



SEED CO TANZANIA LIMITED

BUSINESS PROJECT PROPOSAL

**SUBSIDIARY OF SEED CO INTERNATIONAL
BOTSWANA LIMITED**

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1. COMPANY PROFILE.

Name of Business:	Seed Co Tanzania Limited
Issued Share Capital:	T.Shs 100 000
Authorised Share Capital	T.Shs 1 000 000
Registered Address:	Adept Chambers, Peugeot House Floor 1 36 Ali Hassan Mwinyi Rd P.O.Box 79651 Dar es Salaam
Registration Number:	71476
Year of Registration:	2009
Vat Registration Certificate:	TBA
Postal Address:	Adept Chambers, Peugeot House Floor 1 36 Ali Hassan Mwinyi Rd P.O.Box 79651 Dar es Salaam
Phone Numbers:	+255 763 815 470, +263 4 851962, +263 912 414 874
Telefax	+255 22 2121 625, or +263 4 882485

2. DIRECTORS:

- 1) Mr Patrick St Leger Devenish
- 2) Mr J Matorofa
- 3) Mr R F Jarvis
- 4) Mr Dave Lindsay Clements

Proposed Shareholding structure:-

A 100% Seed Co International Botswana

3.0 VISION:

- To dominate the seed business in East Africa

3.1 MISSION STATEMENT:

- To be the leading supplier of World Class Crop Seeds in Africa

4. EXECUTIVE SUMMARY:

Seed Co Tanzania Limited wants to be a major player in the development of agriculture in Tanzania by providing farmers with quality hybrid seeds which will significantly improve their yields thus contributing towards food security and better living standard of the people. Agriculture is the back

bone of Tanzania contributing 26% of Gross Domestic Product (GDP) as well as accounting for 85% of the country's exports.

With Head Office based in Arusha, Seed Co will produce and process seed locally, market and distribute it through designated stockists. Local production of 600T will be done in year one increasing the local production to meet demand as soon as possible in the south and north of the country. As local production increases this would save foreign currency demand for the country as seed imports will be significantly reduced. Currently all the seed being sold to farmers is produced outside the country and imported into Tanzania. Estimated annual foreign currency savings from increased local production is \$3.5 million.

One processing plant will be based in the north (Arusha) and the other in south (Iringa) to process and pack the local production. The shortfall from local production will be filled by imports until local production is able to meet demand.

This project will lead to transfer of skills as our expertise will train and impart knowledge to the locals in areas such as research and development, production of hybrid seeds, training of government agriculture extension officers and stockists on general agronomy and hybrids products and training of local staff in the processing plant and general administration and finance.

The project will lead to the employment creation as production and processing capacity increases the business would require both annual contract employees (estimated at 250 to 300 employees) and permanent staff of plus or minus 20.

Capital investment of US\$2.5 million will be injected into the country by way of seed processing plant and equipment in addition to motor vehicles and furniture and office equipment.

Seed Co had been developing the market for the past seven years by providing Tanzanian farmers with quality maize hybrid seeds and currently has an estimated hybrid seed maize market share of 40% in Tanzania even without our physical presence. Tanzania will also be used as a springboard to enter the Rwanda market where we currently have 90% market share and this should generate foreign currency for Tanzania.

5 MARKETING STRATEGIES:

5.1 Estimated Maize Seed Markets

The estimated improved or hybrid seed market in Tanzania is currently estimated at 7500 metric tonnes per annum (according to studies by CIMMYT in 2007. With seed purchasing frequency of improved seeds still around 20%, there is still a lot of marketing and extension services to be done in order to not only increase the adoption of hybrid seeds, but also improve foods self sufficiency of the country through use of high yielding hybrids instead of using low yielding open pollinated varieties.

Estimated Maize Seed Markets

Country	Area/1000ha	Quantity of seed planted/mt	Seed Purchasing freq./%	Hybrid Seed market/mt	Seed Co market/mt 2009
Tanzania	1500	37500	20	7500	3000
Rwanda	51	1275	12	160	150
Total	1551	38775		7660	3150

The current major players in the market are Pannar Seeds, Kibo Seeds , Mbegu Technologies, Monsanto, Fica seeds, East Africa Seeds, Tan Seeds.

5.2 Establishing a presence and securing Stakeholder support

This strategic thrust focuses on establishing a physical presence and setting up an operational office, from where all business will be directed. Currently in Tanzania almost all hybrid seed is imported and there is very little local production, it is our aim to establish and train farmers to produce hybrid seed so that firstly this project would qualify as a import substitution and secondly if the project is successful become an export processing zone for the East African Region.

Having been operating through a distributor, our presence on the ground will move to show the licensing authorities in Tanzania that it is a serious player. Seed Co enjoys a cordial relationship with the Government seed services and several of our varieties have been released and more are on trials. Contact had been made with local companies to be our distributors and the response has been good. Current list of some of our major distributors or stockists who amongst them are selling 3,000 metric tons of seed are:

- ✓ Suba Agro Ltd with branches in Arusha, Mwanza, Iringa and Mbeya Regions
- ✓ Mukpar Tanzania Limited with branches throughout the country
- ✓ Kibo Trading based in Moshi, Kilimanjaron Region
- ✓ Tanganyika Farmers Association (TFA) with a wide network of branches in the country.
- ✓ Union Stores based in Moshi
- ✓ Damas Tesha based in Rombo District of Kilimanjaro Region
- ✓ Mamba Agrovet based in Babati, Manyara Region
- ✓ Nkai Agrovet based in Babati, Manyara Region
- ✓ Tobacco Companies in Tabora and Iringa Regions.
- ✓ Nnko Agrovet based in Karatu, Manyara Region

5.3 Monitor seed crops throughout all stages

This strategic thrust focuses on regular field visits to all the areas growing multiplication crops, the rationale being to ensure a quality crop is produced that will then leverage expansion of the multiplication programme. This will also be monitored by the Tanzania Official Seed Certification Institution (TOSCI) as a seed regulatory authority in Tanzania.

5.4 Installing Processing Plants

This strategic thrust focuses on the acquisition and installation of seed processing plants in two major areas growing maize in the north and south of the country. Other areas will then be serviced from these areas. In summary the following will done in year one and two.

- Purchase and install a small second hand processing plant, comprising of a seed cleaner, grader, treater and a 2kg bagging unit in the South of the country
- Purchase and install a state of the art new processing plant from Europe comprising of cleaner, grader, treater, palletising unit and small bagging unit to be installed in Arusha to service the region.
- Look at possibilities of toll processing for other companies Seed Companies in the North
- Seed to be graded on farm into three grades only: large, medium and small
- Source graders for farmers
- Find a suitable warehouse in Iringa to accommodate the processing plant as well as all the seed production
- Find an additional warehouse in Arusha to store finished product for sale into the North of the country as well as the small processing plant
- Buy two forklifts to assist in stock movements
- Install a weighbridge at our distribution point
- Implement a strict fumigation programme in Tanzania

5.5 Grow sales volumes

This strategic thrust focuses on rapid bulking up and maximizing the certified seed at all stages of its production. Other measures will be taken to meet any market demand for processed seed if the available certified seed is inadequate. Negotiations are in progress with our bankers to secure adequate funding for both local production and initial project set up.

5.6 MARKET AVAILABILITY

Currently Seed Co has a market share of 3000T. There is an increased change from the use of open pollinated maize to hybrid maize especially by farmers in the south. There is also a good conducive environment for the promotion of hybrid seeds with the government including hybrids in its subsidy programmes. With local presence and aggressive demonstrations and marketing the potential for growth is huge as the total maize seed market is estimated at 37500T. There are also opportunities to export into Rwanda and Kenya.

The following is a table depicting the production and sales plan for five years.

	2010/11	2011/12	2012/13	2013/14	2014/15
Productions (tons) local	600	1200	1800	2500	3000
Sales (tons) local	3400	3900	4300	5000	6000
Import balance of sales (tons)	2800	2700	2500	2500	3000

All the locally produced and imported seed will be sold throughout the country through our distributors and stockists and tender for government subsidy schemes.

5.7 Research and Development

This strategic thrust will entail engaging Seed Co Group research and development experts to collaborate with their Tanzanian counterparts in breeding for new varieties, including the adoption of new technologies. It will also mean close collaboration with the world's leading companies that are technologically advanced in the field of plant genetics.

6 BUSINESS FORECAST 2011 to 2016

6.1 Business Start up cost:

The business will require USD7,727,200 (\$1,425,000 for capex, \$450,000 for local seed production and \$3,3m for imports) in the year ending 31st March, 2011. The maximum facility that is being negotiated with the banks in year one to fund both capex and working capital is \$5.2 million.

Negotiations are currently underway with local bankers to support the project while our current regional bankers are interested to fund the project. The business is expected to be able to have positive net cash flows in year three. (See five year cash flow forecast)

6.2 PROGRAMME AND FINANCING

Detailed capital expenditure in phase one is as follows:

Programme	Amount	Source of Funding
Processing Plant – South	\$150,000	Own Resources
Cleaner		
Grader		
Treater		
Packer (new)	\$250,000	Own Resources
Palletising		
Processing Plant - North (new)	\$1,000,000	Bank loan and own resources
Cleaner		
Grader		
Chemical mixing		
Treater		
Packer		
Palletising		
Weighbridge		
Sub-Total	\$1,400,000	
Purchase of Motor Vehicles		
1 x Toyota Prado	\$100,000	Bank loan
2 x Double Cab	\$90,000	Bank loan
3 x Single Cab training vehicles	\$105,000	Bank loan
Purchase of Fork Lifts x 2	\$70,000	Bank loan
Purchase of Generators x 2	\$60,000	Bank loan
Purchase of OE & FF	\$25,000	Own Resources
Sub-Total	\$450,000	
Total-Capex	\$1,850,000	

The monthly cash flow in phase one is attached.

6.3 SECURITY AVAILABLE

External financiers of the project have the following options if security is required:-

- Notarial bond over the plant and other movables.
- Seed Co Ltd guarantee
- Cession of all stock and debtors as security

6.4 FINANCIAL VIABILITY OF PROJECT

Below is an abridged projected income statement for a five year period in United States dollars.

	2010/11	2011/12	2012/13	2013/14	2014/15
Sales Volume (t)	3400	3900	4300	5000	6000
Turnover- (\$m)	6.1	7.4	8.5	10.4	13.1
Gross Profit (\$m)	2.5	3.2	4.0	5.4	6.9
Profit before Tax (\$m)	0.8	0.9	1.5	2.6	3.9
Net Profit After Tax (\$m)	0.5	0.6	1.0	1.8	2.7

Table above shows that the business will start to generate profit immediately in March 2011. The start up costs are high given the need to adhere to regulatory requirements, recruit, train and closely monitor the growers in keeping with applicable seed statutes of Tanzania.

6.5 PROJECTED BALANCE SHEETS

The projected balance sheets for the company for the next five years are annexed.

7.0 SWOT ANALYSIS

This section analyses the internal capacity of the organization to carry out its strategic objectives by building on the strengths and eliminating the weaknesses. The taking advantage of opportunities will also be critical while minimizing the impact of the threats to the business.

7.1 Strengths

The table below shows the current top strengths and the strategic alternatives available to take advantage of each strength.

Strength	Strategic alternatives
Market acceptance of Seed Co product range	Meet customer needs and expectations
	Strengthen the Seed Co brand
	Give value and improve service
Tanzania Seed Services regulations	Collaborate for effectiveness of regulations designed to bring fair play to industry.
	Establish strong cordial relationships with all stakeholders.
	Push for compliance with good agronomic practices. Lobby enforcement of all relevant legislations
Quality Control systems	Maintain to reinforce Seed Co brand.
	Use to best advantage for business efficiency.

7.2 Weaknesses

The table below details the weaknesses that are currently present in the Tanzanian market and the strategic alternatives available to eliminate each of the weaknesses.

Weakness	Strategic alternatives
Presence of fake seed	Lobby TOSCI for strong regulatory and punitive measures.
	Intensify farmer advisory services
	Increase farmer awareness
	Make unique packaging
Language Barrier	Learn the Local language
	Recruit local personnel
	Seed Co to be responsive to social and developmental needs in areas it operates.
Inadequate technical skills	Recruit and train critical local staff.
	Institute graduate trainee programs
	Institute succession planning.

7.3 Opportunities

The table below details the current opportunities available and the strategic alternatives available to take advantage of each opportunity.

Opportunity	Strategic alternatives
Market expansion	Grow the local market.
	Investigate regional opportunities.
	Farmer migration from opv to hybrid maize
Research & Development	Continue our variety trials with TOSCI and set up joint programmes.
	Accelerated Kenya highland material to be used in Tanzania.
	Accelerate work for GMO seed adoption.
	Meet customer needs and expectations
Demand for other crops	Promote other Seed Co products like soyabean, sorghum, wheat and barley which are in demand
	Make use of synergies from the presence of Quton which is our cotton seed company.
Seed harmonisation in East Africa	Take advantage of synergies with Seed Co Kenya
	Opportunities for exports into the region

7.4 Threats

The table below details the threats available in the external market and the strategic alternatives that can be used to minimize the impact of each of the threats.

Threats	Strategic alternatives
World recession	Manage costs well
	Link business decisions to prevailing economic conditions
Slow adoption to good agronomic practices.	Government extension officers training. Demonstrate advantages of better seed
Drought	Promote growth of drought tolerant varieties Promote better agronomic practices
Changing weather patterns and diseases	Adopt GMO seed.

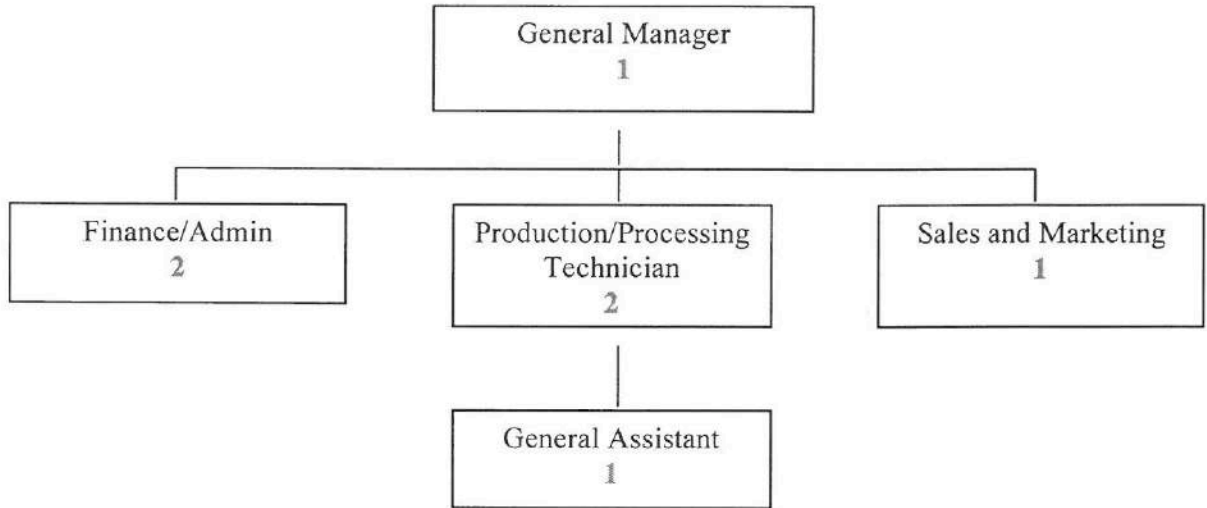
8. CRITICAL SUCCESS FACTORS

The critical success factors that will determine the successful implementation of the strategic intent of Seed Co Tanzania will be:

- Superior products
- Adequate funding
- Appropriate technology
- Motivated and inspired staff team

9 INITIAL ORGANISATIONAL STRUCTURE

Below is the proposed organogram on inception of the project



- Interviews for all new staff to be done before the start of the new financial year in April 2010

10. MAJOR RISK ANALYSIS

Major Risk	Impact	L/Hood	Effect	Control Environment
Political & Civil Unrest	H	L	Profitability and Efficiency	Focus on effect to the business and adjust
Weather/ Natural disasters	H	M	Loss of Sales	Promote drought tolerant varieties
Economic Instability	M	L	Profitability	Monitor the economic environment
Fraud & Theft	L	L	Profitability	Tighten security controls, insurance of stock
Industrial Action	M	L	Efficiency	Labour relations
Loss of Government orders	L	M	Profitability	Increase retail sales, find new retail markets
Collapse of NGO's	M	L	Profitability	Increase retail sales, find new markets
Skills Shortages	H	M	Efficiency and Profitability	Ensure sufficient training of all staff
Forex Availability	H	L	Efficiency and Profitability	Liaise closely with the Bank
Research Capability	H	L	Competitiveness	Liaise closely with research
Fake Seed	H	M	Profitability, bad company image damage to brand	Treat all products with an overt marker "glitter"

H - High Risk

M - Medium Risk

L - Low Risk

11 PROGRAM OF ACTION

Strategic Priority	Action Strategy	Sources of Verification	Time line	Responsibility
Secure Investment Licence	Lodge applications with relevant Authorities in TZ	Actual Approvals and Licence	By 30 June 2010	Group Finance (HO)
Seed multiplication	Identify suitable areas and contract farmers	Roll out Plan	31/03/10	General Manager (Tanzania)
Raise capital	Engage banks to finance the Tanzanian operations	Presentation of business plan	30 June 2010	Head of Finance G.M. (Tanzania)
	Borrow from the local and international banks.	Agreement in place US\$3.3m facility in place	30 th June 2010	Head Finance
	Buy plant and machinery and secure warehouses	Payment of plant and rental contracts	30 th June 2010	Head Finance
Ensure protection and growth of market share	Maximize sales volumes Accelerate bulking up of certified seed	Increase in Seed sales	Annually	GM(Tanzania)
	Lobby TOSCI for seed regulations and enforcement of laws.	Records of quarterly meetings with industry players	Quarterly	GM(Tanzania)
	Release GMOs and own varieties	i. Availability of GMOs and acceptance by government ii. varieties released iii. annual reports	31/03/2014	Head Research and Technical Services
	Improve packaging	Design appropriate seed packages	31/07/10	GM(Tanzania)
	Improve PR and media publicity	Install billboards in local language	31/07/10	GM(Tanzania)

SEED CO TANZANIA LIMITED

PROJECTED CASH FLOW FOR 12 MONTHS TO 31 March 2011

INCOME	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Receipts:Exp.Sales	-	-	1 100 000	-	-	-	1 020 000	1 020 000	1 020 000	816 000	816 000	816 000	5 508 000
Receipts:Loc.Sales	-	-	1 100 000	-	-	-	1 020 000	1 020 000	1 020 000	816 000	816 000	816 000	1 100 000
Sundry Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening debtors	-	-	-	-	-	-	-	-	-	-	-	-	6 608 000
EXPENDITURE													
Purchases : SEED	1 342 400	1 342 400	1 342 400	1 342 400	1 342 400	-	-	-	-	-	-	-	4 027 200
Sundry stores	-	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES	2 500	85 833	402 375	260 975	177 642	177 642	177 642	177 642	177 642	186 517	201 517	201 517	1 850 283
Less Depreciation	-	-	(9 208)	(9 208)	(9 208)	(9 208)	(9 208)	(9 208)	(9 208)	(18 083)	(18 083)	(18 083)	(91 417)
NET OPERATING EXPENSES	-	-	2 500	85 833	393 167	251 767	168 433	168 433	168 433	168 433	183 433	183 433	1 758 867
LOAN REPAYMENTS													
L/TERM LOAN	-	-	-	(35 000)	(750 000)	-	(1 000 000)	-	(35 000)	-	(30 000)	-	(1 850 000)
S/TERM LOAN	-	-	-	(35 000)	(750 000)	-	(1 000 000)	-	(35 000)	-	(30 000)	-	(1 850 000)
CAPEX	-	-	35 000	35 000	750 000	1 000 000	1 000 000	35 000	35 000	30 000	30 000	-	1 850 000
S/Total Capex	-	-	35 000	35 000	750 000	1 000 000	1 000 000	35 000	35 000	30 000	30 000	-	1 850 000
INCOME TAX DIVIDEND GROUP FUNDING													
	-	-	-	-	-	-	-	-	-	-	-	228 287	228 287
NETT INFLOW/OUTFLOW	-	-	(244 900)	(1 428 233)	(1 735 567)	(251 767)	851 567	851 567	851 567	647 567	647 567	404 279	593 646
Interest on Borrowings: 10%	-	-	-	292	10 156	12 254	13 491	11 333	11 625	11 625	11 875	11 875	94 526
CASH B/FWWD	-	-	-	(244 900)	(1 673 425)	(3 419 148)	(3 683 168)	(2 845 092)	(2 004 859)	(1 164 917)	(528 976)	106 716	-
CASH BAL C/FWWD	-	-	(244 900)	(1 673 425)	(3 419 148)	(3 683 168)	(2 845 092)	(2 004 859)	(1 164 917)	(528 976)	106 716	499 120	499 120

Note: Capex purchases to be funded from Long term loans and internal funds

SEED CO TANZANIA LIMITED

FORECAST INCOME STATEMENTS

YEAR ENDING 31 March

	2011 Budget	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
SALES	US \$ 6 120 000	US \$ 7 371 000	US \$ 8 533 350	US \$ 10 418 625	US \$ 13 127 468
COST OF SALES	3 603 284	4 163 395	4 452 371	5 033 236	6 179 128
Seed and Materials	3 603 284	4 163 395	4 452 371	5 033 236	6 179 128
GROSS PROFIT	2 516 716	3 207 605	4 080 979	5 385 389	6 948 339
SUNDRY REVENUE					
OVERHEADS	1 850 283	2 053 815	2 279 734	2 530 505	2 808 860
Research					
Marketing and Sales	250 000	277 500	308 025	341 908	379 518
Sales					
Finance & accounting	491 883	545 991	606 049	672 715	746 714
Group/head office costs					
Information services	18 667	20 720	22 999	25 529	28 337
Internal audit					
Administration	1 004 333	1 114 810	1 237 439	1 373 557	1 524 649
Agronomy	85 400	94 794	105 221	116 796	129 643
NPBIT	666 432	1 153 790	1 801 245	2 854 884	4 139 479
INTEREST	94 526	239 152	283 371	222 336	224 797
PBT	760 958	914 639	1 517 874	2 632 549	3 914 681
Current tax	228 287	274 392	455 362	789 765	1 174 404
Deferred tax					
PAT	532 671	640 247	1 062 512	1 842 784	2 740 277
Minorities					
Retained profit	532 671	640 247	1 062 512	1 842 784	2 740 277

GP %	41%	44%	48%	52%	53%
Overheads %	30%	28%	27%	24%	21%
Finance charges %	2%	3%	3%	2%	2%
PAT %	9%	9%	12%	18%	21%
Sales volume	3 400	3 900	4 300	5 000	6 000

Notes

SEED CO TANZANIA LIMITED

PROJECTED CASH FLOW FOR 12 MONTHS TO 31 March 2011

<u>INCOME</u>	2011 Budget US \$	2012 Forecast US \$	2013 Forecast US \$	2014 Forecast US \$	2015 Forecast US \$
Receipts:Exp.Sales	-				
Receipts:Loc.Sales	5 508 000	6 633 900	7 680 015	9 376 763	11 814 721
Sundry Income	-				
Opening debtors	1 100 000	612 000	737 100	853 335	1 041 863
	6 608 000	7 245 900	8 417 115	10 230 098	12 856 583
<u>EXPENDITURE</u>					
Purchases : SEED	4 027 200	5 546 060	4 928 175	5 693 431	7 011 891
Sundry stores	-				
	4 027 200	5 546 060	4 928 175	5 693 431	7 011 891
OPERATING EXPENSES	1 850 283	2 053 815	2 279 734	2 530 505	2 808 860
Less Depreciation	(91 417)	(222 300)	(338 100)	(350 400)	(363 400)
NET OPERATING EXPENSES	1 758 867	1 831 515	1 941 634	2 180 105	2 445 460
<u>Long term loans</u>					
L/TERM LOAN repaid		475 000	493 333	856 667	400 000
L/TERM LOAN received	(1 850 000)	(55 000)	(1 090 000)	(55 000)	(95 000)
S/Total Loans	(1 850 000)	420 000	(596 667)	801 667	305 000
CAPEX	1 850 000	55 000	1 090 000	55 000	95 000
S/Total Capex	1 850 000	55 000	1 090 000	55 000	95 000
INCOME TAX	228 287	346 137	540 373	856 465	1 241 844
DIVIDEND	-				
GROUP FUNDING	-				
	228 287	346 137	540 373	856 465	1 241 844
NETT INFLOW/OUTFLOW	593 646	(952 812)	513 599	643 429	1 757 388
Interest on Borrowings	94 526	239 152	283 371	222 336	224 797
CASH B/FWD	-	499 120	(692 843)	(462 615)	(41 521)
CASH BAL C/FWD	499 120	(692 843)	(462 615)	(41 521)	1 491 070

TANZANIA PROJECTED BALANCE SHEET TO 31 MARCH 2015

All figures in USD

	2011	2012	2013	2014	2015
	Budget	Forecast	Forecast	Forecast	Forecast
ASSETS					
Non-current assets					
Property, plant and equipment	1,758,583	1,591,283	2,343,183	2,047,783	1,779,383
Deferred tax assets					
Other financial assets					
Prepayments					
Total non-current assets	1,758,583	1,591,283	2,343,183	2,047,783	1,779,383
Current assets					
Biological assets					
Inventories	423,916	961,580	1,437,384	2,097,580	2,930,342
Input scheme receivables					
Prepayments					
Trade and other receivables	612,000	737,100	853,335	1,041,863	1,312,747
Other financial assets					
Bank and cash balances	499,120				1,491,070
Assets classified as held for sale					
Intercompany debtors balances					
Total current assets	1,535,036	1,698,680	2,290,719	3,139,442	5,734,159
TOTAL ASSETS	3,293,619	3,289,964	4,633,903	5,187,226	7,513,543
EQUITY AND LIABILITIES					
Capital and reserves					
Issued share capital	72	72	72	72	72
Capital reserves					
Retained earnings prior period		479,404	1,055,626	2,011,886	3,670,392
Retained earnings current year	532,671	640,247	1,062,512	1,842,784	2,740,277
Profit Share	(53,267)	(64,025)	(106,251)	(184,278)	(274,028)
Shareholders' funds	479,476	1,055,698	2,011,959	3,670,465	6,136,714
Minority interests					
Total equity	479,476	1,055,698	2,011,959	3,670,465	6,136,714
Non-current liabilities					
Borrowings - third party	1,425,000	1,005,000	1,601,667	800,000	495,000
Deferred tax liabilities					
Provisions					
Finance lease obligations - third party					
Total non-current liabilities	1,425,000	1,005,000	1,601,667	800,000	495,000
Current liabilities					
Overdraft					
Borrowings - third party		692,843	462,615	41,521	
Trade and other payables					
Provisions	544,143	536,423	557,663	675,240	881,829
Other financial liabilities					
Taxation					
Intercompany creditors balances	845,000				
Total current liabilities	1,389,143	1,229,265	1,020,277	716,761	881,829
TOTAL EQUITY AND LIABILITIES	3,293,619	3,289,964	4,633,903	5,187,226	7,513,543

STATISTICS

Capital employed	1,904,476	2,060,698	3,613,626	4,470,465	6,631,714
Working capital	145,893	469,415	1,270,442	2,422,681	4,852,331
Working capital - % of sales	2%	6%	15%	23%	37%
Current ratio	1.11	1.38	2.25	4.38	6.50
Quick ratio	0.80	0.60	0.84	1.45	3.18
Debt/equity ratio	2.97	1.61	1.03	0.23	0.08
Equity/total assets ratio	0.15	0.32	0.43	0.71	0.82
Gearing ratio	0.75	0.49	0.44	0.18	0.07
Return on total assets	20%	35%	39%	55%	55%
Return on equity	111%	61%	53%	50%	45%
Return on capital employed	35%	56%	50%	64%	62%



SEED CO TANZANIA LIMITED

APPLICATION FOR

**CERTIFICATE OF INCENTIVES OR
BUSINESS INVESTMENT LICENCE**

18 March 2010