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REPORT

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ON

KENYA SEED COMPANY RWANDA LIMITED

FOR THE YEAR ENDED
30 JUNE, 2025

NATIONAL ASSEMBLY PAPERS LAID	
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KENYA SEED COMPANY RWANDA LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

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1. Acronyms and Glossary of Terms

Provide the list of acronyms and glossary of terms used in your annual report and financial statements.

e.g.,

CEO	Chief Executive Officer
DG	Director General
IFRS	International Financial Reporting Standards
MD	Managing Director
NT	National Treasury
PFMA	Public Finance Management Act.
PSASB	Public Sector Accounting Standards Board

2. Key Entity Information

a) Background information

Kenya Seed Company Rwanda Limited is a limited liability company, incorporated in Rwanda, under the Companies Act 2011 and is domiciled in Rwanda with an agro-dealership network in all the five provinces of the Country to enhance its product distribution and accessibility. For Kenyan Companies Act 2015 reporting purposes, the balance sheet is represented in these financial statements by the Statement of Financial Position and the profit and loss account by the Statement of Profit or Loss and other comprehensive income for the subsidiary.

b) Principal Activities

Kenya Seed Company Rwanda Limited's core business entails production, marketing and sale of high-quality varietal seed products in Rwanda and to provide linkages to Eastern Africa region. We have been able to register and release a wide portfolio of varietal Seeds ranging from maize, wheat, sunflower, sorghum and pasture seeds alongside Sale of Simlaw Seeds branded vegetables (including tomatoes, onions, watermelon, cabbage, capsicum, okra, carrots among others).

c) Directors

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

- | | | | |
|----|---------------------|---|--|
| 1. | Hon. Bernard Wambwa | - Chairman | - Appointed on 18 th Dec 2024 |
| 2. | Mr. Edwin Tum | - Director | - Appointed on 18 th Dec 2024 |
| 3. | Ms Edna Atisa | - Alternate Director to the PS, The National Treasury | - Appointed on 18 th Dec 2024 |
| 4. | Mr. Sammy Chepsiror | -Managing Director | -25 th March 2025 to date |

d) Corporate Secretary

MS. WILKISTER SIMIYU, CPS (K)
P.O. BOX 553 – 30200
KITALE. KENYA

e) Registered Office

KENYA SEED COMPANY RWANDA LTD,
P.O. BOX 6312,
FREE ECONOMIC ZONE,
PHASE 1, MASORO
KIGALI, RWANDA.

Key Entity Information (continued)

f) Corporate Headquarters

KENYA SEED COMPANY LTD
P.O. BOX 553-30200
MBEGU PLAZA
KIJANA WAMALWA STREET
KITALE, KENYA

g) Corporate Contacts

P.O. BOX 6312, KIGALI
TEL. +250 788 282 204/ +250 787677540
E-mail: rwanda@kenyaseed.co.ke
TIN:102305221

h) Corporate Bankers

KCB BANK/BPR BANK RWANDA PLC,
P.O. BOX 5620, KIGALI.
CONTACT CENTRE: +250 788140000,
+250 788187200.
Email: info@bpr.rw

i) Independent Auditors

AUDITOR-GENERAL
THE OFFICE OF THE AUDITOR GENERAL
ANNIVERSARY TOWERS, UNIVERSITY WAY
P.O. BOX 30084
GPO 00100
NAIROBI, KENYA

j) Principal Legal Advisers

1. THE ATTORNEY GENERAL
STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
HARAMBEE AVENUE
P.O. BOX 40112, CITY SQUARE 00200
NAIROBI, KENYA




2. KIDIAVAI & COMPANY
ADVOCATES, COMMISSIONERS FOR OATHS AND NOTARIES PUBLIC
2ND FLOOR, MAZOP BUILDING
P.O. BOX 437 – 30200 KITALE, KENYA

3. 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.



4. NAMACHANJA & MBUGUA
 ADVOCATES, NOTARIES PUBLIC AND COMMISSIONERS FOR OATHS
 A4, HURLINGHAM PARK, ARWINGS KODHEK ROAD
 P.O. BOX 26301 – 00100
 NAIROBI, KENYA.

3. The Board of Directors

SN	Directors	Details
1.	 <p>Hon. Bernard Wambwa <i>Chairperson</i></p>	<p>Hon. Benard Wambwa was born on February 20th 1977. Hon. Wambua is currently undertaking his Bachelors in Project planning and Management at the University of Nairobi, alongside holding a Diploma in Project planning and Management from the University of Nairobi and a certificate in Human Resource Management.</p> <p>He was previously the majority Chief whip, and Member of County assembly for Trans Nzoia County prior to joining Kenya Seed Company as an independent Director and currently the Chairperson for Kenya Seed Company Rwanda.</p>
2.	 <p>Mr. Edwin Tum <i>Director</i></p>	<p>Mr. Edwin Tum was born on November 22nd 1976. He has an LLM in Legal Practise from Staffordshire University, an LPC Postgraduate Diploma in Legal practice from Staffordshire University and an LLB Bachelors of Law from University of Derby.</p> <p>Mr. Tum is a non-executive Director at Kenya Seed Company Ltd since July 2024 to date and a Board member of KSCR. Prior to joining KSCL he was a legal adviser to the Refugee Council in UK, a senior Legal case worker and an Associate in a legal department in UK.</p>

<p>3.</p>	 <p>Ms. Edna Atisa HSC, Alternate Director to the PS, The National Treasury</p>	<p>Alternative Director to the Principal Secretary National Treasury Ms. Edna Atisa was born on September 24, 1977, she is alternate member of the board 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 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.</p>
<p>4.</p>	 <p>Mr. Sammy Chepsiror Group Managing Director KSCL</p>	<p>Mr. Chepsiror Kiplagat Sammy is the Group Managing Director for Kenya Seed Company Ltd. He has over 25 years of experience in strategic Marketing, Sales, Operations, Banking, and Customer Service management. He holds an MBA in Strategic Management, a Master of Management and Leadership, a Bachelor of Commerce (Marketing), and a Diploma in Management & Development.</p> <p>He is a member of the Marketing Society of Kenya (MSK) and the 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 the banking sector.</p>
<p>5.</p>	 <p>Wilkister Simiyu Company Secretary</p>	<p>CS. Wilkister Simiyu was born on 16th June, 1981 and is the Company Secretary and Head of Legal Services.</p> <p>She has 10 years' work experience both as a practicing advocate and an in-house counsel having worked with Kitiwa & Co., Nyaundi, Tuiyot & Co. and Moi University. She holds LLB degree from Moi University and postgraduate diploma in Law (KSL).</p>

4. Key Management Team

SN	Management	Details
1.	 <p>Mr. Sammy Chepsiror Group Managing Director KSC</p>	<p>Mr. Chepsiror Kiplagat Sammy is the Group Managing Director for Kenya Seed Company Ltd. He has over 25 years of experience in strategic Marketing, Sales, Operations, Banking, and Customer Service management. He holds an MBA in Strategic Management, a Master of Management and Leadership, a Bachelor of Commerce (Marketing), and a Diploma in Management & Development. He is a member of the Marketing Society of Kenya (MSK) and the 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 the banking industry.</p>
2.	 <p>Wilkister Simiyu Company Secretary</p>	<p>CS. Wilkister Simiyu was born on 16th June, 1981 and is the Company Secretary and Head of Legal Services.</p> <p>She has 10 years' work experience both as a practicing advocate and an in-house counsel having worked with Kitiwa& Co., Nyaundi, Tuiyot& Co. and Moi University. She holds LLB degree from Moi University and postgraduate diploma in Law (KSL).</p>
3.	 <p>Ms. Kate Ojungo Lule General Manager</p>	<p>Ms. Kate Ojungo was born on April 24, 1986 and is the General Manager for Kenya Seed Company Rwanda. Previously she was the Branch Manager of Kenya Seed Company Ltd - Western and Nyanza region. She holds an MSc. in Development Studies from Jomo Kenyatta University of Agriculture and technology (JKUAT), Bachelors in Business Management from Moi University and a member of Marketing Society of Kenya. She has been in the company since 2012 and a Fellow of the Food systems leadership from Wageningen University in Netherlands.</p>

<p>4.</p>	 <p>Beatrice Mukandeze Finance and Administration Officer</p>	<p>Mrs. Beatrice Mukandeze was born on January 1st, 1982 and is the Finance and Administration Officer of Kenya Seed Company Rwanda Ltd.</p> <p>She holds a Bachelor’s degree in Business Administration Major in Finance and a Certified Public Accountant (CPA) from KASNEB. She previously worked at University of Rwanda Holdings Group Ltd (UR HG Ltd) as a Finance Manager.</p>
<p>5</p>	 <p>Mr. Robert Rwigema Sales and Marketing Officer</p>	<p>Mr. Robert Rwigema was born on December 2nd, 1988 and is the Sales and Marketing Officer of Kenya Seed Company Rwanda Ltd.</p> <p>He holds a Bachelor’s degree in Crop Science-a Major in Crop Production, Advanced certificate in the Economics of Agro- Food Value Chains and an Advanced Certificate of Developing Innovative Ideas for New Companies. He previously worked at Export Trading Group Inputs (ETG) as a Branch Manager and joined Kenya Seed Company Rwanda in February 2024.</p>
<p>6.</p>	 <p>Ms. Monique NYIRAHAGENIMANA Senior Sales and Production Officer</p>	<p>Ms. Monique NYIRAHAGENIMANA was born on 4th January 1989 and is the Senior Sales and Production Officer at Kenya Seed Company Rwanda.</p> <p>She has a certificate of completion in agriculture and animal husbandry and holds a Bachelor’s degree in Rural Development.</p> <p>She has been in KSCR for 12years having joined in July 2013, and previously worked at Rwanda Agriculture Board (RAB) for five years (since 2009-2013) under seed production and Crop intensification program.</p>

5. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Managing Director	Sammy Chepsiror
2.	General Manager	Kate Ojungo Lule
3	Head of Finance -H/Office	Hezekiah Keitany
4.	Finance and Admin Officer Rwanda	Beatrice Mukandeze



6. Chairman's Statement

I am delighted to present the annual report for Kenya Seed Company Rwanda Ltd (KSCR) for the financial year ending June 30, 2025.

We are proud to play an active role in Rwanda's food security and fostering the nation's economic development. Our unwavering dedication to addressing market needs is clearly demonstrated by our successful efforts in introducing, registering, and making available a diverse portfolio of high-quality seed varieties. These include essential crops such as maize, wheat, sunflower, sorghum, pasture, and various horticultural seeds, all tailored to meet the specific demands of Rwandan farmers.

Rwanda's Agricultural Landscape and Strategic Vision

Agriculture continues to be the cornerstone of Rwanda's economy, supporting over 70% of the population, predominantly smallholder farmers, and contributing a significant 63% of the nation's export earnings. This vital sector is now strategically guided by the fifth Strategic Plan for Agricultural Transformation (PSTA 5), which builds upon the successes of past initiatives like the Crop Intensification Program (CIP), launched in 2007.

PSTA 5 emphasizes a continued commitment to improving farmers' access to critical resources such as land, agricultural inputs, and markets, thus a key focus in accelerating Rwanda's journey towards seed self-reliance and fostering a vibrant, private-sector-led seed industry. Building on the 2021 decision to phase out subsidies for imported maize, wheat, and soybean seeds, the government, under PSTA 5, continues to champion private sector engagement in domestic seed production. These measures are designed to cultivate a robust and self-sustaining seed sector, essential for Rwanda's long-term agricultural prosperity and food security and thus our fundamental role to contribute in the sector.

Financial Review

Despite a challenging business environment, majorly attributed to climate change, pests and diseases, KSCR puts measures in ensuring seed availability and sustainable operations as a subsidiary. During the period under review, the Company reported a turnover of Kes 47,131,523 and an asset base of Kes 131,656,103. However, a loss in profit before tax was recorded, decreasing from Kes (16,112,270) in 2023/24 to Kes (15,707,523) in 2024/25.

Seed Supply

KSCR serves a diverse customer base, including the Government through subsidy programs, farmers, cooperatives, agents, and stockists. The Company's seeds are tailored to various climatic

conditions, ensuring broad market coverage across Rwanda's region and even extending to Burundi and the Eastern part of Democratic Republic of Congo.

To address climate change and evolving market needs, KSCR plans to develop and release new seed varieties while expanding its product range to include fertilizers, chemicals, and agricultural tools. This diversification aligns with the goal of establishing KSCR as a one-stop shop for agricultural solutions. Furthermore, the Company had aimed to enhance its digital presence and it managed to develop a website for enhance product reachability and an e-commerce platform will also be actively in place from next financial year.

Dividend

Given the Company's current liquidity position, I recommend that no dividend be declared for the year to allow for reserve building.

Future Outlook

The future of Kenya Seed Company Rwanda Ltd (KSCR) is promising, with the Board staying focused on expanding market share through enhanced and sustainable local seed production, increased portfolio of vegetable and improving financial management. These strategies will ensure sustained growth and profitability.

Appreciation

I extend my heartfelt gratitude to our shareholders, business partners, customers, farmers, the Board of Directors, and the Management team for their unwavering support and trust in KSCR and its products.



Hon. Bernard Wambwa

Chairperson

7. Report of the General Manager



Kenya Seed Company Rwanda (KSCR) is actively strengthening its capacity for local seed production, directly aligning with the Rwandan government's initiative through the Ministry of Agriculture and Animal Resources.

Though with pressure on climate change, Pests and disease, we are putting mitigation measures in place in the next seasons, as we're progressively expanding the area dedicated to maize cultivation by onboarding more seed growers and more importantly targeting irrigated fields. Critically, we've also achieved a significant milestone in enhancing wheat seed production, contributing to the nation's self-reliance in this vital crop. Within Rwanda, KSCR continuously strives to solidified its reputation as a supplier of quality certified seeds, and we are committed to further diversifying our business portfolio in the coming periods to fully meet our strategic mandate.

Physical Operating Office

We now operate two outlets, that's the Industrial area; Special Economic Zone in Masoro Gasabo District, Free Economic Zone, Phase 1, Masoro, Kigali and a seed shop in Kigali CBD.

Statement of KSCR Short-term objectives, performance review and Outlook

Kenya Seed Company Rwanda Ltd since its inception has managed to evolve into a key player in the Rwanda seed industry, contributing significantly to food security and economic development in Rwanda. The Company's commitment is evident in its expansion of introduction, registration and currently to local production of Maize, wheat and imports of horticulture seeds, showcasing a dynamic response to market needs. Kenya Seed Co. Rwanda, as a key player in the seed industry, aligns its objectives with the national agenda, contributing significantly to the goal of increasing local Seed production.

The objectives of the Company Include;

- Upscaling Seed Maize and Wheat Production in the released and registered Countries for enhanced food security and socio-economic development.

- Enhance Sales base for Maize, Wheat, Sunflower, Horticulture and Pasture Seeds; To avail top quality and affordable certified varietal seeds and other inputs to meet the stakeholders needs and socio-economic development.
- Market Share Expansion and Sustainability; The company will enhance its growth and presence in the country and in the regional markets through aggressive marketing campaigns.
- Increase Company Revenue through enhanced product lines; In reference to our core business we will enhance sales, promotions and marketing of top-quality seed and other inputs in Rwanda and to provide linkages to Eastern Africa region.

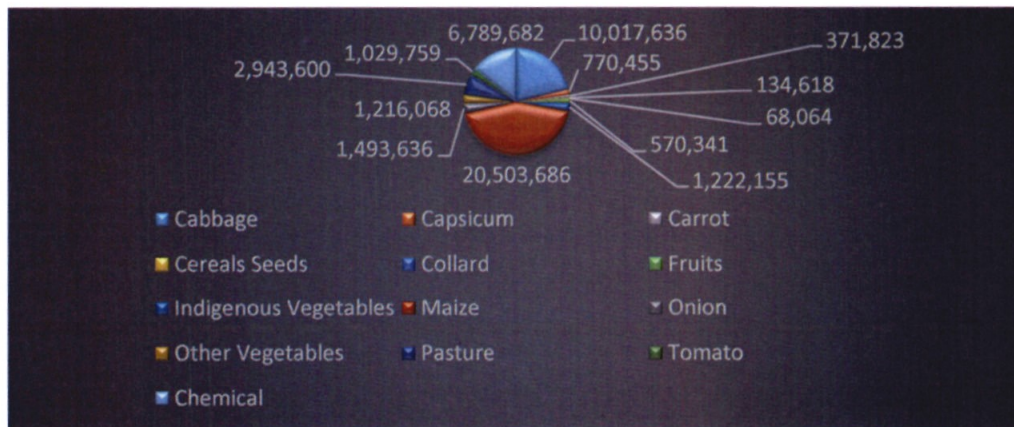
I am delighted to present to you the performance of Kenya Seed Company Rwanda for the year ended 30th June 2025.

Financial Performance

In the FY 2024/25, the turnover reported at Kshs 47,131,523(RWF 518,446,730). Loss before Tax for the period decreased from Kshs16,112,270 to Kshs 15,707,523. Kenya Seed Company Rwanda’s opened business with cash of Kshs. 7,087,332 and closing Cash balance Ksh1,708,913. The Non-current assets recorded at Kshs. 1,193,340.

PERFORMANCE AT A GLANCE

The below graph highlights the revenue contribution by various seed varieties;



Turnover in Kenya Shillings: 47,131,523

Loss before Tax in Kenya Shillings: (15,705,563)

Balance Sheet Size in Kenya Shillings: 131,656,103

Shareholders’ Funds Shillings: (119,419,910)

Over the past year, we have strengthened collaborations with key stakeholders and more specifically agro-dealers and NGO's to broaden our reach beyond the subsidy program significantly enhancing the consistency and reliability of quality seed production, distribution and supplies.

Future Outlook

Kenya Seed Company Rwanda is well-positioned for continued growth and success, supported by anticipated economic expansion and strategic initiatives. Management remains steadfast in implementing strategies that align with the Company's objectives. Key drivers for future growth include:

- **Ensuring Seed Availability:** Increasing local production of maize, wheat, and sunflower seed varieties to reduce production costs and improve profit margins.
- **Expanding Vegetable Seed Market:** Allocating resources to facilitate direct imports, which are expected to yield higher returns and boost profitability.
- **Innovating Product Offerings:** Registering and releasing new seed varieties and expanding our distributorship network to strengthen our product portfolio and revenue.

Customer Focus

At the core of all our activities is a strong commitment to customer focus. By prioritizing customer needs and adopting their perspectives, we aim to deliver superior customer satisfaction. Kenya Seed Company Rwanda remains dedicated to offering exceptional service through effective communication and expanded direct engagement via agro-dealership networks nationwide.

Acknowledgment

Kenya Seed Company Rwanda continues to uphold its reputation as a leading and trusted brand in Rwanda's seed market, with maize and wheat consistently ranking as our most sought-after products. This sustained market preference is a testament to the superior quality of our seeds, our customer-centric approach, and the visionary leadership of our Board of Directors. Their strategic oversight; especially during our transition to full autonomy has been instrumental in shaping our operational direction and fortifying our organizational resilience.

We remain deeply appreciative of our customers, whose loyalty and constructive feedback have not only strengthened our market presence but also guided us in refining our offerings to better serve the evolving needs of Rwanda's agricultural sector. Equally, I extend profound gratitude to our dedicated team at Kenya Seed Company Rwanda. Their professionalism, perseverance, and unwavering commitment to excellence have been central to our continued success and ability to deliver on our mandate. As we strive forward in line with our mission we reaffirm our commitment to innovation, efficiency, and value delivery.

With the continued support of the Board and the steadfast leadership of our management team, we are well-positioned to drive sustainable growth, expand our impact in the seed sector, and contribute meaningfully to Rwanda's broader goals of agricultural transformation and food security.



Kate Lule
General Manager

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

The company has six strategic pillars and eight objectives within its Strategic Plan for the FY 2024/2025- 2027/2028. These strategic pillars are as follows:

- * Pillar 1: Quality Seed availability
- * Pillar 2: Governance and risk management
- * Pillar 3: Human resources management
- * Pillar 4: Financial stability
- * Pillar 5: Marketing growth
- * Pillar 6: Engagement/collaboration/partnerships with stakeholders

Arising from the situational analysis, the key issues that KSCR aims to address are:

- i. Insufficient seed production;
- ii. Inadequate marketing and brand visibility
- iii. Inefficient operational processes; and
- iv. Inadequate governance structures and risk management.

Issues	Goals	KRAs
Insufficient seed production	Increase production of adequate quality seeds	Seed production and processing
Inadequate marketing and brand visibility	Increase sales revenue	Sales and marketing
Inefficient operational processes	Enhance operational efficiency	Institutional Capacity
Inadequate governance structures and risk management	Enhance good corporate governance	Governance

9. Corporate Governance Statement

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

The board is committed to the principle that the company and its subsidiary companies should operate with integrity and ethics and maintain a high standard of corporate governance in the interest of shareholders and all other stakeholders. The Board believes that the company has complied with the highest standards of Corporate Governance Practices the spirit and practice of corporate governance in Kenya Seed Company Rwanda 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 Chairperson and the Managing Director are segregated. The Managing Director is in charge of the day-to-day running of the business of the Company. A non-executive director acts as Chairperson of the Board.

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

The current Board of Directors is composed of one executive director and three non- executive directors including the Chairperson.

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.

Board Meetings

The Board meets at least once quarterly 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. During their meetings, the Board reviews the Companies performance against the planned strategies and approves issues of strategic nature.

Governance Principals

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

At Kenya Seed Company Rwanda, 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.

Kenya Seed Company Rwanda has formulated and applied 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.

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 entitlement per Board Member:

Type of payment	Chairman	Member
Sitting allowance (per sitting)	Kshs 20,000	Kshs 20,000

Code of Conduct

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

Internal Control

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

Conflicts of Interest

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

Going Concern

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

Independence

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

Activities and Achievements

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



Hon. Bernard Wambwa
Chairperson

Date:

10. Management Discussion and Analysis

Section A: The entity's operational and financial performance

Background

Kenya Seed Company Rwanda's vision is to be the preferred supplier of top-quality seeds in Rwanda and the region.

A1: Revenues

Revenues is as highlighted in the table below.

SEEDS	Jul 2024-June 2025			Jul 2023-June 2024		
	Qty	Rwf	Kes	Qty	RWF	Kes
Cabbage	16,451	110,194,000	10,017,636	25,020	191,880,800	18,923,156
Capsicum	3,047	8,475,000	770,455	1774	8,511,900	839,438
Carrot	2,090	4,090,050	371,823	1628	2,425,800	239,231
Cereals Seeds-Sunflower	494	1,480,800	134,618	-	-	-
Collard	529	748,700	68,064	1696	1,646,000	162,327
Fruits	1,014	6,273,750	570,341	432	5,598,500	552,120
Indigenous Vegetables	10,196	13,443,700	1,222,155	8,937	12,114,000	1,194,675
Maize	94,834	225,540,550	20,503,686	27,747	101,935,100	10,052,771
Onion	2,447	16,430,000	1,493,636	2479	12,528,700	1,235,572
Other Vegetables	7,893	13,376,750	1,216,068	5,377	6,148,650	606,376
Pasture	1,827	32,379,600	2,943,600	800	23,911,800	2,358,166
Tomato	1,692	11,327,350	1,029,759	4684	26,901,500	2,653,008
Chemical	18,767	74,686,500	6,789,682			
TOTAL	161,281	518,446,750	47,131,523	80,574	393,602,750	38,816,839

Seed maize contributed 44% of annual sales revenue while pasture contributed 6% of the Company Revenues and Vegetable and Chemicals revenues contributed 50% of the company revenue.

Management is exploring diversification strategies to enhance revenue from chemicals, fertilizers among other agricultural inputs.

A2: Profit before Tax

The Profit/Loss before Tax for the entity is highlighted in the following Table below

	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Loss Before Tax	15,707,523	16,112,270

The loss before tax is Kshs 14,798,743 in the year.

A3: Cash and Cash Equivalents

The company cash and bank balance stood at a net of Kes 1,708,913 compared Kes 7,087,332 at the beginning of the year.

Section B: Entity's compliance with statutory requirements

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

- i. CBHI- Community Based Health Insurance
- ii. PAYE-Pay as you Earn PAYE
- iii. Mutuelle- National Security Fund
- iv. RDB-Rwanda Development Board on Training programs
- v. Disability Mainstreaming
- vi. Gender Mainstreaming among others

The Company ensured that it obtains the certificates of compliance from RRA and RSSB.

The company also remitted funds owed by staff and deducted from the staff's pay slips as per staff's instruction to institutions and financial institutions in accordance with company policy.

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

(a) Registration and release of New Varieties (3)

We intend to register and release additional Maize (2) and Wheat Varieties (1) next Financial year 2025/2026 and explore the production of Beans variety.

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 MANAGEMENT FRAMEWORK

The Company may face various risks that will have to be mitigated. The summary below presents potential risks, likelihood of occurrence, severity, and mitigation measures.

OBJECTIVE	RISKS	MITIGATION
To avail adequate quality seeds to satisfy market demand	Adverse climate change	<ul style="list-style-type: none"> • Invest in research and development for climate-smart seed varieties • Adoption of irrigation for seed production • Adoption of crop insurance
	Pests and diseases	<ul style="list-style-type: none"> • Adopt capacity building of seed growers on Integrated Pest Management practices • Crop monitoring for early detection of pests and diseases. • Training of technical staff on emerging pests and diseases • Collaboration with research institutions for development of disease/pest resistant seed varieties
	Inadequate farmers' knowledge in agronomic practices	<ul style="list-style-type: none"> • Conduct farmer training programs and workshops • Collaborate with agricultural extension officers to provide field training and support • Conduct field visits to monitor farming practices • Develop and distribute educational materials and guides on best agronomic practices
	Pilferages	<ul style="list-style-type: none"> • Timely harvests • Enhance security surveillance
	Inadequate land for seed production	<ul style="list-style-type: none"> • Creation of seed villages • Signing long term contracts with seed growers • Offer competitive prices to seed growers
	Delay in input supply e.g., seeds, packaging materials	<ul style="list-style-type: none"> • Maintain adequate carry-over stocks • Establish reliable and diverse supplier networks • Implement effective demand forecasting to ensure timely procurement
	Diversion of seeds	<ul style="list-style-type: none"> • Conduct regular price reviews to address shifts in commodity prices • Offer competitive prices to seed growers
To increase sales revenue from RWF 500M in 2024 to	Sale of counterfeit seeds in the market	<ul style="list-style-type: none"> • Collaborate with regulator for implementation of a system of identifying authentic seeds • Proper labelling of seeds packaging • Educating farmers on the characteristics and visual identifiers of authentic seeds

OBJECTIVE	RISKS	MITIGATION
RWF 3B by 2028		<ul style="list-style-type: none"> • Collaborate with multiagency teams for market surveillance
	Stockouts of basic seeds, seeds, and complementary inputs	<ul style="list-style-type: none"> • Enhance local seed production capacity to meet market demand • Initiate local basic seed production • Early placement of orders • Enhance stock carry over
	Inadequate management of customers	<ul style="list-style-type: none"> • Implement a customer relationship management • Provision of timely feedback • Prompt complaints handling
	Exchange rates fluctuations	<ul style="list-style-type: none"> • Enhance local seed production • Maintain a dollar account • Monitor economic indicators that can impact on exchange rates negatively
To increase operational efficiency	Inadequate funds to start own processing and enhance storage facility	<ul style="list-style-type: none"> • Seek KSC financial support for development of seed processing plant
	Unreliable vehicles and outdated systems	<ul style="list-style-type: none"> • Procure new vehicles • Invest in modern technology to automate tasks and improve efficiency
	Cyber Risks	<ul style="list-style-type: none"> • Use of firewalls and antivirus • Use of licensed software programmes • Regular information/data backups • Enhance system user access controls
To attract and retain competent, motivated, and productive workforce	Inadequate staff	<ul style="list-style-type: none"> • Offer competitive salaries and benefits • Implementation of HR instruments • Enhance knowledge management • Provide good working environment
To enhance Corporate Governance and risk management	Weak monitoring and evaluation systems	<ul style="list-style-type: none"> • Implement a robust monitoring and evaluation framework with clear performance indicators and targets • Conduct periodic reviews and assessments of strategic plan implementation • Provide staff training on monitoring and evaluation
	Adverse change in government policies	<ul style="list-style-type: none"> • Collaborate with government for creation of an enabling operating environment • Comply with government regulations

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. Management has adequately responded to the External and Internal audit queries raised.

11. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

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 on annual company profit before tax towards CSR.

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 seeds.

Capacity improvement

In order to avail sufficient quality products and services to the market, the company is upgrading its clientele base at the wake of scarcity of land, the company has recruited contracted seed growers to produce more Maize, wheat and sunflower seeds in the oncoming seasons to meet the growing market demand.

The Board and Management have also approached largest seed grower with vast land like ProDev, Green Fresh Growers to increase acreage on seed production of upto 1,000 acres.

The company also has set a 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 Rwanda ensures 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.

ii) Environmental performance

Climate change management 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 Rwanda climate change which results in erratic weather patterns which in turn affects planting and harvesting times, yield, post-harvest losses and pest controls. In mitigations, Management

undertakes two cropping seasons to maximize the yields. Farmers are moving to early maturing varieties to cope with the sparsely rainfall as well as hybrid seed for maximum productivity.

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 Head Smut, Fall Army Worm (FAW) and Maize Streak Virus (MSV) among others reduces yields, crop failure and also discourages farmers.

The Company through its qualified and trained officers have continually been educating the farmers on improved ways of farming.

iii)Employee welfare

Youth Internships/Industrial Attachments/Apprenticeships

The government of Rwanda has set a goal to prepare the youth for economic development. The Company has endeavoured to empower the youths by engaging Apprentices for a training program, which is 40% of the total in post of 10 members of staff.

It's with this in mind that the company has committed to developing talent for the students to prepare them for the job market. The company offered industrial attachment opportunities (six months) to various students from various universities in Rwanda 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	2024/25
INTERNSHIP BENEFICIARIES	3
INDUSTRIAL ATTACHMENTS	1
TOTAL	4

Performance appraisal and rewards frameworks

The Company carries out staff appraisal in the first and second half. The Company recently changed the performance appraisal tool whereby staff is appraised according to their job descriptions and their targets and achievements. This exercise is carried out to measure performance essential for the mutual growth of the Company and the employee. It helps the Company to find out whether the employee is being productive, highlights on areas of improvement and or is a liability. It helps the employee on career progression.

Knowledge sharing platforms

The Company through Information Communications Technology department provides 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. Additionally, the Company maintains a resource centre for knowledge dissemination.

iv) Market place practices

a) Responsible Competition practice.

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

b) Responsible supply chain and supplier relations

The Company maintains a database of suppliers of goods and services after a competitive vetting by the Committee nominated by Management. The Company is guided by the Public Procurement and Disposal act 2015. Upon qualifications, mutual contracts are signed and implemented appropriately. All invoices from the suppliers which are due for payment upon successful execution of works/deliveries are honoured timely in reference to the Contracts and Company's finance policy.

c) 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 Rwanda communicates with both its existing and potential customers as well as other stakeholders in the industry.

- The Kenya Seed Company Rwanda remains committed to upholding responsible marketing business practices and values across its operations. Over the past Financial Year 2024/2025, the Company continued to follow ethical marketing practices through the use standard procedures and channels to advertise its seed products.

d) Product stewardship

-Kenya Seed Company Rwanda works closely with Rwanda Inspectorate, Competition and Consumer Assurance (RICA) the official seed quality regulator in the Country. This goes a long way to ensure that consumer rights and interests in getting quality seed are attained.

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

Corporate Social Responsibility / Community Engagements

Kenya Seed Company Rwanda Ltd is a people-centred organization, deeply rooted in the belief that our success is intrinsically linked to the communities we serve. As a company, we are proud to make a meaningful contribution to society by supporting agriculture as a key driver of food security in the region. Our core values reflect a profound respect for our customers and the broader community they are, after all, the foundation of our existence and the reason we are in business.

We recognize that our business thrives because of the trust and support of the community. In this spirit, we embrace our role as a socially responsible and citizen-driven company, where the welfare of society is not just a consideration but a guiding principle. For us, giving back is not only good corporate governance it is a moral obligation. We take as much pride in our business achievements as we do in our efforts to uplift the communities in which we operate.

Our commitment goes beyond commerce; it is about advancing shared prosperity and serving humanity in areas where our business and community interests align. We are committed to conducting all aspects of our operations with honesty, transparency, integrity, and a strong respect for human rights, as well as the interests of our employees, customers, and stakeholders.

In line with this commitment, we recently donated a variety of seeds to support a demonstration farm. This initiative not only facilitated practical training for farmers but also ensured that the harvest would directly benefit students at the institution through improved nutrition. Additionally, our contributions to the Mulindi Agricultural Show included the donation of crops on display further reinforcing our dedication to knowledge sharing, food security, and community empowerment.

12. Report of the Directors

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

i) Principal activities

The principal activities of the entity are importing, local production and distribution of seeds.

ii) Results

The results of the entity for the year ended 30th June 2025, are set out on page 1 to 35. Below is a summary of the profit or loss made during the year.

	2024-2025	2023-2024
	Kshs	Kshs
Profit/Loss before tax	(15,707,523)	(16,112,270)
Taxation charge	-	-
Profit/Loss for the year	(15,707,523)	(16,112,270)

iii) Directors

The members of the Board of Directors who served during the year and to the date of this report are as shown on page v and pages vi of this booklet.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the company financial statements in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30th, 2025.

By Order of the Board



.....
Company Secretary.

Date

13. Statement of Directors' Responsibilities

The Directors accept responsibility for the company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and the State Corporations Act 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 company's transactions during the financial year ended June 30th, 2025. 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. 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 2024/2025 ended on 30th June, 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 entity, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Company (v) selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the Company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and State Corporations Act and the Kenya Company's Act 2015.

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 page 1 to 31 were approved by the Boards of Directors on 08/10/2025 and were signed on its behalf by:

Hon. Bernard Wambwa
Chairperson

Signature:



Beatrice Mukandeze
Finance and Administration
Officer

Signature:



Kate Lule
General Manager

Signature:



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NAIROBI

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

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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

Opinion

I have audited the accompanying financial statements of Kenya Seed Company Rwanda Limited set out on pages 1 to 70, which comprise of the statement of financial position as at 30 June, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of

budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Seed Company Rwanda Limited as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Material Uncertainty Related to Going Concern

Review of the statement of profit or loss and other comprehensive income revealed that although revenues increased from an amount of Kshs.38,816,839 (Rwfs.393,602,750) in the year 2023/2024 to Kshs.47,131,523 (Rwfs.518,446,750) due to significant increase in maize seed sales, the Company still faces material issues related to going concern. The Company made trading losses of Kshs.15,707,523 (Rwfs.173,861,191) hence diminishing shareholder funds to negative Kshs.115,044,910 (Rwfs.1,265,494,014) in the year under review. In addition, the Company was not able to collect debts balance of Kshs.105,500,228 (Rwfs.1,160,502,512) which included an amount of Kshs.77,076,203 (Rwfs.847,838,233) due from a major trading partner. If the turnaround strategy of increased maize seed and other cereals production is not monitored and evaluated for successful take off, the Company may face issues of going concern.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.79,154,414 (Rwfs.870,698,554) against actual revenue of Kshs.47,390,473 (Rwfs.521,295,203) resulting in a budget under-realization of Kshs.31,763,941 (Rwfs.349,403,351) or 40% of the budgeted revenue. However, the Company spent an amount of Kshs.31,379,264 (Rwfs.345,171,404) out of the actual revenue of Kshs.47,390,473 (Rwfs.521,295,203) resulting in an under performance of Kshs.16,011,209 (Rwfs.176,123,299) or 34% of the actual revenue receipts.

The under realization and under performance of the budget may have affected the profitability and service delivery of the Company.

3. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.32,018,717 (Rwfs.352,205,884) as disclosed in Note 39 to the financial statements. Included in the balance is an amount of Kshs.30,123,747 (Rwfs.331,361,217) relating to payables to the Kenya Seed Company Limited. Further analysis revealed that some payables had remained outstanding for more than a year. However, no explanation for failure to settle the long outstanding trade payables was provided for audit.

In the circumstances, the non-payment of debts may distort the financial stability of the Company and risk future litigations from the creditors.

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. There were no key audit matters to report in the year under review.

Other Information

Management is responsible for the Other Information set out on page iii to xxx which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Company's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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 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 effects of the matter 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. Failure to Dispose Obsolete Inventory

The Company set up an Inventory Management System for the purpose of controlling and managing its inventory, stores and assets. However, scrutiny of the stock take report provided for audit revealed that obsolete seeds valued at Kshs.7,483,714 (Rwfs.82,320,854) was held in Company stores. No satisfactory explanation was provided for failure to dispose the obsolete inventories leading to increased carrying costs on storage, handling, insurance, and potential write-offs, which can significantly impact on the Company's profitability. This was contrary to Section 161(4) of the Public Procurement and Asset Disposal Act, 2020 which provides that for effective, economic, efficient, and transparent use of government inventory, stores and assets at all levels, an accounting officer of a procuring entity shall take full responsibility of the management or control of inventory and assets and shall ensure that— (a) preventive measures are put in place to eliminate theft, security and safety threats, losses, wastage and misuse.

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

2. Failure to Hold Annual General Meeting (AGM)

Review of the Company's certificate of foreign company registration revealed that the Company was registered on 19 April, 2011 with the Memorandum of Association disclosing the number of shares subscribed were 5,000. This includes parent Company holding four thousand nine hundred and ninety-nine (4,999) shares and one (1) individual shareholder holding 1(one) share. However, the Company has not held the Annual General Meeting once every year since its incorporation, despite having more than one (1) shareholder. This is contrary to Section 275(A) of the Companies Act, 2015 that provides (1) every company shall convene a general meeting once a year (2) Subsection (1) does not apply to single member companies.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Review of documents and policies provided for audit verification revealed that the Company did not have an approved risk management policy that gives guidelines on how to prevent risks and mitigate the effect of any risk that may affect the operations. In the absence of a risk Management Policy, the Company's ability to create a system of internal controls that builds robust business operations could not be confirmed.

In the circumstances, the Company's risk preparedness could not be confirmed.

2. Lack of Pricing Policy

During the year under review, the Management did not maintain an approved Pricing Policy that provides strategies and guidelines to be used to develop the applicable price list taking into consideration factors like costs, market conditions and competition. It was also noted that without the approved pricing policy, the pricing position, pricing segmentation, and competitive pricing reaction strategy could not be achieved hence leading to possible negative impact on revenue maximization or optimization.

In the circumstances, the effectiveness of the Company's pricing strategy could not be confirmed.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the Companies Act, 2015, I report, based on my audit, that:

- i. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on pages xxviii is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on pages 1 to 70 has been properly prepared in accordance with the Companies Act, 2015.

Basis for Conclusion

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

(Indicate actual name of the entity)

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

1. Statement of Profit/Loss & Other Comprehensive Income for year ended 30th June 2025.

Description	Note	July 2024-June 2025		July 2023-June 2024	
		Rwfs	Kshs	Rwfs	Kshs
Revenues					
Revenue from Sales	6	518,446,750	47,131,523	393,602,750	38,816,839
Cost of sales	7	333,713,934	31,745,770	314,864,220	31,051,698
Gross profit		184,732,816	15,385,753	78,738,530	7,765,141
Other income					
Grants from the national government	8				
Finance income	9				
Other income	10	2,848,454	258,950	37,500,000	3,698,225
Other gains/(losses)	11		1,408,139		
Total revenues		187,581,270	17,052,842	116,238,530	11,463,366
Operating expenses					
Administration costs	12	333,268,669	30,199,111	241,889,361	23,854,967
Selling and distribution costs	13	18,177,220	1,652,475	6,942,806	684,695
Finance costs	14	9,996,572	908,779	30,784,781	3,035,974
Total operating expenses		361,442,461	32,760,365	279,616,948	27,575,636
Profit/(loss) before taxation		(173,861,191)	(15,707,523)	(163,378,418)	(16,112,270)
Income tax expense/(credit)	16	0	0	0	0
Profit/(loss) after taxation		(173,861,191)	(15,707,523)	(163,378,418)	(16,112,270)
Earnings per share – basic and diluted	17				
Dividend per share	18				
Other comprehensive income					


(Indicate actual name of the entity)

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

Profit/ (loss) after taxation		(173,861,191)	(15,707,523)	(163,378,418)	(16,112,270)
Surplus or deficit on revaluation of PPE					
Re-measurement of net defined benefit liability					
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI					
Total comprehensive income for the year		(173,861,191)	(15,707,523)	(163,378,418)	(16,112,270)

The financial statements were approved by the Board on 08/10/ 2025 and signed on its behalf by:

Hon. Bernard Wambwa
Chairperson

Signature: 

Beatrice Mukandeze
Finance and Administration
Officer

Signature: 

Kate Lule
General Manager

Signature: 

2. Statement of Financial Position as at 30 June 2025

Description	Note	July 2024-June 2025		July 2023-June 2024	
		Rwf	Kshs	Rwf	Kshs
Assets					
Non-Current Assets					
Property, Plant And Equipment	19	12,340,005	1,121,819	27,420,846	2,704,225
Intangible Assets	20	786,739	71,522	0	0
Investment Property	21	-	-	-	-
Right- Of -Use Assets	22	-	-	-	-
Fixed Interest Investments	23	-	-	-	-
Quoted Investments	24	-	-	-	-
Unquoted Investments	25	-	-	-	-
Long Term Receivables	27	-	-	-	-
Total Non-Current Assets		13,126,743	1,193,340	27,420,846	2,704,225
Current Assets					
Inventories	26	255,789,836	23,253,621	182,632,386	18,011,083
Trade And Other Receivables	27(a)	1,160,502,512	105,500,228	1,193,692,599	117,721,164
Tax Recoverable	28	-	-	-	-
Short-Term Deposits	29	-	-	-	-
Bank And Cash Balances	30	18,798,047	1,708,913	71,865,548	7,087,332
Total Current Assets		1,435,090,395	130,462,763	1,448,190,533	142,819,579
Total Assets		1,448,217,138	131,656,103	1,475,611,379	145,523,805
Equity And Liabilities					
Capital And Reserves					
Ordinary Share Capital	31	35,000,000	4,375,000	35,000,000	3,451,677

Kenya Seed Company Rwanda Ltd

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Revaluation Reserve	32	-	-	-	-
Fair Value Adjustment Reserve	33	-	-	-	-
Retained Earnings	34	(1,300,494,014)	(119,419,911)	(443,655,284)	(43,752,987)
Capital And Reserves		(1,265,494,014)	(115,044,911)	(408,655,284)	(40,301,310)
Non-Current Liabilities					
Parent Co'Funds	35	2,361,505,267	214,682,297	1,495,688,078	147,503,755
Deferred Tax Liability	36	-	-	-	-
Lease Liability	37	-	-	-	-
Deferred Income	38	-	-	-	-
Total Non-Current Liabilities		2,361,505,267	214,682,297	1,495,688,078	147,503,755
Current Liabilities					
Borrowings	35	-	-	-	-
Trade And Other Payables	39	352,205,884	32,018,717	388,578,585	38,321,359
Retirement Benefit Obligations	40	-	-	-	-
Provisions	41	-	-	-	-
Dividends Payable	42	-	-	-	-
Total Current Liabilities		352,205,884	32,018,717	388,578,585	38,321,359
Total Equity And Liabilities		1,448,217,137	131,656,103	1,475,611,379	145,523,804

The financial statements were approved by the Board on 08/10/ 2025 and signed on its behalf by:

Hon. Bernard Wambwa
Chairperson

Beatrice Mukandeze
Finance and Administration
Officer

Kate Lule
General Manager

Signature:



Signature:



Signature:



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

Description	Ordinary share capital		Retained earnings		Total	
	Rwf	Kes	Rwf	Kes	Rwf	Kes
As at July 1, 2024 (Current FY)	35,000,000	3,451,677	(443,655,284)	(43,752,987)	(408,655,284)	(40,301,310)
Prior Year Adjustment		923,323	(682,977,539)	(59,861,361)	(682,977,539)	(58,938,037)
Profit/Loss for the year			(173,861,191)	(15,805,563)	(173,861,191)	(15,805,563)
At June 30, 2025 (Current FY)	35,000,000	4,375,000	(1,300,494,014)	(119,419,911)	(1,265,494,014)	(115,044,910)

The prior year adjustment amounting to Kes 59,861,3610 (Rwf 682,977,539) relates to corrections made to properly reflect transactions that were either understated or omitted in the previous financial year. The adjustment has been made in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, which requires prior period errors to be corrected retrospectively by restating the opening balances of the affected components of equity.

The main components of this adjustment are as follows:

1. Parent Fund Adjustment:
During the prior year, funding from the parent entity amounting to Kes 59,861,360 was under-recognized. This adjustment corrects that understatement to reflect the full amount of funds received.
2. Unrecorded Client Payments:
Payments received from Gakenke District and Kamonyi District amounting to Kes 1,261,160 were not recorded in the prior year. These amounts have now been recognized in the current period as prior year adjustments.
3. Foreign Exchange Difference:
An unrecognized foreign exchange gain of Kes 120,961 has been adjusted to reflect the accurate translation of foreign currency balances.
4. Unrecorded Income:
An amount of Kes 3,191 representing income earned in the prior year was not recognized. The adjustment ensures that this income is now properly reflected.

5. Unrecorded Payables:

Two invoices amounting to Kes 1,000,000 payable to the Office of the Auditor-General (Kenya) were not recorded in the prior year and have now been recognized.

These adjustments collectively resulted in a restatement of the **opening retained earnings balance as at 1 July 2024** to ensure accurate and fair presentation of the financial statements.

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

Description	Note	July 2024-June 2025		July 2023-June 2024	
		Rwf	Kshs	Rwf	Kshs
Net cash generated from/(used in) operating activities (Note 43)	43	636,563,945	57,869,450	(128,684,860)	(12,690,815)
Cash flows from investing activities					
PPE	19&20	(4,622,000)	(420,182)	-	-
Net cash generated from/(used in) investing activities		(4,622,000)	(420,182)	-	-
Cash flows from financing activities					
Grant from Mother company		-	-	37,500,000	3,698,225
Net Cash generated from/(used in) financing activities		(682,977,539)	(62,088,867)	-	-
Local tax and other charges		-	-	(6,774,418)	(668,089)
Fex Gain/Loss		(2,031,907)	(184,719)	(30,784,839)	(3,035,980)
Net cash generated from/(used in) financing activities		(685,009,446)	(62,273,586)	30,725,582	3,030,136
Increase/(decrease) in cash and cash equivalents		(53,067,501)	(4,824,318)	(97,959,278)	(9,660,678)
Cash and cash equivalents at beginning of year 1 st July		71,865,548	7,087,332	200,609,666	19,783,991
Effects of foreign exchanges rate fluctuations		-	(554,100)	-	-
Cash and cash equivalents at end of the year 30 th June	30	18,798,047	1,708,913	71,865,548	7,087,332

5. Statement of Comparison of Budget & Actual amounts for the period ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c = a + b	d	E= c - d	d/c%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Sale of goods	78,895,464	0	78,895,464	47,131,523	31,763,941	60%
Sale of services	0	0	0		0	0%
Transfers from the government	0	0	0		0	0%
Donations in kind	0	0	0		0	0%
Finance income	0	0	0		0	0%
Other Gain/Loss	0	0	258,950	258,950	0	100%
Total income	78,895,464	0	79,154,414	47,390,473	31,763,941	60%
Expenses						
Compensation of employees	11,428,460	0	11,428,460	10,261,191	1,167,269	90%
Use of goods and services		0	0		0	0%
Finance cost	157,000	0	157,000	0	157,000	0%
Rent paid	4,750,000	0	4,750,000	5,647,771	-897,771	119%
Taxation paid	0	0	0	0	0	0%
Other payments	11,946,911	0	11,946,911	15,470,302	-3,523,391	129%
Grants and subsidies paid	0	0	0	0	0	
Total expenditure	28,282,371	0	28,282,371	31,379,264	-3,096,893	111%
Surplus for the period			0		0	
Capital Expenditure	420,182	0	420,182	420,182	0	100%

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(Note: PFM Act section 81(2) ii and iv requires a National Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted. IFRS does not require entities complying with IFRS standards to prepare budgetary information because most of the entities that apply IFRS are private entities that do not make their budgets publicly available. However, for public sector entities, the PSASB has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IFRS compliant financial statements. Budget notes: Provide explanation of differences between actual and budgeted amounts (10% over/under) Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation).

6. Notes to the Financial Statements

1. General Information

Kenya Seed Company Rwanda is established by and derives its authority and accountability from Kenyan Companies Act. The entity is 99% owned by Kenya Seed Company Ltd and is domiciled in Rwanda. The entity's principal activity is Seed production, distribution and Sales of varietal seeds.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

2. Statement of Compliance and Basis of Preparation

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

Notes to the Financial Statements (Continued)

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

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

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

Kenya Seed Company Rwanda Ltd

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

(The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements)

Notes to the Financial Statements (Continued)

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

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

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.

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

iii. *Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

Notes to the Financial Statements (Continued)

4. Summary of Accounting Policies

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

a) Revenue recognition

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

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

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

b) In-kind contributions

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

c) Property, plant and equipment

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

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

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

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

d) Depreciation and impairment of property, plant and equipment

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

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

Freehold Land	Nil
Buildings and civil	5 years or the unexpired lease period
Plant and machinery	5 years
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	5 years

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

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

e) Intangible assets

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

f) Amortisation and impairment of intangible assets

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

g) Investment property

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

h) Right of Use Asset

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

i) Fixed interest investments (bonds)

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

j) Quoted investments

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

k) Unquoted investments

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

l) Inventories

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

m) Trade and other receivables

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

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

n) Taxation

i) Current income tax

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

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

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

o) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

p) Borrowing costs

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

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various Commercial Banks at the end of the reporting period. For the purposes of these financial statements, cash and cash

equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Borrowings

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

s) Trade and other payables

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

t) Retirement benefit obligations

The entity operates a defined contribution scheme for all full-time employees from July 1, 2022. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory Rwanda Social Security Board (RSSB). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.55,170 per month.

u) Provision for staff leave pay

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

v) Exchange rate differences

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

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

w) Budget information

The original budget for FY 2024/25 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

x) Service concession arrangements

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

y) Comparative figures

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

z) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made: e.g.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity

- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the assets

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

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

(NB: An entity is required to disclose its material accounting policies following amendment of IAS 1 where an entity is supposed to disclose its material accounting policies instead of significant accounting policies.)

Notes to the Financial Statements (Continues)

6. Revenue from sales

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Sales of Goods	518,446,750	47,131,523	393,602,750	38,816,839
Total	518,446,750	47,131,523	393,602,750	38,816,839

During the period the company achieved a turnover of KES 47,131,523 This was achievement largely contributed by the sale of locally produced Maize that was a carryover from Last FY being at 44%, pasture contributed 6% and Vegetable seeds & Chemicals contributed 50% of the revenue.

Additionally, we realized an increase of KES 8,314,684 from what was generated previous year that was initially a decrease of 32% from 2023/2024 FY.

7. Cost of Sales

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Opening stock	182,632,386	18,011,083	208,603,076	20,572,296
Purchases	406,871,383	39,988,308	288,893,530	28,490,486
Closing stock	(255,789,835)	(23,253,621)	(182,632,386)	(18,011,083)
Cost of sales on goods	333,713,934	31,745,770	314,864,220	31,051,698
Cost of sales on services			-	-
Total	333,713,934	31,745,770	314,864,220	31,051,698

The cost of sales for the period stood at KES 31,745,770, this was a decrease of KES 694,072 from KES 31,051,698 in the same period last year.

Cost of sales/production herein includes the following costs;

1. Purchase price of seed including carriage in (Freight, transport and clearing costs) to our stores,
2. Local Seed production of 400ha against 100ha that was produced last FY, alongside production of wheat where we managed to produce 26,700Kgs locally against Nil production last year and it's to be sold in the next FY, to add on Processing costs including labour, seed coating and Packaging costs.

8. Grants from National Government

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Recurrent grants received	0	0
Capital grants realized (see note below)	0	0
In kind contributions/ donations	0	0
Total	0	0

(Note: For capital/development grants the amount recognized in the statement of comprehensive income should be the depreciation/amortisation equivalents for assets that have been acquired using such capital/development grant as per IAS 20).

Notes to the Financial Statements (Continued)

[Provide a detailed analysis of grants received from the Government in the table below:]

Name of the Entity sending the grant	Amount recognized in the Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Insert Current FY Kshs	Insert Comparative FY Kshs
Ministry/State Department	0	0	0	0	0
Xxx Ministry	0	0	0	0	0
Total	0	0	0	0	0

9. Finance Income

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Interest income from treasury bonds	0	0
Interest income from treasury bills	0	0
Interest from receivables	0	0
Interest from commercial banks and financial institutions	0	0
Interest on staff loans	0	0
Dividends	0	0
Total	0	0

Notes to the Financial Statements (Continued)

10. Other Income

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Sale Of Tender Documents	0	0	0	0
Fines And Penalties	0	0	0	0
Cash Donations	0	0	37,500,000	3,698,225
In Kind Donations	0	0	0	0
Insurance Compensation	0	0	0	0
Rental Income	0	0	0	0
Other Miscellaneous Receipts	0	0	0	0
Total	0	0	37,500,000	3,698,225

11. Other Gains and Losses

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Foreign exchange gains / (losses)	1,408,139	0
Loss/gain on disposal on sale of investments	0	0
Gain on sale of fixed assets	258,950	0
Fair value gain or losses on revaluation of investment property	0	0
Revaluation losses on inventory	0	0
Unrealized foreign exchange gains/(losses)	0	0
Total	1,667,089	0

This is gain on foreign exchange rate amounting Kes 1,408,136 and gain on disposal from selling the car amounting Kes 258,950.

Notes to the Financial Statements (Continued)

12. Administration Costs

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Staff costs (note (12a))	112,873,101	10,261,191	78,472,684	7,738,923
Directors' emoluments	30,524,867	2,774,988	14,861,216	1,465,603
Electricity and water	732,000	66,545	470,000	46,351
Communication services, internet and supplies	4,130,655	375,514	3,250,912	320,603
Transportation, travelling and subsistence	20,866,113	1,896,919	18,499,763	1,824,434
Advertising, printing, stationery and photocopying	4,916,024	446,911	3,150,437	310,694
Rent expenses	62,125,479	5,647,771	54,214,483	5,346,596
Staff training expenses	5,175,853	470,532	3,020,000	297,830
Hospitality supplies and services	6,206,109	564,192	3,787,946	373,565
Insurance costs	2,329,434	211,767	0	0
Charges and commissions	3,407,909	309,810	1,020,642	100,655
Office and general supplies and services	7,887,816	717,074	5,707,051	562,826
Consultancy fees	13,763,954	1,251,269	16,671,394	1,644,122
Auditors' remuneration	5,500,000	500,000	-	-
Licenses and permits	2,155,853	195,987	1,194,710	117,821
Repairs and maintenance	8,622,529	783,866	6,515,658	642,570
Depreciation	18,099,557	1,645,414	9,088,301	896,282
Other Operating Expenses	23,951,416	2,177,401	21,964,164	2,166,091
Total	333,268,669	30,297,152	241,889,361	23,854,967

Major vote heads in this classification includes salaries, office and warehousing Rent, office stationery, travelling and Directors emoluments. The company incurred a total of KES 30,199,111.

Notes to the Financial Statements (Continued)

12(a) Staff Costs

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Salaries and allowances of permanent employees	95,014,590	8,637,690	68,034,243	6,709,491
Wages of temporary employees	5,331,706	484,701	3,020,000	297,830
Employer's contributions to national social security schemes	248,359	22,578	205,500	20,266
Employer's contributions to pension scheme	6,072,337	552,031	3,424,995	337,771
Staff welfare	6,206,109	564,192	3,787,946	373,565
Total	112,873,101	10,261,191	78,472,684	7,738,924
The average number of employees at the end of the year was:				
Permanent employees – management	4	4	3	3
Permanent employees – unionisable	6	6	5	5
Temporary and contracted employees	1	1	4	4
Total	11	11	12	12

Under this category the company incurred Kes 10,261,191

13. Selling and Distribution Costs

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Salaries and wages of Sales personnel/Field allowance	8,292,914	753,901	3,747,500	369,576
Marketing and Promotional expenses	6,695,944	608,722	1,906,706	188,038
Other Selling and Distribution costs	3,188,362	289,851	1,288,600	127,081
Total	18,177,220	1,652,475	6,942,806	684,695

Under this category we have Field allowances for Seed Production staff that were overseeing the 1000Acres of Maize and 100Acres of wheat, the Mulindi National Show, delivery of seed to agro-dealers, fuel, licenses, field allowances and subscription costs that amounted to KES 1,652,475 representing 5% of the total expenses.

14. Finance Costs

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Interest expense on loans	0	0
Interest expense on Bank overdrafts	0	0
Interest on Lease liabilities	0	0
FEX(Loss)	908,779	3,035,974
Total	0	3,035,974

15. Operating Profit/ (Loss)

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
The operating profit/(loss) is arrived at after charging/(crediting):				
Staff Costs (Note 9(a))	112,873,101	10,261,191	78,472,684	7,738,924
Depreciation of property, plant and equipment	7,024,540	638,595	9,088,301	896,282
Directors' emoluments – fees	30,524,867	2,774,988	14,861,216	1,465,603
Net foreign exchange loss	9,996,572	908,779	30,784,781	3,035,974

Net loss for the period under review amounted to KES (15,707,523) which is Lower than what was earned same period last year of KES (16,112,270).

Notes to the Financial Statements (Continued)

16. Income Tax Expense/(Credit)

(a) Income tax charge/ credit

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Current taxation based on the adjusted Profit for the year at 30%	-	-	-	-
Current tax: Prior Year Under/(Over) provision	-	-	-	-
Current year deferred tax charge	-	-	-	-
Prior Year Under-provision for deferred tax	-	-	-	-
Total	-	-	-	-

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

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Profit before taxation	(173,861,191)	(15,707,523)	(163,378,418)	(16,112,270)
Tax at the applicable tax rate of 30%	-	-	-	-
Prior Year Under-Provision	-	-	-	-
Tax effects of expenses not deductible for tax purposes	-	-	-	-
Tax effects of income not taxable	-	-	-	-
Tax effects of excess capital allowances over Depreciation/Amortization	-	-	-	-
Deferred tax Prior Year Over-Provision	-	-	-	-
Total	(173,861,191)	(15,707,523)	(163,378,418)	(16,112,270)

Corporate Income Tax is now fixed at 30%, but the company is not subject to CIT payment as it has to recover its loss deriving from the past within a period of five (5) years according to the Tax law applicable in Rwanda.

Notes to the Financial Statements (Continued)

17. Earnings Per Share

The earnings per share is calculated by dividing the profit after tax of Kshs. XXX (xx/xx): Kshs. XXX) by the average number of ordinary shares in issue during the year of XXX (xx/xx): XXX). There were not dilutive or potentially dilutive ordinary share as at the reporting date.

18. Dividend per Share

Proposed dividends are accounted for as a separate component of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). At the AGM to be held before the end of xx, a final dividend in respect of the year ended June 30, 2025 of Kshs.0 (20xx: Kshs. 0) for every ordinary share of par value of KShs. 0 is to be proposed. An interim dividend of Kshs. 0 (20xx: Kshs. 0) for every ordinary share of par value of KShs. 0 was declared and paid during the year. This will bring the total dividend for the year to KShs. 0 (20xx: KShs. 0).

Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

	Furniture & Equipment		Motor Vehicles		Computers		Total KSHS	Total RWFs
	RWFs	KSHS	RWFs	KSHS	RWFs	KSHS		
COST OR VALUATION								
At 1 July 2024	6,360,000	578,181.82	70,500,000	6,409,090.91	4,621,404	420,128	7,407,400	81,481,404
Additions	1,900,000	172,727.27	-	-	1,617,000	147,000.00	319,727	3,517,000
Transfer intangible asset	-	-	-	-	(450,000)	(40,909)	(40,909)	(450,000)
Disposals			(14,500,000)	(1,318,182)		-	(1,318,182)	(14,500,000)
At 30 June 2025	8,260,000	750,909	56,000,000	5,090,909	5,788,404	526,219	6,368,037	70,048,404
ACCUMULATED DEPRECIATION								-
At 1 July 2024	4,166,110	378,737.27	46,058,454	4,187,132.18	3,835,994	348,727	4,914,596	54,060,558
Prior year adjustment	1,316	119.64	816,546	74,231.45	539,662	49,060	123,411	1,357,524
Charge for the year	1,650,684	150,062.18	14,000,000	1,272,727.27	1,389,608	126,328	1,549,117	17,040,292
Eliminated on disposal	-	-	(14,500,000)	(1,318,181.82)	-	-	(1,318,182)	(14,500,000)
Depreciation Transfer from class to class	-	-	-	-	(249,975)	(22,725)	(22,725)	(249,975)
At 30 June 2025	5,818,110	528,919	46,375,000	4,215,909	5,515,289	501,390	5,246,218	57,708,399
NBV 30 June 2025	2,441,890	221,990	9,625,000	875,000	273,115	24,829	1,121,819	12,340,005

Notes To The Financial Statements (Continued)

Valuation

Land and buildings were valued by xxx independent valuer on xxx-on-xxx basis of valuation. These amounts were adopted on xxx.

Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	0	0	0
Plant And Machinery	0	0	0
Motor Vehicles, Including Motorcycles	5,090,909	4,215,909	875,000
Computers And Related Equipment	526,219	501,390	24,829
Office Equipment, Furniture, And Fittings	750,909	528,919	221,990
	6,368,037	5,246,218	1,121,819

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

Description	Cost Valuation	Normal Annual Depreciation charge
	Kshs	Kshs
Plant And Machinery	0	0
Motor Vehicles, Including Motor Cycles	0	0
Computers And Related Equipment	0	0
Office Equipment, Furniture And Fittings	0	0
Total	0	0

Notes To The Financial Statements (Continued)

20. Intangible Assets

Description	<i>July 2024-June 2025</i>	<i>July 2023-June 2024</i>
	Kshs	Kshs
Cost		
At July 1	40,909	40,909
Additions	100,455	0
Disposals	0	0
At June 30	141,364	40,909
Amortization		
At July 1	22,725	13,635
Prior Year Adjustment	617	-
Charge For The Year	46,500	9,090
Disposals	-	-
Impairment Loss		
At June 30	69,872	22,725
Net Book Value	71,522	18,184
At June 30	71,522	18,184

These are the Software (Farm easy and ERP)

21. Investment Property

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Opening Valuation	0	0
Movements During The Year		
Additions	0	0
Disposals	(0)	(0)
Fair Value Gains/(Losses)	0	0
Closing Valuation	0	0
Depreciation (If At Cost)		
At July 1	0	0
Charge For The Year	0	0
Disposals	(0)	(0)
Impairment Loss	(0)	(0)
At June 30	0	0
Net Book Value	0	0

At June 30	0	0
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(Provide details of the property, date last valued, the value and method of valuation as per IAS 40. Where investment property is carried at cost, depreciation will be shown, however, no depreciation is provided for when the asset is carried at fair value).

Notes to the financial statements (continued)

22. Right-of-use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024	0	0	0	0
Additions	0	0	0	0
As At 30 June 2025	0	0	0	0
Additions	0	0	0	0
As At 30 June 2025	0	0	0	0
	0	0	0	0
Accumulated Depreciation	0	0	0	0
As At 1 July 2024	0	0	0	0
Charge For The Year	0	0	0	0
As At 30 June 2025	0	0	0	0
Charge For The Year	0	0	0	0
As At 30 June 2025	0	0	0	0
	0	0	0	0
Carrying Amount	0	0	0	0
As At 30 June 2025	0	0	0	0
As At 30 June 2025	0	0	0	0

(Where the entity holds leased land, it should be included here)

Notes To The Financial Statements (Continued)

23. Fixed Interest Investments

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Central Bank of Kenya 12.5% 15-Year Infrastructure Bond	0	0
XXX Corporate Bond (Give Details)	0	0
XXX Corporate Bond (Give Details)	0	0
Total	0	0

[The movement in investment during the year is as follows:]

Details	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Balance at 1 July 2024	0	0
Additions during the year	0	0
Interest accrued during the year	0	0
Investment maturities during the year	0	0
Fair value gain or (loss) -if measured at FVOCI/FVTPL	0	0
Balance at 30 June 2025	0	0

(state whether these investments are carried at amortized cost or at FVTOCI or at FVTPL). Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

24. Quoted Investments

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
B/f Valuation	0	0
Movements during the year		
Additions	0	0
Disposals	(0)	(0)
Fair value gains/(losses) (FVTPL)	0	0
C/f Valuation	0	0

[Provide short appropriate explanations as necessary, including make-up of the investments in the table below] Disclose also the amount of dividends received with respect to quoted investments and the valuation methodology).

Notes to the Financial Statements (Continued)

Name of entity where investment is held	No of shares					
	Direct shareholding	Indirect shareholding	Effective shareholding	Nominal value of shares/purchase price	Fair value of shares Current year	Fair value of shares for prior year
	No	No	No	No	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

25. Unquoted Investments

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Cost		
At July 1	0	0
Additions	0	0
Disposals	(0)	(0)
Fair value gains/(losses)	0	0
At June 30	0	0

*[Provide short appropriate explanations as necessary, including make-up under the table below].
Disclose any dividends received with respect to unquoted investments and the valuation methodology.*

Notes To The Financial Statements (Continued)

26. Inventories

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Raw materials				
Goods in transit				
Finished goods	255,789,835	23,253,621	182,632,386	18,011,083
Work in Progress				
Less: Impairment of Stocks				
Total	255,789,835	23,253,621	182,632,386	18,011,083

This comprises of seeds held seed amounted to KES 23,253,621 compared to the previous period of KES 18,011,083 an increase by KES 5,242,538.

26 b) Consumables

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Engineering stores	0	0
Fuel, oil and lubricants	0	0
Motor vehicle spare parts	0	0
Stationery and general stores	0	0
Less: Impairment of Stocks	(0)	(0)
Total	0	0

(Entity to pick the relevant note 26 for manufacturing entities or 26 b where the stocks are just for consumption)

Reconciliation of Impairment Allowance for Inventories

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	(0)	(0)
Written off during the year	(0)	(0)
At the end of the year	0	0

27. Trade and Other Receivables

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Trade Receivables (Note 27 (a))	1,090,003,174	99,091,198	1,104,360,246	108,911,266
Other receivables	70,499,338	6,409,031	89,332,363	8,809,898
Gross Trade and Other Receivables	1,160,502,512	105,500,228	1,193,692,609	117,721,164
Provision for Bad And Doubtful Receivable				
Net Trade and Other Receivables	1,160,502,512	105,500,228	1,193,692,609	117,721,164

Trade and other receivables amounted to KES 105,500,228 compared to KES 117,721,164 at the beginning of the year, and this decrease of KES 12,220,936 due to the payment and adjustment made.

27 (a) Trade Receivables

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Gross Trade Receivables	1,160,502,512	105,500,228	1,104,360,246	108,911,266
Provision for Doubtful Receivables				
Net Trade Receivables	1,160,502,512	105,500,228	1,104,360,246	108,911,266

Aging analysis of Trade Receivables

Less than 30 Days				
Between 30 and 60 Days				
Between 61 and 90 Days				
Between 91 and 120 Days				
Over 120 Days	1,160,502,512	105,500,228	1,104,360,246	108,911,266
Total	1,160,502,512	105,500,228	1,104,360,246	108,911,266

Notes to the Financial Statements (Continued)

27 (b) Reconciliation of Impairment Allowance for Trade Receivables

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	(0)	(0)
Written off during the year	(0)	(0)
At the end of the year	0	0

27 (c) Staff Receivables

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Gross staff loans and advances	0	0
Provision for impairment loss	(0)	(0)
Net staff loans	0	0
Less: Amounts due within one year	(0)	(0)
Amounts due after one year	0	0

[Provide short appropriate explanations as necessary]

27 (d) Reconciliation of Impairment Allowance for Staff Receivables

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	(0)	(0)
Written off during the year	(0)	(0)
At the end of the year	0	0

Notes To The Financial Statements (Continued)

28. Tax Recoverable

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
At beginning of the year	0	0
Income tax charge for the year (Note 16)	0	0
Under/(Over) Provision in prior year (Note 16)	0	0
Income tax paid during the year	(0)	(0)
At end of the year	0	0

[Provide short appropriate explanations as necessary]

29. Short Term Deposits

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Other Commercial Banks		
Cooperative Bank Of Kenya	0	0
Kenya Commercial Bank	0	0
Barclays Bank Of Kenya	0	0
Others (Specify)	0	0
Total	0	0

30. Bank and Cash Balances

Description	July 2024-June 2025		July 2023-June 2024	
	Rwf	Kshs	Rwf	Kshs
Cash at bank	18,791,006	1,708,273	69,899,848	6,893,476
Cash in hand	7,041	640	1,965,700	193,856
Total	18,798,047	1,708,913	71,865,548	7,087,332

Cash and cash equivalent as at 30 June 2025, was KES 1,708,913. This is a decrease from the amount of KES 7,087,332 at the beginning of the year due to cash paid to the suppliers of local seed produced for both Maize and Wheat.

Notes To The Financial Statements (Continued)

Detailed analysis of the cash and cash equivalents

Description	Account number	July 2024-June 2025		July 2023-June 2024	
		Rwf	Kshs	Rwf	Kshs
a) Current Account					
Other Commercial banks/BPR former KCB	4400617351	18,791,006	1,708,273	69,899,848	6,893,476
Sub- Total		18,791,006	1,708,273	69,899,848	6,893,476
b) On - Call Deposits					
Other Commercial banks					
Sub- Total					
c) Fixed Deposits Account					
Other Commercial banks					
Sub- Total					
d) Others (Specify)					
Cash in transit					
Cash in hand		7041	640	1,965,700	193,856
Mobile money account					
Sub- Total		7041	640	1,965,700	193,856
Grand Total		18,798,047	1,708,913	71,865,548	7,087,332

31. Ordinary Share Capital

Description	July 2024-June 2025		July 2023-June 2024	
	Rwf	Kshs	Rwf	Kshs
Authorized:				
Ordinary Shares of Kshs par value each	35,000,000	4,375,000	35,000,000	3,451,677
Issued and Fully paid:				
Ordinary Shares of Kshs par value each	35,000,000	4,375,000	35,000,000	3,451,677

These are 50,000 shares on Rwf7,000 per share

Notes To The Financial Statements (Continued)

32. Revaluation Reserve

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

33. Fair Value Adjustment Reserve

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

34. Retained Earnings

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

Notes to the Financial Statements (Continued)

35. Borrowings

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year	0	0
External borrowings during the year	0	0
Repayments of during the year	(0)	(0)
Balance at end of the year	0	0
b) Domestic borrowings		
Balance at beginning of the year	0	0
Domestic borrowings during the year	0	0
Repayments during the year	(0)	(0)
Balance at end of the year	0	0
Balance at end of the period- domestic and external borrowings c = a+b	0	0

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

Description	July 2024-June 2025	July 2023-June 2024
	KShs	KShs
External borrowings		
Dollar denominated loan from 'x organisation'	0	0
Sterling pound denominated loan from 'y organisation'	0	0
Euro denominated loan from Z organisation'	0	0
Domestic borrowings	0	0
Kenya shilling loan from KCB	0	0
Kenya shilling loan from Barclays bank	0	0
Kenya shilling loan from Consolidated bank	0	0
Total balance at end of the year	0	0

Notes to the Financial Statements (Continued)

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Short term borrowings (Current Portion)	0	0
Long term borrowings	0	0
Total	0	0

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

36. Deferred Tax Liability

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

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Accelerated capital allowances	0	0
Unrealised exchange gains/(Losses)	0	0
Revaluation surplus	0	0
Tax losses carried forward	(0)	(0)
Provisions for liabilities and charges	(0)	(0)
Net deferred tax liability	0	0

The movement on the deferred tax account is as follows:

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Balance at beginning of the year	0	0
Credit to revaluation reserve	(0)	(0)
Under Provision in Prior Year	0	0
Income Statement Charge/(Credit)	0	0
Balance at end of the year	0	0

Notes to the Financial Statements (Continued)

37. Lease Liability

Description	July 2024-June 2025	July 2023-June 2024
	KShs	KShs
At the start of the year	0	0
Discount interest on Lease Liability	0	0
Paid during the year	(0)	(0)
At end of the year	0	0

Details	July 2024-June 2025	July 2023-June 2024
Maturity Analysis	Kshs	Kshs
Year 1	0	0
Year 2	0	0
Year 3	0	0
Year 4	0	0
Year 5	0	0
On Wards	0	0
	0	0
Less: Unearned Interest	(0)	(0)
	<u>0</u>	<u>0</u>
Analysed As:		
Non-Current	0	0
Current	0	0

38. Deferred Income

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
National Government	0	0
International Funders	0	0
Public Contributions and Donations	0	0
Other (specify)	0	0
Total Deferred Income	0	0

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

Description	National government	International funders	Public contributions and donations	Others (specify)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0	0	0	0	0
Additions	0	0	0	0	0
Transfers To Capital Fund	(0)	(0)	(0)	(0)	(0)
Transfers To Income Statement	(0)	(0)	(0)	(0)	(0)
Other Transfers	(0)	(0)	(0)	(0)	(0)
Balance Carried Forward	0	0	0	0	0

39. Trade and Other Payables

Description	July 2024-June 2025		July 2023-June 2024	
	Rwfs	Kshs	Rwfs	Kshs
Trade payables & other payables	331,361,217	30,123,747	368,766,452	36,367,500
Accrued expenses				
Retention/ Contract monies				
Deposits				
Employee payables				
Other payables	20,844,667	1,894,969	19,812,133	1,953,859
Total	352,205,884	32,018,717	388,578,585	38,321,359

Aging Analysis for Trade and other Payables]

	July 2024-June 2025	% of the total	July 2023-June 2024	% of the total
	Kshs		Kshs	
Under one year	32,018,717	100%	38,321,359	100%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total	32,018,717	100%	38,321,359	100%

39.(b) Parent Co'FUNDS

NAME	AMOUNT/Frw	AMOUNT/KSH
Sundry	2,154,589,712	195,871,792
Investment	48,125,000	4,375,000
Trade Payables	158,790,555	14,435,505
GRAND TOTAL	2,361,505,267	214,682,297

Notes to the Financial Statements (Continued)

40. Retirement Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	0	0	0	0	0
Non-current benefit obligation	0	0	0	0	0
Total employee benefits obligation	0	0	0	0	0

Retirement benefit Asset/ Liability

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

An actuarial valuation to fulfil the financial reporting disclosure requirements of IAS 19 was carried out as at xxx June xxx by 2x actuarial valuers. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	July 2024-June 2025	July 2023-June 2024
Discount rates	0%	0%
Future salary increases	0%	0%
Future pension increases	0%	0%
Mortality (Pre- retirement)	0%	0%
Mortality (Post- retirement)	0%	0%
Withdrawals	0	0
Ill Health	0	0
Retirement	0 years	0 years

Notes to the Financial Statements (Continued)**Recognition of Retirement Benefit Asset/ Liability**

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

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
The Return On Defined Plan assets	0	0
Actuarial Gains/ Losses arising from changes in demographic assumptions	0	0
Actuarial Gains/ Losses arising from changes in financial assumptions	0	0
Actuarial Gains and Losses arising from experience adjustments	0	0
Others (<i>Specify</i>)	0	0
Adjustments for restrictions on the Defined Benefit asset	0	0
Re-measurement of the Net Defined Benefit Liability (Asset)	0	0

b) Amounts recognised in the Statement of Financial Position

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Present value of Defined Benefit Obligations(A)	0	0
Fair Value of Plan Assets(B)	(0)	(0)
Funded Status(=A-B)	0	0
Restrictions on Asset recognized	0	0
Others	0	0
Net Asset or Liability arising from Defined Benefit Obligation	0	0

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute 6% while employers contribute 8% of gross salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

41. Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	0	0	0	0	0
Additional provisions	0	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)	(0)
Change due to discount and time value for money	0	0	0	0	0
Less: current portion	(0)	(0)	(0)	(0)	(0)
Balance at the end of the year	0	0	0	0	0

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

42. Dividends Payable

The balance of dividends payable relates to unclaimed dividends, payable to different shareholders.

The balances are analysed in annual amount below.

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
At the beginning of the year	0	0
Additional declared during the year	0	0
Paid during the year	(0)	(0)
Balance at end of the year	0	0
Ageing analysis:		
Under one year	0	0
1-2 years	0	0
2-3 years	0	0
Over 3 years	0	0
Total	0	0

(Dividends payable to ordinary shareholder's amounts to Ksh.xxx, while dividends payable to preference shareholder's amounts to Ksh xxx).

Notes to the Financial Statements (Continued)

43. Notes to the Statement of Cash Flows

Description	July 2024-June 2025		July 2023-June 2024	
	Rwf	Kshs	Rwf	Kshs
Cash flows from operating activities	(173,861,191)	(15,805,563)	(163,378,418)	(16,112,270)
Add back Depreciation	18,099,557	1,645,414	9,088,301	896,282
(Gain)/Loss on disposal of Property, Plant And Equipment	2,848,454	258,950		
Cash generated from/(used in) operations				
(Increase)/Decrease in Inventories	(73,157,450)	(6,650,677)	25,970,692	2,561,212
(Increase)/Decrease in Trade and Other Receivables	33,190,087	3,017,281	(40,623,133)	(4,006,226)
Increase/(Decrease) in Trade and Other Payables	829,444,488	75,404,044	90,822,634	8,956,867
Increase/Decrease of parent fund			(50,564,936)	(4,986,680)
Net cash generated from/(used in) operating activities	636,563,945	57,869,450	(128,684,860)	(12,690,815)

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
(b) Analysis of interest paid		
Interest on Loans	0	0
Interest on Bank Overdraft	0	0
Interest on Lease Liabilities	0	0
Interest on Loans Capitalised	0	0
Balance at Beginning of the year	0	0
Balance at end of the year (Note 35(B))	(0)	(0)
Interest paid	0	0
(c) Analysis of Dividend paid	0	0
	0	0
Balance at beginning of the year	0	0
20xx Dividends paid	0	0
20xx Dividends paid	0	0
20xx Interim Dividends paid	0	0
Balance at end of the year	(0)	(0)
Dividend paid	0	0

44. Related Party Disclosures

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding xx% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *entity*, both domestic and external.

Other related parties include:

- i) The Parent Ministry
- ii) County Government of xxx
- iii) Xxx;
- iv) Xxx;
- v) Key management

vi) Board of directors

Notes to the Financial Statements (Continued)

Transactions with related parties

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Interest income from govt commercial banks	0	0
Interest income from bills and bonds	0	0
Others (<i>specify</i>)	0	0
Total	0	0
b) Purchases from related parties	0	0
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. Agencies	0	0
Bank charges paid to govt commercial banks	0	0
Interest expense to investments by other govt. Entities	0	0
Others (<i>specify</i>)	0	0
Total		
c) Grants from the government	0	0
Grants from national govt	0	0
Grants from county government	0	0
Donations in kind	0	0
Total	0	0
d) Expenses incurred on behalf of related party	0	0
Payments of salaries and wages for xxx employees	0	0
Payments for goods and services for xxx	0	0
Total	0	0
	0	0
e) Key management compensation	0	0
Directors' emoluments	0	0
Compensation to key management	0	0
Total	0	0

45. Capital Commitments

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

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Amounts authorized and Contracted for	0	0
Amounts authorizes but Not Contracted for	0	0
Less: Amounts included in Work In Progress	(0)	(0)
	0	0

46. Contingent Assets and Liabilities**Contingent Assets**

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	0	0
Assets arising from determination of court cases	0	0
Reimbursable indemnities and guarantees	0	0
Receivables from other government entities	0	0
Others (<i>specify</i>)	0	0
Total	0	0

(Give details)

Contingent Liabilities

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Contingent Liabilities	0	0
Court case Xxx against (<i>The Entity</i>)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from contracts including PPPs	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

(In the opinion of the directors, no provision is required in these financial statements as the liabilities are not expected to crystallize).

Notes To The Financial Statements (Continued)

47. Financial Risk Management

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

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Notes to the Financial Statements (Continued)

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2025	0	0	0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position).

Credit Risk (Continued)

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

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

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2025	0	0	0	0
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

Notes To The Financial Statements (Continued)**(iii) Market risk**

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

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

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

a) Foreign currency risk

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

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial assets			
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Financial liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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

Description	In Kshs	Other Currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets			
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Financial Liabilities	0	0	0
Trade and Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Notes to The Financial Statements (Continued)

b) Foreign currency sensitivity analysis

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

Details	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%		
USD	10%		
20xx			
Euro	10%		
USD	10%		

c) Interest rate risk

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

i) Management of interest rate risk

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

Notes To The Financial Statements (Continued)

ii) Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – KShs xxx)

iii) Fair value of financial assets and liabilities

a) *Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *entity's* market assumptions.

These two types of inputs have created the following fair value hierarchy:

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

Notes to the Financial Statements (Continued)

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

At 30 June 2025	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
Financial assets				
Quoted equity investments	0	0	0	0
Non- financial assets				
Investment property	0	0	0	0
Land and buildings	0	0	0	0
	0	0	0	0
At 30 June 2025				
Financial assets				
Quoted equity investments	0	0	0	0
Non- financial assets				
Investment property	0	0	0	0
Land and buildings	0	0	0	0
	0	0	0	0

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

Financial instruments not measured at fair value

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

Notes To The Financial Statements (Continued)

iv) Capital Risk Management

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

Description	July 2024-June 2025	July 2023-June 2024
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash and Bank balances	(0)	(0)
Net Debt/(Excess Cash and Cash Equivalents)	0	0
Gearing	0%	0%

48. Incorporation

Kenya Seed Company Rwanda is incorporated in Kenya under *the Kenyan Companies Act* and is domiciled in Kenya.

49. Events after the Reporting Period

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

7. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.Report on the financial statements	Material Uncertainty related to going Concern	<p>We increased our revenue from Ksh 38.8M last FY 2023/24 to Ksh 47M in the current FY 2024/25, in the midst of challenges from pests and diseases in the field.</p> <p>We target a revenue of not less than Ksh 100M in the FY 2025/26 with the necessary measures being put in place including additional seed production and sale of vegetables to ensure the same is achieved.</p>	Partly resolved	30 th June 2026
	Long outstanding Trade receivables	Two districts were in a position to make payment during the financial year with the necessary follow-ups and engagements still ongoing with stakeholders & progressive reports availed.	Partly resolved	30 th June 2026.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
2.Report on the effectiveness of internal controls, risk management and Governance	Lack of data protection policy	What we achieved during the FY was setting up an ICT support section, we had SLA's with Data consultancy firms and ICT Policy.	Partly resolved	30 th June 2026.

Guidance Notes:

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



Kate Lule

General Manager

Date