)	-	(158)
Gain/loss on Bearer Plants	22 (a)	13,130	(23,356)	13,130	(23,356)
Finance income		<u>(19,200)</u>	<u>118,704</u>	<u>(25,680)</u>	<u>(26,779)</u>
		1,029,234	510,085	788,787	323,976
Changes in working capital:					
Inventories		(973,096)	(69,477)	(503,463)	(153,367)
Biological asset		(3,922)	(62,241)	(3,722)	(62,241)
Dividend payable		-	-	-	-
Trade and other receivables		(314,156)	108,388	(184,612)	(15,812)
Current staff receivable		(4,261)	392	(697)	(1,228)
Non-current staff receivable		(1,060)	(3,449)	(1,060)	(3,449)
Amounts due from / to directors		(442)	6,703	(442)	6,703
Trade and other payables		305,035	(86,051)	279,848	(100,609)
Unclaimed dividends paid		(7,763)	-	(7,763)	-
Government&Orgs		42,995	-	42,995	-
Employee benefit obligation		26,536	(9,262)	22,884	(6,673)
Amounts due from /to related parties/parast		7,230	109,436	8,573	53,848
Due from subsidiaries		-	-	(347,173)	157,622
Loan capital to subsidiaries		-	-	(2,168)	(1,919)
Due to parent company		-	-	(88,322)	24,860
Investment in subsidiaries		=	=	<u>(1,250)</u>	=
Cash generated from operations		<u>106,330</u>	<u>504,525</u>	<u>2,415</u>	<u>221,713</u>



40.SEGMENTAL INFORMATION

Business segments

The Group carries on the business of seed growers and seed merchants. It operates a seed maize shelling and drying plant and a small cereal drying plant. The Group also imports, produces and distributes vegetable seeds under the brand name of "Simlaw" seeds. Over 99% of the business of the Group involves production and sale of seeds hence segment analysis based on business lines is not deemed useful in these financial statements.

Geographical segments

The Group is organized on a regional basis into three main geographical segments:

- Kenya
- Tanzania
- Uganda

The analysis below is the summary of the Group's results, assets and liabilities by geographical segments:

	Kenya	Tanzania	Uganda	KSC Rwanda	Eliminated on consoli- dation	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Statement of comprehensive						
come						
Year ended 30 June 2025						
Operating income						
External	9,641,046	546,700	449,343	48,818	-	10,685,907
Inter-segment	(1,265,901)	-	-	-	-	(1,265,901)
Total operating income	8,375,145	546,700	449,343	48,818	-	9,420,006
Segment profit	<u>(431,596)</u>	<u>(88,001)</u>	<u>(1,046)</u>	<u>15,328</u>	<u>-</u>	<u>(505,315)</u>
Statement of financial						
position: -						
Segment total assets	19,963,066	578,103	654,060	130,996	(2,732,927)	18,593,298
Segments liabilities	2,387,734	654,126	766,860	31,616	(2,513,269)	1,327,068
Non-operating liabilities	431,844	-	-	-	-	431,844
Total liabilities	<u>2,819,578</u>	<u>654,126</u>	<u>766,860</u>	<u>31,616</u>	<u>(2,513,269)</u>	<u>1,758,912</u>
Other information: -						
Additions to property, plant and equipment	85,527	553	19,150	-	-	105,229
Additions to intangible assets	5,380	(299)	(3,141)	-	-	1,940
Depreciation of property, plant and equipment	206,955	6,403	7,091	-	-	220,448
Amortization of intangible assets	7,724	(299)	177	-	-	7,602
Provision for obsolete inventories	22,708	-	-	-	-	22,708
Provision for bad and doubtful debts	107,802	-	-	-	-	107,802
Bad debts recovered	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Finance income	(921)	-	-	-	-	(921)
Income tax	277,913	37,566	-	-	-	315,479
Effects of discounting of staff receivables	-	-	-	-	-	-



Total	<u>713,086</u>	<u>43,924</u>	<u>23,277</u>	=	=	<u>780,286</u>
Off balance sheet items:						
Capital expenditure commitments	33,548	-	-	-	-	33,548
Operating lease commitments						
Total	<u>33,548</u>	=	=	=	=	<u>33,548</u>

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminated on consolidation'

	Kenya	Tanzania	Uganda	KSC Rwanda	Eliminated on consoli- dation	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Statement of comprehensive						
come						
Year ended 30 June 2024						
Operating income	6,973,473	569,273	457,234	38,817	-	8,038,798
External	(533,525)	-	-	-	-	(533,525)
Inter-segment						
Total operating income	6,439,948	569,273	457,234	38,817	-	7,505,273
Segment profit	<u>(26,703)</u>	<u>73,514</u>	<u>(8,569)</u>	<u>16,112</u>	=	<u>54,355</u>
Statement of financial						
position: -						
Segment total assets	19,297,297	491,306	564,109	145,523	(2,462,900)	18,035,335
Segments liabilities	1,710,088	653,552	665,904	38,321	(2,255,608)	812,257
Non-operating liabilities	706,989	-	-	-	-	-
Total liabilities	<u>2,417,078</u>	<u>653,552</u>	<u>665,904</u>	<u>38,321</u>	<u>(2,255,608)</u>	<u>1,519,247</u>
Other information: -						
Additions to property, plant and equipment	45,957	560	19,150	54,061	-	119,726
Additions to intangible assets	10,709	(281)	675	-	-	11,103
Depreciation of property, plant and equipment	206,303	8,915	7,091	-	-	222,308
Amortization of intangible assets	5,589	(281)	(317)	-	-	4,991
Provision for obsolete inventories	22,708	-	-	-	-	22,708
Provision for bad and doubtful debts	-	-	-	-	-	-
Bad debts recovered	24,781	-	-	-	-	24,781
Finance cost	-	-	-	-	-	-
Finance income	(921)	-	-	-	-	(921)
Income tax	203,122	3,506	3,677	-	-	210,305
Effects of discounting of staff receivables						
	<u>518,248</u>	<u>12,419</u>	<u>30,276</u>	<u>54,061</u>	=	<u>615,001</u>



Off balance sheet items:

Capital expenditure commitments	489,515	-	-	-	-	489,515
Operating lease commitments						
Total	<u>489,515</u>	=	=	=	=	<u>489,515</u>

Segmental Income Statement for the year ended 30 June 2025

	Kenya Seed Co.	Simlaw Kenya	Tanzania	Uganda	Rwanda	Group Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Revenue	7,625,484	2,028,692	546,700	449,343	48,818	10,699,037
Cost of Sales	(4,300,336)	(1,547,070)	(261,043)	(324,037)	(31,423)	(6,463,909)
Gross Profit	<u>3,325,148</u>	<u>481,622</u>	<u>285,657</u>	<u>125,306</u>	<u>17,395</u>	<u>4,235,128</u>
Other Income	160,548	33,983	16,380	67	268	211,246
Operating Expenses	(2,878,545)	(438,928)	(169,990)	(124,326)	(32,992)	(3,644,781)
Finance Costs	-	-	-	238	-	238
Finance Income	25,680	-	(6,480)	-	-	19,200
Profit before Tax	632,832	76,677	125,567	1,046	(15,328)	820,794
Tax	(242,005)	(35,908)	(37,566)	-	-	(315,479)
Profit after Tax	<u>390,827</u>	<u>40,769</u>	<u>88,001</u>	<u>1,046</u>	<u>(15,328)</u>	<u>505,315</u>

Segmental Income Statement for the year ended 30 June 2024

	Kenya Seed Co.	Simlaw Kenya	Tanzania	Uganda	Rwanda	Group Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Revenue	5,076,327	1,873,791	569,273	457,234	38,817	8,015,442
Cost of Sales	(3,300,156)	(1,442,045)	(278,842)	(329,738)	(31,052)	(5,381,833)
Gross Profit	<u>1,776,171</u>	<u>431,745</u>	<u>290,431</u>	<u>127,497</u>	<u>7,765</u>	<u>2,633,608</u>
Other Income	76,023	20,983	2,822	5,467	3,698	98,600
Operating Expenses	(1,707,426)	(394,450)	(220,562)	(110,035)	(24,540)	(2,457,013)
Finance Costs	-	-	-	(30)	-	(30)
Finance Income	26,779	-	(142,699)	282	(3,036)	98,060
Profit before Tax	<u>171,547</u>	<u>58,278</u>	<u>(70,008)</u>	<u>12,246</u>	<u>(16,112)</u>	<u>155,950</u>
Tax	(178,617)	(24,505)	(3,506)	(3,677)	-	(210,305)
Profit after Tax	<u>(7,070)</u>	<u>33,773</u>	<u>(73,514)</u>	<u>8,569</u>	<u>(16,112)</u>	<u>(54,355)</u>



Segmental Statement of Financial Position as at 30th June 2025

	KSC	Simlaw Kenya	Tanzania	Uganda	Rwanda	Elimina- tion on Consolida- tion	Group To- tal
	2025	2025	2025	2025	2025		2025
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000		Kshs '000
Non-Current Assets	8,851,352	343,414	80,543	81,221	2,172	(61,324)	9,297,378
Inventories	2,412,621	1,304,273	233,427	278,138	22,960	(97,869)	4,153,5560
Receivables	4,114,053	281,336	182,172	242,763	104,175	(2,434,101)	2,339,761
Cash and Bank	2,290,519	170,401	81,961	51,938	1,687	(132,463)	2,490,398
Other Assets	162,436	32,661	-	-	-	(7,168)	187,929
Total Assets	<u>17,830,981</u>	<u>2,132,085</u>	<u>578,103</u>	<u>654,060</u>	<u>130,994</u>	<u>(2,732,925)</u>	<u>18,593,298</u>
Shareholders' Funds	16,545,666	597,822	(76,023)	(112,800)	(112,606)	(7,673)	16,834,386
Long-Term Liabilities	459,447	-	-	-	-	-	459,447
Payables	567,663	104,907	87,981	232,101	31,616	-	1,024,268
Other Payables	118,020	1,429,356	557,881	534,759	211,984	(2,725,252)	126,748
Corp tax payable	140,185	-	8,264	-	-	-	148,449
Over-Drafts	-	-	-	-	-	-	-
Total Liabilities	<u>17,830,981</u>	<u>2,132,085</u>	<u>578,103</u>	<u>654,060</u>	<u>130,994</u>	<u>(2,732,925)</u>	<u>18,593,298</u>

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminated on consolidation' column.

Segmental Statement of Financial Position as at 30th June 2024

	KSC	Simlaw Kenya	Tanzania	Uganda	Rwanda	Elimina- tion on Consolida- tion	Group To- tal
	2024	2024	2024	2024	2024		2024
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000		Kshs '000
Non-Current Assets	8,982,388	317,808	75,324	82,928	2,704	(60,074)	9,401,079
Inventories	1,909,157	859,961	230,554	308,484	18,011	(145,713)	3,180,454
Receivables	3,870,574	387,593	131,437	96,180	117,721	(2,130,998)	2,472,507
Cash and Bank	2,557,830	199,164	53,991	76,517	7,087	(125,237)	2,769,352
Other Assets	174,292	38,529	-	-	-	-	212,822
Total Assets	<u>17,494,241</u>	<u>1,803,056</u>	<u>491,306</u>	<u>564,109</u>	<u>145,523</u>	<u>(2,462,022)</u>	<u>18,036,214</u>
Shareholders' Funds	16,323,166	557,054	(162,246)	(101,795)	(40,301)	(59,788)	16,516,089
Long-Term Liabilities	735,034	-	-	-	-	-	735,034
Payables	287,815	160,115	77,657	155,325	38,321	-	719,233
Other Payables	148,226	1,085,887	575,895	510,579	147,504	(2,402,234)	65,857
Bank loan	-	-	-	-	-	-	-
Over-Drafts	-	-	-	-	-	-	-
Total Liabilities	<u>17,494,241</u>	<u>1,803,056</u>	<u>491,306</u>	<u>564,109</u>	<u>145,524</u>	<u>(2,462,022)</u>	<u>18,036,214</u>



41(a) CONTINGENT LIABILITIES

	2025	2024
	Kshs '000	Kshs '000
Pending litigation claims	53,590	53,590
Claim by former contractor	786,477	786,477
	840,067	840,067

Pending litigation claims

The pending litigation claims relate to cases instituted by third parties against the Company. Judgment in respect of these cases had not been determined as at 30 June 2022. Based on the advice by the Company's lawyers, the directors are of the opinion that no liabilities will crystallize. Therefore, no provision has been made for the amount in these financial statements.

Claim by former contractor

There is a claim pending against the company by Kitek (K) Limited for unlawful termination of contract before arbitration in which the company is seeking Kshs 786 million arising from a building contract. Based on the advice by the Company's lawyers, the directors are of the opinion that no liabilities will crystallize. Therefore, no provision has been made for the amount in these financial statements.

41(b) CONTINGENT ASSETS

	2025	2024
	Kshs '000	Kshs '000
FY2020/21 Seed shop Loss	7,888	7,888
FY2020/21 Narok Branch Loss	47,010	47,010
FY2019/20 Narok Loss	51,771	51,771
FY2020/21 Imprest Loss	13,733	13,733
FY2023/24 Kapsabet branch Loss	19,362	19,362
	139,764	139,764

FY2023/24 Kapsabet Branch Loss

During the year, an amount of Kshs. 19,362 million was suspected to have been embezzled by the Kapsabet cashier. Administration action was taken against the suspected cashier and the finance staff who were summarily dismissed.

It is expected that the suspect will be prosecuted, convicted and give the company the grounds to recover the stolen funds.

FY2020/21 Seed shop Loss

During the year, an amount of Kshs. 7.888 million was suspected to have been embezzled by the seed shop cashier. Administration action was taken against the suspected cashier who was summarily dismissed. This was reported in Kitale Police Station vide Police Abstract OB32/7/2/2022. It is expected that the suspect will be prosecuted, convicted and give the company the grounds to recover the stolen funds.

FY2020/21 Narok Branch Loss

During the year, the company lost Kshs 47,010,290 through unauthorized removal of stocks from the company's Narok Branch. In compliance with the company policy, the management promptly sent the staff on suspension and commenced investigations. Thereafter, the suspected staff was taken through the disciplinary process and was found culpable and was dismissed from service. The matter is undergoing investigation in order to commence prosecution. It is expected that the suspect will be prosecuted, convicted and give the company the grounds to recover the stolen funds.



FY2019/20 Narok Branch Loss

During the year, it was reported that the company lost Kshs 51,771,000 through unauthorized removal of stocks from the company's Narok branch. The matter is undergoing investigation in order to commence prosecution. It is expected that the suspect will be prosecuted, convicted and give the company the grounds to recover the stolen funds.

FY2020/21 Imprest Misappropriation

The management discovered the loss of company funds suspected to have been perpetrated by 15 members of staff stationed at the Research Department. In compliance with the company policy, the management promptly sent the staff on suspension and commenced investigation. Thereafter the suspected staff was taken through the disciplinary process and was subsequently found culpable and has been dismissed from service. It is expected that the suspect will be prosecuted, convicted and give the company the grounds to recover the stolen funds.

42. FAIR VALUES

In the opinion of the directors, the carrying value of the company's financial assets and liabilities on the statement of financial position approximate their fair values. The loans to related party have no specific repayment period. Therefore, their fair value cannot be measured reliably.

43. INCORPORATION AND ULTIMATE HOLDING ENTITY

The Company is domiciled and incorporated in The Republic of Kenya under the Companies Act, Cap 486, Laws of Kenya. The company is a state corporation by virtue of majority shareholding by government through Agricultural Development Corporation (ADC) at 52.88%.

44. CURRENCY

These financial statements are presented in thousands of Kenya Shillings (Kshs '000).

45. COMPARATIVE INFORMATION

Where necessary, prior year comparative figures have been adjusted/extended to conform to changes in presentation in the current year. These changes did not have impact on results for the year, or on the net asset position of the Company.

Company Trend of Key Performance Indicators.

	2025	2024	2023	2022	2021
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Turnover	7,612,354	5,099,683	5,033,701	5,127,499	5,233,694
Profit before tax	619,702	194,903	263,940	247,657	823,670
Tax charge	(242,005)	(178,617)	(200,197)	- 165,350	- 246,350
Profit for the year	377,697	16,286	63,743	82,306	577,320
Share Capital and shareholders' Funds	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ordinary Share capital	215,625	215,625	215,625	215,625	215,625
Share holders' funds	16,545,666	16,323,166	16,595,563	12,625,225	12,556,399
Earnings per Share	35	2	6	8	54
Dividend per share	5.25	5.25	5.25	5.25	10.73
Seed Maize Produced (Kg)	29,745	21,805	22,544	26,958	27,435
Seed Maize Sales (Kg)	26,033	21,830	23,881	25,875	27,154

46. EVENTS AFTER THE REPORTING DATE

No material events or circumstances have arisen between the accounting date and the date of this report.

PULSES





APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved. This response is as stipulated in the Financial Reporting Template by Treasury

Audit Report Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Expected Date of Resolution																																								
1.	<p>Inaccuracies in Financial Statements</p> <p>Review of the Group financial statements revealed variances between the reported amounts and the recomputed amounts as shown below:</p> <p>1.1 Group Statement of Profit or Loss and Other Comprehensive Income</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Recomputed Amount (a)</th> <th>Reported Amount as Per Financial Statements (b)</th> <th>Variance (a-b)</th> </tr> <tr> <td></td> <td>Kshs.</td> <td>Kshs.</td> <td>Kshs.</td> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>7,197,727,000</td> <td>7,505,273,000</td> <td>(307,546,000)</td> </tr> <tr> <td>Cost of Sales</td> <td>4,523,770,000</td> <td>4,848,309,000</td> <td>(324,539,000)</td> </tr> <tr> <td>Other Income</td> <td>97,305,000</td> <td>98,060,000</td> <td>(755,000)</td> </tr> <tr> <td>Operation Expenses</td> <td>1,040,668,000</td> <td>1,437,171,000</td> <td>(396,503,000)</td> </tr> <tr> <td>Administration Expenses</td> <td>893,051,000</td> <td>494,005,000</td> <td>(399,046,000)</td> </tr> <tr> <td>Selling and Distribution Expenses</td> <td>377,752,000</td> <td>375,669,000</td> <td>(2,083,000)</td> </tr> <tr> <td>Research and Development Costs</td> <td>146,764,000</td> <td>150,168,000</td> <td>3,404,000</td> </tr> <tr> <td>Finance Income</td> <td>118,956,000</td> <td>118,705,000</td> <td>251,000</td> </tr> </tbody> </table>	Item	Recomputed Amount (a)	Reported Amount as Per Financial Statements (b)	Variance (a-b)		Kshs.	Kshs.	Kshs.	Revenue	7,197,727,000	7,505,273,000	(307,546,000)	Cost of Sales	4,523,770,000	4,848,309,000	(324,539,000)	Other Income	97,305,000	98,060,000	(755,000)	Operation Expenses	1,040,668,000	1,437,171,000	(396,503,000)	Administration Expenses	893,051,000	494,005,000	(399,046,000)	Selling and Distribution Expenses	377,752,000	375,669,000	(2,083,000)	Research and Development Costs	146,764,000	150,168,000	3,404,000	Finance Income	118,956,000	118,705,000	251,000	<p>Management used the Exchange rates in the profit and loss account for the subsidiaries as under.</p> <p>Simlaw Uganda KSC 26.327?</p> <p>Kibo Seed 17.634?</p> <p>Management will liaise with the auditor to establish the exchange rates used to recomputed the amounts for the statement of profit and loss and other comprehensive income.</p>	Ag HOF	Resolved	30 June 2025
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2.	<p>Unconfirmed Loan Capital Issued to Subsidiary Companies</p> <p>The Company's statement of financial position reflects loans to subsidiary companies' balance of Kshs. 226,105,000 which in Note 23(a) to the financial statements includes amounts of Kshs. 21,452,000 and Kshs. 31,538,000 in respect of Kibo Seed Company Limited and Simlaw Seed Company Uganda Limited, respectively. However, the financial statements for the two subsidiaries did not reflect the loan balances. Further, note 23 to the financial statements indicates that Mt Elgon Seed Company Limited was initially loaned an amount of Kshs. 50,078,000 which was later written off. However, financial statements for Mt Elgon Seed Company Limited were not submitted for audit and therefore it was not possible to confirm whether the write off was properly effected in the subsidiary's books of accounts.</p> <p>In the circumstances, the accuracy and completeness of loan capital to subsidiary companies' balance of Kshs. 226,105,000 could not be ascertained.</p>	<p>Mt. Elgon seed company is a dormant subsidiary which has not been transacting since the year 2013, with the closing balances that has been consolidated in the financial statements awaiting closure/winding up, the management has noted the auditor's observation and shall avail the same.</p>	Ag HOF	Unresolved	30 June 2025																																					
3.	<p>Unconfirmed Balances Due from Subsidiaries</p> <p>The Company's statement of financial position and as disclosed in Note 23(b) to the financial reflects amount dues from subsidiaries balance of Kshs.1,769,381,000 which includes balances of Kshs.189,010,000 and Kshs.203,081,000 for Simlaw Seed Company Uganda Limited and Kenya Seed Company Rwanda,</p>	<p>Management has noted the auditors concern and will carry out reconciliation</p>	Ag HOF	Resolved	30 June 2025																																					



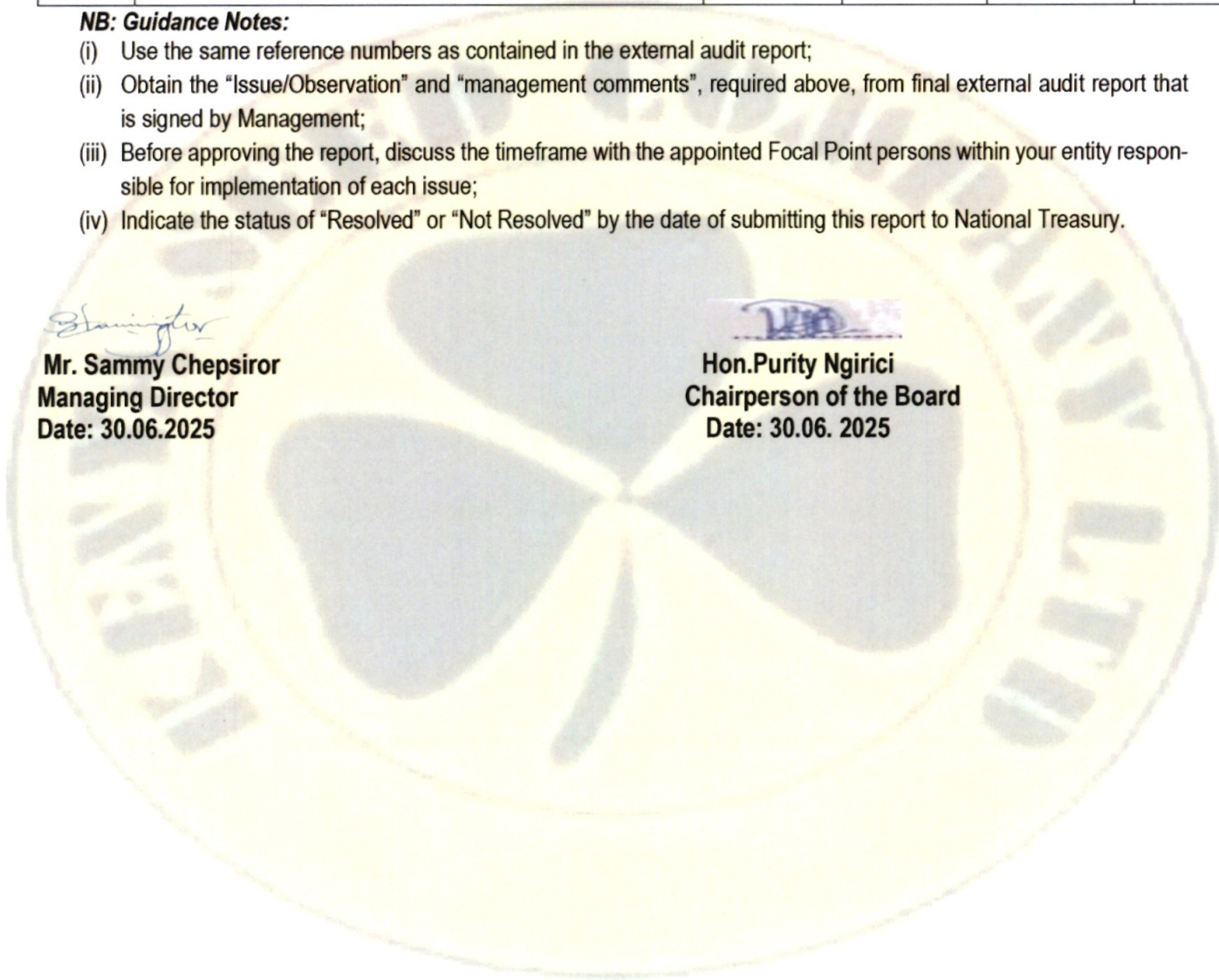
<p>respectively. However, the financial statements for Simlaw Seed Company Uganda Limited and Kenya Seed Company Rwanda reflect amounts due to Kenya Seed Company Limited of Kshs. 273,638,000 (Ugx7,837,738,000) and Kshs. 147,504,000 (Rwf. 1,495,688,078) resulting to variances of Kshs. 84,628,000 and Kshs. 55,577,000 respectively.</p> <p>In the circumstances, the accuracy and completeness of amounts due from subsidiaries balance of Kshs, 769,381,000 could not be ascertained.</p>	<p>of the subsidiaries balances</p>			
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NB: 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) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Mr. Sammy Chepsiror
Managing Director
Date: 30.06.2025

Hon. Purity Ngirici
Chairperson of the Board
Date: 30.06. 2025



OIL CROPS

