
THE OKOMU OIL PALM COMPANY PLC

MANAGEMENT REPORTS
FOR 9 MONTHS
ENDED SEPTEMBER 30, 2016

THE OKOMU OIL PALM COMPANY PLC

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

2. TURNOVER

Turnover represents the invoice value of goods sold to third parties.

3. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

4. DEPRECIATION OF FIXED ASSETS

Depreciation is calculated at rates, consistent with previous years to write off the cost of the fixed assets over their estimated useful lives on the straight-line basis at the following rates.

Building	5%
Mill Machinery and Equipment	10%
Crawlers and Equipment	20%
Agricultural Equipment	20%
Workshop Equipment	20%
Tools	20%
Power Supply Equipment	20%
Miscellaneous Equipment	12.5%
Nursery Equipment	12.5%
Radio Communication & Survey Equipment	12.5%
Water Supply	12.5%
Light Vehicles and Lorries	25%
Tractors and Trailers	20%
Furniture, Fittings and Equipment	12.5% & 20%

5. STOCK

Stocks were valued at the lower of cost and net realisable value. Cost includes all expenditure incurred in bringing goods and products to their present locations and conditions.

6. DEBTORS

Debtors are stated after deduction of specific provisions for the debts considered to be doubtful of collection.

7. FOREIGN CURRENCIES

Transactions in foreign currencies are translated into Naira at the rates of exchange ruling at the transaction dates. Assets and liabilities denominated in currencies other than the Naira have been translated into Naira at the applicable rate of exchange ruling at the balance sheet date. Gains and losses on such transactions are included in the profit and loss account for the year.

8. TAXATION

Provision for tax in the accounts is based on the following components:

- Company income tax based on the company's assessable profit for the year.
- Education tax based on the company's adjusted profit for the year.

9. DEFERRED TAXATION

Deferred taxation (which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities) is calculated using the liability method. Deferred tax is provided on all timing differences at the rates of tax likely to be in force at the time of reversal. A deferred tax assets is recognised only to the extent that it is probable that future taxable will profits will be available against which the assets can be utilised.

10. EMPLOYEES' RETIREMENT BENEFITS

(a) Gratuity Scheme:

Lump-sum benefits payable upon retirement or resignation of employment are fully accrued over the service lives of the Nigerian employees. Independent actuarial valuations are performed periodically on a projected benefit obligation basis. Actuarial gains or losses arising from valuations are charged in full to the profit and loss account.

(b) Pension Scheme:

The company complied with the provisions of the Pension Reform Act of 2004. The company operates a contributory staff retirement benefit scheme for its Nigerian employees and is managed by Pension Administrator.

11. CASH AND CASH EQUIVALENTS

For the purpose of reporting cash flows, cash and cash equivalents include cash in hand, cash balances with banks, bank overdrafts and short-term deposits with banks.

THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER, 2016

	Note	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Turnover	2	10,911,710	7,750,374	9,738,015
Cost of Sales	3	1,257,197	1,225,053	3,425,217
Gross Profit		9,654,513	6,525,321	6,312,798
Net Operating expenses	4	4,317,832	3,657,103	3,028,083
Profit from continuing operations before tax changes in fair value		5,336,681	2,868,218	3,284,715
Finance Income	5	194,204	36,097.00	43,111
		5,530,885	2,904,315	3,327,826
Finance Costs	6	421,904	348,750	429,181
Profit on continuing operation before tax		5,108,981	2,555,565	2,898,645
Taxation	7	933,380	350,500	267,500
Profit on continuing operation after tax		4,175,601	2,205,065	2,631,145
OTHER COMPREHENSIVE INCOME				
Actuarial gains		-	-	94,872
Deferred tax on actuarial gains		-	-	28,462
Total comprehensive income		4,175,601	2,205,065	2,697,555
Earnings Per Share (EPS): Basic (N)		4.38	2.31	2.76
Earnings Per Share (EPS): Adjusted				

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANACIAL POSITION AS AT SEPTEMBER 30, 2016

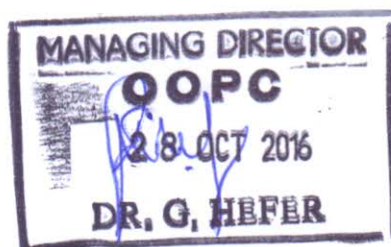
	NOTE	Sep-16 N'000	Dec-15 N'000
FIXED ASSETS	8	17,804,097	17,244,670
		<u>17,804,097</u>	<u>17,244,670</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	9	1,656,883	1,490,598
Trade Receivables and others	10	1,134,266	359,444
Bank and Cash	11	3,746,498	958,473
		<u>6,537,647</u>	<u>2,808,515</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	12	3,616,105	2,177,079
NET CURRENT ASSETS		<u>2,921,542</u>	<u>631,436</u>
Deferred Taxation	13	1,651,512	1,733,273
Amount falling due after one year			
Retirement Benefits/Gratuity		384,656	352,650
Long Term Loans	14	2,545,662	3,726,584
		<u>2,930,318</u>	<u>4,079,234</u>
Total Net Assets		<u>16,143,809</u>	<u>12,063,599</u>
FINANCED BY			
CAPITAL AND RESERVES			
Share Capital	15	476,956	476,956
Share Premium Account	16	1,867,095	1,867,095
Revenue Reserves	17	13,799,758	9,719,548
		<u>16,143,809</u>	<u>12,063,599</u>



MR. MARY ALAIN

FINANCE DIRECTOR

FRC/2013/10DN/00000002461



DR. HEPER GRAHAM

MANAGING DIRECTOR

FRC/2013/10DN/00000002460

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CHANGES IN EQUITY

	Share Capital ='N='000	Share Premium ='N='000	Non- Distributable Reserves ='N='000	Revenue Reserves ='N='000	Total ='N='000
Balance as at 31st December, 2014	476,956	1,867,095	124,365	7,136,106	9,604,522
Dividend paid	-	-	-	238,478	238,478
Deferred tax credit	-	-	-	-	-
Transaction with shareholders	-	-	-	238,478	238,478
Profit for the year	-	-	28,462	2,631,145	2,631,145
Deferred tax on actuarial gains	-	-	94,872	-	94,872
Actuarial gains	-	-	66,410	2,631,145	2,697,555
Comprehensive income for the year	-	-	66,410	2,631,145	2,697,555
Balance as at 31st December, 2015	476,956	1,867,095	190,775	9,528,773	12,063,599
Dividend paid	-	-	-	95,391	95,391
Transaction with shareholders	-	-	-	95,391	95,391
Profit for the period	-	-	-	4,175,601	4,175,601
Comprehensive income for the period	-	-	-	4,175,601	4,175,601
Balance as at 30th September, 2016	476,956	1,867,095	190,775	13,608,983	16,143,809

