



NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of the Company will be held at Transcorp Hilton, 1 Aguiyi Ironsi street, Maitama Abuja on Wednesday, 13th of June, 2012 at 9.am to transact the following:

ORDINARY BUSINESS

1. To receive and consider the audited accounts for the year ended 31st December 2011, together with the reports of the Directors, Auditors and Audit committee thereon.
2. To declare a dividend
3. To elect/re elect directors
4. To authorize the Directors to fix the remuneration of the auditors
5. To elect members of the audit committee

SPECIAL BUSINESS

6. To fix the remuneration of the Directors
7. To consider and if thought fit, pass the following resolution as an ordinary resolution:
'That the authorized share capital of the Company be and is hereby increased from N300,000,000 to N600,000,000 by the creation of additional 600,000,000 ordinary shares of 50 kobo each ranking pari passu in all respect with the existing 600,000,000 ordinary shares of the Company.'

SPECIAL RESOLUTION

8. To consider and if thought fit, pass the following resolution as a special resolution:
'That consequent upon the passing of the resolution specified in 7 above, clause 5 of the Memorandum of Association be and is hereby altered by deleting clause 5 and substituting in lieu the following:
'The share capital of the Company is N600, 000,000 divided into 1,200,000,000 ordinary shares of 50 kobo each'.

PROXY

A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. Executed forms of proxy should be deposited at the office of the Registrars, City Securities Ltd, Primrose Towers, 17A Tinubu Street, Lagos, not later than 48 hours before the time of the meeting.

To be valid, proxy cards should be duly stamped by the Commissioner of stamp duties.

NOTES

1. DIVIDEND WARRANTS

If dividend is approved at the meeting, warrants will be posted on Friday 25th June to shareholders whose names appear in the register of members as at the close of register.

2. CLOSURE OF REGISTER AND TRANSFER BOOKS

Notice is hereby given that the register of members and transfer books of the Company will be closed from Tuesday 15th May to Friday 18th May 2012 both days inclusive.

3. NOMINATION FOR THE AUDIT COMMITTEE

In accordance with section 359(5) of the Companies and Allied Matters Act 2004, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual general meeting.

By Order of the Board

Mrs. C. Igie-Audu
Company Secretary
Dated: March 14th, 2012.

300,000,000 / 600,000,000

Registered office:

Okomu Oil Palm Estate
Okomu-Udo, Ovia South West L.G.A
Edo State



Mrs. C. Igie-Audu
Company Secretary



	2011 ₦ '000	2010 ₦ '000
Turnover	11,121,011	6,087,836
Profit on ordinary activities before taxation	4,658,441	1,971,262
Taxation	(734,681)	(341,806)
Profit on ordinary activities after taxation	<u>3,923,760</u>	<u>1,629,456</u>
Net assets	8,836,256	5,866,406
<hr/>		
Employees costs	1,556,443	1,540,388
	No.	No.
Number of employees	807	850
Basic earnings per 50 kobo share (Naira)	8.23	3.42
Net assets per 50 kobo share (Naira)	18.53	12.30
Stock exchange quotation (Naira)	23.10	14.50





Directors

Chairman

Mr. G. Oyebode MFR

Managing Director

Dr. G. D. Hefer (South African)

Finance Director

Mr. Alain Mary (French)

Non Executive Directors

Dr. L. J. J Boedt (Belgian)

Chief D.U. Edebiri OON

Mr. P.A.E Eguasa JP

Mr. H. Fabri (Belgian)

Mr. P. De Groote (Belgian)

Mr. R. HelsmoorteI (Belgian)

Hon. J. O. Igbinomwanhia

Mr. Ph.de Traux de Wardin (Belgian)

Independent Director

Mr. A. Ighodalo

Audit Committee

Rev. L. A. Ohenhen (Shareholder) (Chairman)

Mr. S. P. N. Ola (Shareholder) (Member)

Mr. M. Igbrude (Shareholder) (Member)

Dr. L. J. J. Boedt (Director) (Member)

Chief D. U. Edebiri, OON (Director) (Member)

Mr. P. A. E. Eguasa JP (Director) (Member)

Risk Management Committee

Mr. P. A. E. Eguasa JP (Chairman)

Chief D. U. Edebiri, OON

Dr. G. D. Hefer

Mr. Alain Mary

Governance/Remuneration Committee

Mr. Ph. de Traux de Wardin

Mr. R. Helsmoortel

Chief D. U. Edebiri, OON

Mr. P. A. E. Eguasa JP

Company Secretary

Mrs. C. Igie-Audu

Registered office

Okomu Oil Palm Estate

Okomu-Udo

Ovia Sout West L.G.A.

Edo State

Auditors

Horwath Dafinone

Chartered Accountants

Bankers

Nigerian

Access Bank Plc

Sterling Bank Plc

Zenith Bank Plc

Foreign

Fortis Bank - Belgium

Solicitors

Chief Charles Adogah & Co

(Solicitors & Advocates)

34 Oziegbe Street, Benin City,

Edo State

Registrars

City Securities (Registrars) Ltd

Primrose Towers

17A, Tinubu Street

Lagos

Lagos State

Managing Agent

Socfinco S.A

2, Place Du Champ De Mars

B-1050 Brussels

Belgium

RC No.

30894



Distinguished Shareholders, Guests of Honour, Ladies and Gentlemen. You are all welcome to the 32nd Annual General meeting of our Company. It is my pleasure to present to you the annual report and financial results for the year ended 31st December 2011.

THE OPERATING & ECONOMIC ENVIRONMENT 2011

The Country experienced, what most observers stated, as the most free and fair election since the advent of democracy.

Commodity prices which in the early part of the year showed resilience dropped as the problems within the Eurozone and USA came to the fore once again, despite continued demand for these products, both internally as well as externally in 2011. Hard currencies, such as the US dollar and the Euro continued to come under pressure as a result of the above mentioned financial troubles in Europe, coupled with inflationary fears in the USA. The Naira was also negatively affected against the crosses and depreciated against both the Euro and the US dollar. However, inflation trended downwards to 10.5% for the year, down from 13.5% in 2010.

THE COMPANY'S OPERATIONAL PERFORMANCE FOR 2011

OIL PALM

Total oil palm area remained the same as in 2010, namely 10,080ha, with mature area totaling 8.857ha. The remainder consisted of immature palm (898ha).

Total FFB production for 2011 was 145,334t which represented an average FFB tonnage of 17 t/ha. This tonnage is the highest yield recorded on the plantation in nearly 25 years and is indicative of management's continued focus on replanting with new clones, strict fertilization regimes and ongoing input management control measures which are now beginning to produce the expected results for the Company.

The oil mill processed 30,538t CPO, this being 34% higher than in 2010. Oil extraction rates averaged 21.01% for 2011, 1% higher than in 2010.



Mr. G. Oyebode M.F.R.
Chairman



Diligent and prudent use of Company resources by management, from the plantation right through to FFB processing during the past financial year, kept increases in check, resulting in a net profit for all palm products of ₦2.7 billion. This profit was 134% above budget and a 101% higher than the result for 2010.

CPO prices for 2011 averaged ₦217,088/t, and this price was nearly 28% higher than the average actual price for 2010.

RUBBER

The total area under rubber increased by 165ha to 6,025ha in 2011, with 4,551ha being classified as mature plantings.



Wet cup lump production (on a dry rubber equivalent) was 6,340 tons which was 13% higher than in 2010. The average yield of dry rubber for 2011 was 1.39 t/ha, this being 27% better than for 2010.

Management also decided to purchase 1,607t of 3rd party rubber in 2011 (on a dry rubber equivalent) in order to increase throughput, thereby lowering unit costs in the factory. The rubber factory averaged 2.3t/hr, and processed 7,188 tons rubber in 2011, this tonnage being 61% higher than in 2010. The average dry rubber content (DRC) was 52%, compared to 55.9% in 2010.

Rubber posted a 300% increase in net profit over that of 2010, whilst the net profit margin was 10% higher than in 2010.

Rubber sales benefited from high prices, especially in the first half of the year, averaging ₦220,883/t dry rubber. This price was 23% higher than the average price for 2010.



FINANCIAL RESULTS

During the year under review, the consolidated results of the Company recorded a turnover of ₦11.1 billion, this being 83% higher than for 2010, largely due to higher than average commodity prices and management's continued efforts to constrain costs.

Whilst cost of sales for 2011 were 89% higher than 2010, the cost of sales per turnover remained similar to that of 2010 which reflected continued strict control by management on the Company's costs of production. The Company made a profit before tax (PBT) of ₦4.65 billion, which was 136% better than 2010. Profit after tax (PAT) came in at ₦3.92 billion which was 140% better than for the prior year.

Capital expenditure, including biological assets, amounted to ₦1.22 billion for the year, this being 134% higher than for 2010.

When one peruses the above mentioned figures, it undoubtedly confirms that the Company performed magnificently in 2011; even better, in fact, than 2010's good results. This excellent result can be partly ascribed to good commodity prices, but more importantly, for the first time in many years management was not unduly affected by outside factors which deflected their attention from their work, as in the past. This has now been translated into better returns to us, the shareholders, and the Board of Directors, having already paid an interim dividend of ₦1.00/50k in December 2011, are now recommending a further dividend payment of ₦4.00/50k share, which would translate into a total payment to shareholders for 2011 of ₦2,384,775,000.

I am sure you will agree that this dividend, if accepted by this AGM today, which is the highest dividend ever paid out, confirms that our Company is financially sound and continues to be excellently managed in all respects. In this regard then I would like to thank all management and staff concerned for their outstanding commitment and loyalty to the Company in the past year which brought about this outstanding result.

ENVIRONMENT, HEALTH, EDUCATION, CORPORATE SOCIAL RESPONSIBILITY & SAFETY

The Company continually aspires to attain the highest levels of environmental conservation, health, education and safety to ensure any negative impacts on our staff, their families, communities and the surrounding biodiversity within our sphere of influence are minimized. Furthermore, the Company instituted measures required for it to become ISO9001 and ISO14001 certified in 2012.

The Company also continued with their staff PPP/HIV programme in 2011. A total of 21,560 (cfr: 14,691 in 2010) employees and their dependents were treated at the Company's clinic during 2011. Health, safety and welfare of Company staff amounted to ₦44 million in 2011.

The Okomu Staff School took care of 350 children and 22 day care babies, on average, supported by 14 teachers and 7 attendants. Furthermore, an ongoing joint programme between the local churches and the Company allowed more than ₦350,000.00 worth of educational items to be purchased for both the staff and Government school pupils in 2011.

The Company made charitable donations and gifts worth ₦20.2 million available for its ongoing Corporate Social Responsibility (CSR) programmes in 2011. These included the following:



- Sponsorship of Chartered Institute of Stock Brokers ₦5 million
- Donation to ICAN building complex ₦150,000
- Community projects ₦13 million
- Scholarships for students in total ₦1.03 million
- Others ₦1 million

A monthly Health, Safety and Environment interdepartmental meeting, along with the Company's environmental consultants has continued to ensure that all levels of compliance are adhered to within the various departments, as well as ensuring that all laws, permits and certificates required and implemented by Government are updated timeously, on an ongoing basis. The Federal Ministry of Environment audited the Company and found nothing wanting within the Company pertaining to environmental issues in 2011.

STAFF & SECURITY

Apart from the tragic loss of two lives in January 2011, when militants murdered two of our tappers, and set 100ha of rubber alight, the Company enjoyed a relatively peaceful and productive environment in 2011.

Total payroll as at December 2011 was 807, down by 43 in 2010. The Company also trained 20 industrial trainees in 2011.

In terms of training, the Company once again invested in skills development of their staff in 2011. In this regard, a total of 800 people (cfr: 300 people in 2010) were trained, at a total cost to Company of ₦11.8 million. Training spanned all grades and all departments, from developing interpersonal skills to industrial safety management and welding courses.

Security costs were lower by 10% on those of 2010 without allowing the good security presence to be diminished, thereby creating a continued secure environment for all employees and visitors alike. Furthermore, the Company's security has shifted focus from solely one of protection to one of anti-theft which remains a problem on both rubber and palm fruits on the plantation.

FUTURE EXPANSION & DEVELOPMENT PLANS

The expansion of Extension 1 is underway and the environmental impact assessment is to be completed in 2012. In 2012, a total of 450ha of rubber is to be planted in Extension 1. The plan makes further provision for the planting of about another 3,000ha of rubber over the next 5 years, which will hopefully in future enable the rubber factory to reach full capacity soon thereafter. The Company will replant about 350ha of oil palm in 2012 and the same amount will be replanted in 2013.

The Company will also clear and plant 150ha of rubber on the main plantation in 2012.

Management will also endeavour to electrify the plantation in 2012 by moving ahead with a ₦300 million electrification project with PHCN. This should lower power costs to the Company significantly from the middle of 2012 and into the future.

The Company wants to be ISO9001 and ISO14001 certified by the end of 2012.

In conclusion, I would like to thank all those who have this past year contributed to the magnificent performance of the Company in achieving these wonderful results. As I stated earlier, the fact that these results are able to be produced by our Company underscores the importance of our management and staff working in a peaceful and conducive environment. If this is able to be achieved, then I am sure the Company will in future show even greater potential, and produce further record dividends to its shareholders.

I wish to thank you for your attendance at our Annual General Meeting this year and wish you well in 2012.

Thank you.



The Directors submit the annual reports together with the audited financial statements for the year ended 31st December, 2011.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are the cultivation of oil palm and rubber, refining of fresh fruit bunches, palm kernel processing, and processing of rubber lumps to rubber cake for export.

2. RESULTS FOR THE YEAR

These are set out on page 21 of these financial statements.

3. DIVIDEND

The Directors paid dividend of ₦953.910 million during the year. Out of this, ₦476.955 million represents final dividend declared and paid in respect of the results for the year ended 31st December, 2010 and ₦476.955 million represents the interim dividend paid for the year ended 31st December, 2011 (2010: ₦143 million).

The Directors have recommended a final dividend of ₦4 per share subject to its approval by the shareholders at the Annual General Meeting. This has not been included as a liability in these financial statements since it does not meet the criteria of a present obligation in the Financial Reporting Standards. Dividend to shareholders is now accounted for on the date of declaration. The recommended dividend is subject to withholding tax at the appropriate rate and is payable to shareholders whose names appear in the register of members at the closure date. The total dividend to be paid is ₦1.908 billion.

4. DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act, CAP C20 LFN 2004, requires the directors to prepare the financial statements in respect of each financial year, which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss generated by the company for the year ended on that date.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Ensure that the applicable accounting standards have been followed, and in the case of any material departures, that these have been fully disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis, unless it is deemed inappropriate to assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any point in time, the financial position of the company to enable them ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004, and the relevant financial reporting standards (formerly known as statements of accounting standards) issued by the Financial Reporting Council of Nigeria (formerly known as the Nigerian Accounting Standards Board).

The Directors are also responsible for safeguarding the assets of the Company, and therefore ensuring that reasonable steps have been taken to prevent and detect fraud and other irregularities.

5. MANAGEMENT AND TECHNICAL SERVICE PROVIDER

The Okomu Oil Palm Company Plc receives technical support from Socfinco S. A. The current agreement was entered into with the approval of the National Office for Technology Acquisition and Promotion (NOTAP).

6. PROPERTY, PLANT AND EQUIPMENT

These are set out in note 12 of the financial statements.

7. BIOLOGICAL ASSETS

These are set out in note 13 of the financial statements.

8. RESEARCH AND DEVELOPMENT

The Company did not incur any expenditure on research and development during the year under review (2010: Nil).



9. DIRECTORS

The Directors of the Company who held office during the year were:

- Mr. G. Oyebode MFR	Chairman
- Dr.G.D.Hefer	Managing Director (South African)
- Mr. A. Mary	Finance Director (French) (appointed 29 th March, 2011)
- Ms. B. Baethke	(Belgian) (resigned 14 th April, 2011)
- Dr. L.J.J. Boedt	(Belgian)
- Chief D.U Edebiri OON	
- Mr. P. A. E. Eguasa JP	
- Mr.H.Fabri	(Belgian)
- Mr P. De Groote	Belgian (appointed 26 th October, 2011)
- Mr. R. Helsmoortel	(Belgian)
- Hon. J. O. Igbinomwanhia	(appointed 7 th June, 2011)
- Mr. A. Ighodalo	(appointed 7 th June, 2011)
- Mr. Ph.de Traux de Wardin	(Belgain)

In accordance with the Company's Articles of Association, Mr. P. A. E. Eguasa JP retires by rotation, and being eligible, offers himself for re-election. Messrs J. O. Igbinomwanhia, A. Ighodalo and P. De Groote who were appointed during the year under review also retire, and being eligible offer themselves for election as Directors of the Company.

In accordance with section 249(2) of the Companies and Allied Matters Act, resolution will be proposed at the Annual General Meeting approving the appointments.

In accordance with section 277 of the Companies and Allied Matters Act, Mr. P. A.E Eguasa JP had disclosed his interest in a contract with the company, no other Director notified the Company of any declarable interest in contracts with the Company.

10. SHARE CAPITAL HISTORY

The Company was incorporated on 3rd December 1979 with an authorized share capital of ₦500,000 divided into 500,000 ordinary shares of ₦1.00 each.

On the 22nd of June 1988 each ordinary share of ₦1.00 in the capital of the Company was sub divided into ten ordinary shares of 0.10K each.

On the 27th of April 1990, the Company passed a resolution to consolidate its shares into ₦0.50K each. At the Annual General Meeting of the company held on the 29th September 1993, the authorized share capital of the Company was increased from ₦34 million to ₦40 million by the creation of additional 12,000,000 shares of 50 kobo each. At the Annual General Meeting of the company held on 29th July 1997 an ordinary resolution was passed to increase the authorized share capital from ₦40 million to ₦100 million by the creation of additional 120,000,000 shares of 50kobo each.

At the Annual General Meeting of the Company held on the 27th of June 2001, the authorized share capital of the Company was increased from ₦100,000,000 to ₦300,000,000 by the creation of additional 400,000,000 Shares of 50kobo each ranking in pari-passu in all respects with the existing ₦200,000,000 ordinary shares of 50k each in the capital of the Company.

11. ANALYSIS OF SHAREHOLDINGS

Register Range Analysis As At: 31st, December 2011

Range	No of Holders	Percent	Unit	Percent
1 -50	163	1.1833	4895	0.001
51 - 100	322	2.3376	25736	0.0054
101 - 500	5389	39.1216	1714460	0.3595
501 - 1000	2249	16.3267	1646334	0.3452
1001 - 5000	4179	30.3376	8920942	1.8704
5001 - 10000	647	4.6969	4717725	0.9891
10001 - 50000	630	4.5735	13165732	2.7604
50001 - 100000	75	0.5445	5603705	1.1749
100001 -500000	91	0.6606	19811055	4.1537
500001 - 1000000	4	0.029	3622707	0.7595
1000001 -476955000	26	0.1887	417721709	87.5809
Grand Total	13775	100	476955000	100



12. DIRECTORS' SHAREHOLDING INTEREST

The Directors' interest in the paid up shares of the Company as recorded in the register of directors' shareholdings and which they have notified the company for the purposes of Section 275 and 276 of the Companies and Allied Matters Act, CAP C20, LFN 2004 are as follows;

		Number of Ordinary Shares of 50K Each Held As At 31st December, 2011		31st December 2010	
	NAME	DIRECT	INDIRECT	DIRECT	INDIRECT
1.	G. OYEBODE MFR	17,969,068	2,672,989	17,969,068	2,672,989
2.	P. A. E. EGUASA JP	4,507,500	75,000	4,507,500	75,000

13. SUBSTANTIAL INTEREST IN SHARES

The Okomu Oil Palm Company Plc is 59.27% owned by Socfinaf S.A, which is incorporated under the laws of Federal Kingdom of Belgium with the remaining 40.73% being held by Nigerian individuals and institutional shareholders. Stanbic Nominees and Mr. G. Oyeboode MFR hold 20,424,116 and 20,642,057 ordinary shares: representing 4.29% and 4.33% of the issued share capital respectively. No other shareholder holds more than 4% of the issued share capital of the Company.

14. HUMAN CAPITAL

• Employment Of Physically Challenged Persons

The company's policy is to give equal consideration to all persons, including the physically challenged persons, in all matters of employment, having taken cognisance of their special aptitudes or challenges. Employees who have physical challenges that arise during the course of their employment are given reasonable alternative duties, having regard to their condition. There was one physically challenged person in the employment of the company as at 31st December, 2011 (2010: Nil).

• Employee involvement and Training

The company provides all of the appropriate and relevant training for its employees through the acquisition of the relevant experience that they obtain whilst working and by ensuring their attendance at relevant external courses. The company incurred ₦11.8million (2010: 10.56 million) in providing such training during the year.

• Health, Safety And Welfare

Health and safety regulations are in force within the Company, and are displayed on various notice boards within the premises. The Company has a staff clinic and also provides medical facilities to all levels of employees. The Company incurred ₦44.074 million (2010 ₦46.786 million) in the provision of such services during the year.

15. CHARITABLE DONATIONS

The company made charitable gifts and donations of ₦20,206 million during the year (2010: ₦2.266 million). These comprise:

	₦ '000
• Sponsorship of Chartered Institute of Stock Brokers annual conference	5,000
• Donations towards ICAN building complex	150
• Donation towards 2011 Day for safety and health work	35
• Community projects and support in Okomu Udo (Edo State)	12,980
• Scholarship to students in Okomu Community	1,030
• Others	1,011
	20,206

16. AUDIT COMMITTEE

Pursuant to Section 359(5) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Company has an audit committee comprising of both the Directors and the shareholders. The Directors so represented on the audit committee were Chief D. U. Edebiri OON, Mr. P.A.E. Eguasa JP and Dr. L.J.J Boedt. The shareholders' representatives were Rev. L. A. Ohenhen JP, Mr M. Igrude and Mr. S.P.N. Ola. The Chairman is Rev. L. A. Ohenhen. JP

17. AUDITORS

Messrs Horwath Dafinone, Chartered Accountants, having indicated their willingness, shall continue in office in accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

By Order of the Board

Mrs. C. Igie - Audu
Company Secretary

Okomu, Edo State, Nigeria
14th March, 2012



In compliance with the Securities and Exchange Commission guidelines on the Code of Corporate governance for public Companies in Nigeria, the Board of Directors has conducted its annual Board performance assessment for the year ended December 2011.

The assessment focused on compliance with the basic principles that promote sound corporate ethics, accountability and transparency and standards set by the code.

The Board's composition is in compliance with the requirements of the Securities and Exchange code of corporate governance. There is clear separation of roles between the position of the Chairman of the Board and the Managing Director. Board committees are properly constituted and there is a documented term of reference of each sub committee. The Chairman of the Board is not a member of any Board committee.

Board members are knowledgeable in business and financial matters and understand their fiduciary responsibilities as Directors and roles in enhancing shareholder value. The Board oversees and is involved in monitoring financial and strategic performance of the Company. There are appropriate audit structures and risk management frame works in place, in compliance with the code.

Following the Board's assessment, specific recommendations in respect of areas for further improvement of the Board's performance have been discussed by the Board.

By Order of the Board

Mrs. C. Igie-Audu
Company Secretary



INTRODUCTION

Okomu Oil Palm Company Plc recognizes that good corporate governance is fundamental to earning and retaining the confidence and trust of its stakeholders. It provides the structure through which the objectives of the Company are set and the means of attaining those objectives.

The Securities and Exchange Commission's Code of Corporate Governance provides the basis for promoting sound Corporate Governance in the Company.

Compliance with all applicable legislation, regulations, standards and codes is an essential characteristic of the Company's culture. The Board monitors compliance with these by means of management reports, which include information on any significant interaction with key stakeholders.

GOVERNANCE STRUCTURE

Shareholders' Meetings

Shareholders' meetings are duly convened and held in line with the Company's Articles of Association and existing statutory and regulatory regimes in an open manner, for the purpose of deliberating on issues affecting the Company's strategic direction. This occurs through a fair and transparent process and also serves as a medium for fostering interaction between the Board, Management and Shareholders. Attendance at Annual General Meetings is open to shareholders or their proxies while proceedings at such meetings are usually monitored by members of the Press, representatives of the Nigerian Stock Exchange, Securities and Exchange Commission and the Corporate Affairs Commission. The Board ensures that shareholders are provided with adequate notice of the Meeting.

The Board: Composition and Role

The Board comprises twelve members, which include the Chairman and eight non-Executive Directors, the Managing Director, Finance Director and one Independent Director. In line with best practice, there is separation of powers between the Chairman and Managing Director. The effectiveness of the Board derives from the diverse range of skills, competences of the executive and non-executive Directors who have exceptional entrepreneurial experiences.

The Board is responsible for ensuring the creation and delivery of sustainable value to the Company's stakeholders through its management of the Company's business. The Board is accountable to the shareholders and is responsible for the management of the Company's relationship with its various stakeholders. The Board ensures that the activities of the Company are at all times executed within the applicable and regulatory framework. The Company's principles of Corporate Governance which is a set of principles which have been adopted by the Board as a definitive statement of good Corporate Governance defines such matters which have been reserved for the Board.

The matters reserved for the Board include but are not limited to, defining the Company's business strategies and formulating policies. Management is accountable to the Board for the development and implementation of these strategies and policies.

The Board meets quarterly and emergency meetings are convened as may be required by circumstances. All Directors are provided with Notice, Agenda and meeting papers in advance of each meeting and where a Director is unable to attend a meeting, he is still provided with the relevant papers for the meeting while such Director reserves the right to discuss with the Chairman the matters he may wish to raise at the meeting. Decisions are also taken between meetings via written resolutions circulated to all Directors in accordance with the Articles of Association.

Company Secretary

The Company Secretary, in consultation with the Chairman of the Company and Chairman of the respective Board committees, prepares the agenda and supporting papers for discussion at each Board and Committee meetings respectively.

The Company Secretary continues to provide support to the Board ensuring that Directors receive timely and accurate information required to fulfill their roles. Directors may, at the Company's expense, take independent professional advice on matters pertaining to their roles as Directors.

The Standing Committees

The Board carries out its oversight function through its standing committees, each of which has a charter that clearly defines its purpose, composition, and structure. In line with best practice, the Chairman of the Board does not sit on any of the committees. The Board's standing committees are: Finance and General purpose Committee, Risk Management Committee and Governance/Remuneration Committee. The composition and responsibilities of Committees are set out below:

NAME	F&GP	RISK MANAGEMENT	GOVERNANCE/REMUNERATION
Mr. G. Oyebode MFR	-	-	-
Dr. L.J.J Boedt	M	M	-
Chief D. U. Edebiri OON	C	M	M
Mr. P.A.E Eguasa JP	M	C	M
Mr. H. Fabri	M	-	-
Mr. P. De Groote	M	-	C
Dr. G.D Hefer	M	M	-
Mr. R. Helsmoortel	M	-	M
Hon. J. O. Igbinomwanhia	M	-	-
Mr. A. Ighodalo	M	-	-
Mr. A. Mary	M	M	-
Mr. P.de Traux de Wardin	M	-	M



Keys:

- Non member
- M member
- C Chairman of Committee

Finance and General Purpose Committee (F&GPC)

This committee reviews the Company's annual budget, financial performance, business development and other financial matters. The committee oversees the administration and effectiveness of the Company's policies through the review of processes and management feedback. The committee met four times during the year under review.

Risk Management Committee

The Committee assists the Board in fulfilling its oversight responsibility relating to the establishment of policies, standards and guidelines for risk management.

The Committee also ensures compliance with established policies through periodic reviews of reports provided by management and ensures that qualified officers are employed to manage the risk function.

The Committee reviews Company's compliance levels with applicable laws and regulatory requirements that may impact the Company's risk profile.

The Committee evaluates the Company's risk policies on a periodic basis to accommodate major changes in the internal or external environment. The committee met twice during the period under review.

Governance/Remuneration Committee

This Committee is responsible for the establishment of all Board's criteria for membership.

It assesses the contributions of current Directors in connection with their re-nomination and makes recommendations to the Board.

Attendance at Board Meetings

During the financial year ended 31st December 2011, the Board of Directors held meetings four times. Directors' attendance at meetings is as shown below:

NAME	STATUS	ATTENDANCE
Mr. G. Oyeboode MFR	Chairman	4
Dr. G.D Hefer	Executive (Managing)	4
Dr. L.J.J Boedt	Non-Executive	3
Chief D.U Edebiri, OON	"	4
Mr. P.A.E Eguasa	"	4
Mr. H. Fabri	"	1
Mr. P. De Groote	"	2
Mr. R. Helsmoortel	"	3
Hon. J. O. Igbinomwanhia	"	1
Mr. A. Ighodalo	Independent	2
Mr. A. Mary	Executive (Finance)	4
Mr. P. de Traux de Wardin	Non-Executive	2

In line with the provisions of section 258(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the record of the Directors' attendance at the Board meetings is available for inspection at the Annual General Meeting.

Statutory Audit Committee

In compliance with section 359 of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Company constituted a standing audit committee at the Annual General Meeting which consists of three non-executive Directors and three shareholders. This committee has oversight responsibility for the Company's accounting and financial reporting functions, internal control structures and review of the financial statements.

The composition of the committee is as set below:

Mr. L.A Ohenhen	Shareholder	Chairman
Mr. S.P.N. Ola	Shareholder	member
Mr. M: Igbrude	Shareholder	member
Dr. L.J.J Boedt	Director	member
Chief D.U Edebiri, OON	Director	member
Mr. P.A.E Eguasa JP	Director	member

Conflict Of Interest

All Directors and employees are expected to avoid Direct or indirect conflicts of interest. Where a conflict of interest may arise in a matter to be decided by the Board, the Director concerned is expected to inform the Board and abstain from voting.



During the year under review, there were no transactions and other contractual relationships between the Company and its Board members and managers, which are not covered by its legal provisions on conflict of interest. Transactions with related parties (Socfinco SA, Sodimex) were for management fees, purchase and supply of equipment, materials and services respectively.

Internal Control and Internal Audit

The Board has put in place a well established internal control arrangement in the Company with a view to ensuring that:

- Proper accounting statements are maintained
- Applicable accounting statements are followed
- Adequate internal control procedures are instituted to safeguard assets, prevent and detect frauds and other irregularities
- It is appropriate for the financial statement to be prepared on a going concern basis unless it is presumed that the Company will not continue in business;
- Judgments and estimates made are responsible and prudent

Pursuant to the foregoing, it has also established an efficient and effective internal audit whose function is to report to the audit committee. For its day to day and project work, the department is guided by the instructions of the audit committee and the Company's internal audit procedural manual.

Code of Conduct

The Company obtains the affirmation compliance of the Code of Conduct from its Directors on an annual basis. The Code of Conduct is an annual declaration that helps to maintain high standards of ethical business conduct for the Company. Directors and Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact upon informed decisions and policies in the best interest of the Company, its shareholders and stakeholders. Further, Directors and Management should ensure that they do not derive any undue personal benefit because of their position in the Company and/or certain information coming to their knowledge.

The Company has obtained declarations from Directors and Management affirming their compliance to the Code of Conduct for the current year.

Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy which enables persons to report suspected breaches of the Company's internal policies, laws and regulations.

This policy provides for adequate safeguards against victimization of employees who report to the Whistle Blower Administrator.

Mrs. C. Igje- Audu
Company Secretary

Auditors' Report

Horwath Dafinone

Report Of The Independent Auditors To The Shareholders Of The Okomu Oil Palm Company Plc

We have audited the financial statements of The Okomu Oil Palm Company Plc which comprise, the profit and loss account for the year ended 31st December 2011, the balance sheet as at 31st December 2011, the principal accounting policies, the cash flow statement for the year then ended, other explanatory notes, the value added statement and the five year financial summary. The financial statements are set out on pages 21 to 31 and have been prepared using the accounting policies set out on pages 19 to 20.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Standards (Formerly known as Statements of Accounting Standards) issued by the Financial Reporting Council of Nigeria (Formerly known as Nigerian Accounting Standards Board) and Companies and Allied Matters Act, CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and Nigerian Standards on Auditing issued by the Institute of Chartered Accountants of Nigeria. The standards require that we comply with ethical requirements, plan and perform the audit so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

Comparative figures

The firm of Messers Spiropoulos, Adiele, Okpara & Co, Chartered Accountants, acted as the auditors to the company in respect of the financial statements for the year ended 31st December, 2010. The amounts included in those financial statements are included as the comparative values in this year's financial statements

Basis of our opinion

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material

Lagos, Nigeria
14th March, 2012

Board Recommendation
visiting the site of
production

Horwath Dafinone
Chartered Accountants
Cedra Towers
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misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the information contained within the financial statements.

We obtained all of the information and explanations that were required for the purpose of our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Report on other legal and regulatory requirements

In accordance with the Companies and Allied Matters Act CAP C20 LFN 2004 we confirm that the financial statements are in agreement with the accounting records, which have been properly kept.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31st December, 2011 and of its financial performance and its cash flows for the year ended on that date, and comply with the Companies and Allied Matters Act CAP C20 LFN 2004, and the applicable Financial Reporting Standards (formerly known as Statements of Accounting Standards) issued by the Financial Reporting Council of Nigeria (formerly known as Nigerian Accounting Standards Board).

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Annual report
was received

Horwath Dafinone
Chartered Accountants
A 196,477



In compliance with the requirements of Section 359 (6) of the Companies and Allied Matters Act, (Cap 59) of 2004, we, are pleased to report that we have examined the Auditors' report, the annexed balance sheet and profit and loss account and have obtained information and explanations which we considered necessary.

We certify that the accounting and reporting policies of the Company were in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2011 were adequate.

Members of the audit committee are:

Rev. L. A. Ohenhen JP (Chairman)
Mr. S. P. N. Ola
Mr. M. Igbrude
Dr. L. J. J. Boedt
Chief D. U. Edebiri, OON
Mr. P. A. E. Eguasa JP

In attendance

Mrs. C. Igie-Audu Company Secretary

Rev. L. A. Ohenhen J. P.
Chairman



a) Basis Of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standards (FRS) (formerly Nigerian Accounting Standards) and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004. The financial statements have been prepared on historical cost basis.

b) Turnover

Turnover represents the value of the goods delivered to the customers during the year, net of discounts and value added tax. Turnover is recognised when the significant risks and rewards of the ownership of the goods are transferred to the buyers.

c) Property, plant and equipment

All items of property, plant and equipments are initially recorded at cost. Such initial costs include the cost of property, plant and equipments and borrowing costs that are directly attributable to the acquisition, construction, production or installation of property, plant and equipment and are recognised as an asset if and only if, it is probable that future economic benefits associated with the item will flow to the company. Property, plant and equipment are stated at their cost less the accumulated depreciation.

d) Biological assets

Biological assets include mature and immature Palm and Rubber plantations and are stated at cost less accumulated depreciation. Oil palm plantations are considered mature when 60% of palm per block are bearing fruits with an average weight of 3kgs or more while rubber plantations are treated as mature when 40% of the trees can be tapped during the year. If the above criteria is not met the plantation are classified as immature and no depreciation is provided thereon.

e) Depreciation

Depreciation is calculated using the straight line basis to write off the cost less any residual value, of the property, plant and equipment and biological assets, over the estimated useful lives of the assets concerned. Depreciation charges commence at the earlier of the time the asset is put to use or whenever there has been a permanent impairment in value of the asset. The annual rates that have been consistently applied for this purpose are as follows:

<u>Class of asset</u>	<u>Rate</u>
Buildings	%
Mill, machinery and equipments	5
Vehicles and trailer	10 - 20
Furniture and fittings	20 - 25
Biological assets - mature	12.5
	5

Depreciation is not provided on capital work in progress or immature plantations.

f) Stocks

Stocks are stated at the lower of the cost or the net realisable value. Cost represents the purchase price and other incidental costs incurred in bringing the items to their present location and condition. Net realisable value represents the amount realisable less any cost of realisation.

Palm oil products, rubber products and work in progress are valued at the average cost of direct materials and labour plus appropriate amount attributable to production overhead based on the normal production capacity.

g) Debtors

Debtors are stated after the deduction of specific provisions for any debts for which the ultimate realisation is doubtful. Debts are considered doubtful where in the opinion of the Directors, there are risks that full collection without undue cost may not occur. Debts are considered bad where the repayment is overdue by more than 365 days and full provision is made for such debts.

h) Foreign currency transactions

Transactions denominated in foreign currency are converted into Naira at the exchange rates ruling on the date of the transactions. Assets and liabilities denominated in foreign currencies other than those subject to contracted rates of settlement are converted into Naira at the rate prevailing on the balance sheet date. Exchange differences thus arising are taken to the profit and loss account.

i) Retirement and deferred benefits

The Company operates an unfunded defined benefits gratuity scheme for its permanent staff who were employed prior to 2004. The benefits under this scheme are related to the employees' length of services and remuneration. The benefits payable upon the retirement or resignation of employee are fully accrued over the service lives of the staff of the Company.



(j) Pension scheme

In line with the provision of the Pension Reform Act 2004, the Company has instituted a funded defined contribution pension scheme for its staff. Staff contributions to the scheme are funded through payroll deductions while the company's contributions are charged to the profit and loss account in the year to which they relate.

(k) Taxation

Taxation is provided on the basis of the profits for the year as adjusted for income and education tax purposes. Deferred tax is accounted for in respect of all timing differences arising from the recognition of transactions by the tax legislation in periods different from the accounting years in which such transactions are recognised.

(l) Impairment

The carrying value of assets is reviewed at each balance sheet date to determine whether or not there is any indication of impairment. If any such indication exists, the estimated recoverable amount is then determined. Impairment losses are recognised in the profit or loss account.

(m) Provisions

Provisions are recognised where in the opinion of the Directors, the Company has a present obligation whether legal or constructive, as a result of a past event for which it is probable that there will be an outflow of resources.

(n) Segment reporting

The business is presented by product segments, which is determined by Management based on the Company's internal reporting structure. The segments are related to its principal products namely rubber and palm oil. Segmented results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(o) Lease

Operating lease rental expense is recognised in the profit or loss on the basis of the contractual expense incurred over the term of the lease.

(p) Cash and cash equivalents

Cash and cash equivalents comprise bank and cash balances (including bank overdrafts), demand deposits and short-term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value.

(q) Research and development

All general research and development costs are expensed as incurred.



	Note	2011 N '000	2010 N '000
Turnover	2	11,121,011	6,087,836
Cost of sales	3	4,267,356	2,258,584
Gross profit	4	6,853,655	3,829,252
Distribution expenses		(250,522)	(148,584)
Administrative expenses		(2,072,674)	(1,771,886)
Other operating income	6	47,036	37,956
Operating profit		4,577,495	1,946,738
Interest receivable and similar income	7	106,912	91,459
Interest payable and similar charges	8	(25,966)	(66,935)
Profit on ordinary activities before taxation	9	4,658,441	1,971,262
Taxation	10(a)	(734,681)	(341,806)
Profit on ordinary activities after taxation		3,923,760	1,629,456
Basic earnings per share (kobo)	11	823	342

The accounting policies on pages 19 to 20, and the notes on pages 24 to 31 form integral parts of the financial statements.



	Note	2011 ₦ '000	2010 ₦ '000
Assets			
Fixed assets			
Property, plant & equipment	12	3,308,480	2,761,045
Biological assets	13	3,735,888	3,654,368
		<u>7,044,368</u>	<u>6,415,413</u>
Current assets			
Stocks	14	1,159,882	998,123
Debtors	15	982,013	709,692
Cash and bank balances	16	2,864,961	544,898
		<u>5,006,856</u>	<u>2,252,713</u>
Creditors: amounts falling due within one year			
Taxation	17 10(b)	(777,932) (770,900)	(943,048) (36,256)
Net current assets		<u>3,458,024</u>	<u>1,273,409</u>
Total assets less current liabilities		<u>10,502,392</u>	<u>7,688,822</u>
Creditors: amounts falling due after more than one year			
Retirement benefits	18(i)	(589,031)	(574,321)
Term loan	18(ii)	(121,245)	(242,491)
Deferred taxation	10(c)	(955,860)	(1,005,604)
Net assets		<u>8,836,256</u>	<u>5,866,406</u>
Capital and reserves			
Called-up share capital	19	238,478	238,478
Revenue reserve	20	6,730,683	3,760,833
Share premium	21	1,867,095	1,867,095
		<u>8,836,256</u>	<u>5,866,406</u>

These financial statements were approved by the Board of Directors on March, 14th 2012 and signed on its behalf by:

Mr. Gbenga Oyeboade MFR
Chairman

Dr. G. D. Hefer
Managing Director

Directors

14th March, 2012

The accounting policies on pages 19 to 20, and the notes on pages 24 to 31 form integral parts of the financial statements.

Statement of Cash Flow

for the year ended 31st December, 2011



	Note	2011 N '000	2010 N '000
Cash flow from operating activities			
Operating profit		4,577,495	1,946,738
Adjustments for those items not involving the movement of cash			
Depreciation	12&13	597,013	517,788
(Profit)/Loss on the sales of property, plant and equipment	6	(15,464)	25,139
Provision for staff retirement benefits	18(i)	63,886	46,723
Prior year adjustment	20	-	26,543
		<hr/>	<hr/>
Cash flows before changes in working capital		5,222,930	2,562,931
Movements in working capital			
(Increase)/decrease in stocks	14	(161,759)	81,548
Increase in debtors	15	(272,321)	(308,984)
(Decrease)/increase in creditors	17	(138,652)	140,864
		<hr/>	<hr/>
Taxation paid	10(b)	4,650,198	2,476,359
Gratuity paid	18(i)	(49,781)	(27,922)
		(49,176)	(18,925)
		<hr/>	<hr/>
Net cash inflow from operating activities		4,551,241	2,429,512
Cash flow from investing activities			
Interest receivable and similar income	7	106,912	91,459
Purchase of property, plant & equipments	12	(950,463)	(378,490)
Purchase of biological assets	13	(275,505)	(326,157)
Proceeds from sales of fixed assets	6	15,464	-
		<hr/>	<hr/>
Net cash outflow from investing activities		(1,103,592)	(613,188)
Cash flow from financing activities			
Repayment of Term Loan	18(ii)	(147,703)	(1,029,725)
Interest payable and similar charges	8	(25,966)	(66,935)
Dividend paid	22	(953,910)	(143,087)
Unclaimed dividends written back		-	(9,980)
		<hr/>	<hr/>
Net cash outflow from financing activities		(1,127,579)	(1,249,727)
		<hr/>	<hr/>
Net increase in cash and cash equivalent for the year		2,320,070	566,597
Cash and cash equivalent at the beginning of the year		544,891	(21,706)
		<hr/>	<hr/>
Cash and cash equivalent at the end of the year		2,864,961	544,891



1. Legal Form

The company was incorporated as a private limited liability company on 3rd December, 1979. It was converted to a public limited company on 19th September, 1997 under the Companies and Allied Matters Act, CAP C20 LFN 2004.

2. Turnover

By geographical destination and operations:

	2011 N '000	2010 N '000
Local - Palm oil	6,680,629	4,292,240
Export - Rubber	4,440,382	1,795,596
	<u>11,121,011</u>	<u>6,087,836</u>

3. Cost Of Sales

Oil Palm	2,171,392	1,687,812
Rubber	2,095,964	570,772
	<u>4,267,356</u>	<u>2,258,584</u>

4. Gross Profit

By products:

Oil Palm	4,509,237	2,604,428
Rubber	2,344,418	1,224,824
	<u>6,853,655</u>	<u>3,829,252</u>

5. Information Regarding Directors And Employees

(a) Director's Emoluments

Fees	6,629	10,472
Other emoluments	8,007	-
	<u>14,636</u>	<u>10,472</u>

Emoluments:

Chairman	1,670	2,336
Highest paid director	1,670	2,336

(b) Scale of other directors' remuneration (excluding the chairman)

	Number	Number
N 150,000 - N 700,000	1	3
N 700,001 - N 1,500,000	9	-
N 1,500,001 and above	2	5
	<u>12</u>	<u>8</u>



Information Regarding Directors And Employees (cont'd)

	2011 Number	2010 Number
(c) (i) Employees remunerated at higher rate:		
The number of employees (excluding directors) whose emoluments were above ₦200,000 in the year fall within the following ranges:		
₦ 200,001 - ₦ 500,000	363	740
₦ 500,001 - ₦ 1,000,000	340	100
₦ 1,000,001 and above	52	-
	<u> </u>	<u> </u>
(ii) Average number of persons employed		
Finance and administration	133	104
Palm Oil	380	453
Rubber	92	107
Workshop and support	202	186
	<u> </u>	<u> </u>
	807	850
	<u> </u>	<u> </u>
(d) Employees' costs during the year (excluding directors' remuneration):	2011 ₦'000	2010 ₦'000
Salaries and wages and others	1,443,448	1,428,154
Staff welfare	34,594	33,301
Medical	9,480	13,485
Gratuity and pension costs	78,931	65,448
	<u> </u>	<u> </u>
	1,556,443	1,540,388
	<u> </u>	<u> </u>
6. Other operating income		
Profit on fixed assets disposal	15,464	-
Sundry income	31,562	37,956
	<u> </u>	<u> </u>
	47,036	37,956
	<u> </u>	<u> </u>
7. Interest receivable and similar income		
Exchange gain	72,715	84,663
Interest from fixed deposits	34,197	6,796
	<u> </u>	<u> </u>
	106,912	91,459
	<u> </u>	<u> </u>
8. Interest payable and similar charges		
Interest on long term loan	25,966	66,935
	<u> </u>	<u> </u>
9. Profit on ordinary activities before taxation	4,658,441	1,971,262
	<u> </u>	<u> </u>
.This is stated after charging/(crediting):		
Depreciation	597,013	517,787
Auditors' remuneration	21,000	20,000
Directors' emoluments (note 5(a))	6,629	10,471
Interest payable and similar charges	25,966	66,935
Management fee and technical know how	537,884	253,650
Interest receivable and similar income	(106,912)	(91,459)
	<u> </u>	<u> </u>



	2011 N '000	2010 N '000
10. Taxation		
(a) Education tax	108,002	44,363
Income tax	662,898	-
Under-provision in the prior years:		
Education tax	5,418	-
Income tax	8,107	-
	784,425	44,363
Deferred tax (write back)/charges (note 10(c))	(49,744)	297,443
	734,681	341,806
(b) Taxation liability		
As at 1st January	36,256	19,815
Charge for the year	784,425	44,363
Payments during the year	(49,781)	(27,922)
	770,900	36,256
(c) Deferred taxation		
As at 1st January	1,005,604	708,161
(Write back)/charge for the year	(49,744)	297,443
As at 31 st December, 2011	955,860	1,005,604

The companies income tax charge for the year is based on the provisions of the Companies Income Tax Act CAP C 21 LFN 2004 and the Education Tax Act CAP E 4 LFN 2004. There was no income tax liability deferred arising from timing differences created between the net book value of fixed assets qualifying for capital allowances and their corresponding income tax written down value, in view of unrelieved capital allowances.



	2011 Kobo	2010 Kobo
11. Basic earnings per share		
Basic earnings per 50 kobo ordinary share (kobo)	823	342

The basic earnings per share has been calculated using the profit after taxation and allocating this profit between the ₦476,955,000 ordinary shares that had been issued as at 31st December, 2011.

12. Property, Plant and Equipment

	Land & Buildings ₦ '000	Palm Mill ₦ '000	Rubber Mill ₦ '000	Machinery & equipment ₦ '000	Vehicles & Trailers ₦ '000	Fixtures & fittings ₦ '000	Capital WIP* ₦ '000	Total ₦ '000
Cost								
At 1st January, 2011	840,168	1,585,572	874,987	638,962	358,903	189,476	153,673	4,641,741
Additions	194,189	252,929	24,028	303,568	47,964	20,075	107,710	950,463
Reclassification & transfer	-	49,017	-	-	-	-	(49,017)	-
Disposal	-	-	-	(73,296)	-	-	-	(73,296)
At 31st December, 2011	<u>1,034,357</u>	<u>1,887,518</u>	<u>899,015</u>	<u>869,234</u>	<u>406,867</u>	<u>209,551</u>	<u>212,366</u>	<u>5,518,908</u>
Depreciation								
At 1st January, 2011	229,713	784,180	120,490	365,552	216,538	164,223	-	1,880,696
Charge for the year	43,718	152,820	45,862	98,980	49,910	11,738	-	403,028
Eliminated on disposal	-	-	-	(73,296)	-	-	-	(73,296)
At 31st December, 2011	<u>273,431</u>	<u>937,000</u>	<u>166,352</u>	<u>391,236</u>	<u>266,448</u>	<u>175,961</u>	<u>-</u>	<u>2,210,428</u>
Net book value								
As 31st December, 2011	<u>760,926</u>	<u>950,518</u>	<u>732,663</u>	<u>477,998</u>	<u>140,419</u>	<u>33,590</u>	<u>212,366</u>	<u>3,308,480</u>
As 31st December, 2010	<u>610,455</u>	<u>801,392</u>	<u>754,497</u>	<u>273,410</u>	<u>142,365</u>	<u>25,253</u>	<u>153,673</u>	<u>2,761,045</u>

* Work in progress

13. Biological assets

	Palm Plantation ₦ '000	Rubber Plantation ₦ '000	Total ₦ '000
Cost			
At 1st January, 2011	1,679,102	2,845,391	4,524,493
Additions	163,434	112,071	275,505
At 31 st December, 2011	<u>1,842,536</u>	<u>2,957,462</u>	<u>4,799,998</u>
Depreciation			
At 1st January, 2011	395,400	474,725	870,125
Charge for the year	74,341	119,644	193,985
At 31 st December, 2011	<u>469,741</u>	<u>594,369</u>	<u>1,064,110</u>



Biological assets (Cont'd)

	Palm Plantation N '000	Rubber Plantation N '000	Total N '000
Net book value			
At 31 st December, 2011	1,372,795	2,363,093	3,735,888
As 31st December, 2010	1,283,702	2,370,666	3,654,368

13(i). Analysis of biological assets by maturity

Mature plantation	1,498,609	2,392,876	3,891,485
Immature plantation	343,927	564,586	908,513
Cost at year end	1,842,536	2,957,462	4,799,998

14. Stocks

	2011 N '000	2010 N '000
Fuel and lubricants	48,237	82,323
Spare parts	268,004	381,169
General stores and various materials	109,208	67,033
Agricultural consumables	117,655	78,341
Finished goods	616,778	139,426
Goods-in-transit	-	249,831
	1,159,882	998,123

15. Debtors

Trade debtors	103,354	197,197
Advances to suppliers	327,728	437,435
Staff and sundry debtor	60,979	40,949
Due from related company	478,509	-
Employees' share trust loan	228	28,076
Prepayment	-	6,035
Other debtors	11,215	-
	982,013	709,692

16. Cash and bank balances

Cash balances	4,959	2,001
Bank balances held locally:		
Current accounts	163,409	76,892
Domiciliary accounts	487,334	138,468
Fixed deposits accounts	67,915	-
Other bank balances (i)	98,447	98,454
Balances held with foreign banks:		
Current accounts	403,128	229,083
Fixed deposit account	1,639,769	-
	2,864,961	544,898

(i) Other bank balances

This represents the amounts held by the Company in various bank accounts in respect of unclaimed dividends for the years 1995 to 2004.



	2011 N '000	2010 N '000
17. Creditors: amounts falling due within one year		
Trade creditors	161,244	214,903
Advances by customers	73,778	206,138
Due to the related companies	-	130,568
Other creditors	115,610	87,371
Accruals and deferred income	209,164	71,261
Unclaimed dividends	69,364	69,364
Term loan (note 18 (ii))	121,246	147,703
Pension and other retirement benefits	27,526	15,733
Bank Overdraft	-	7
	<u>777,932</u>	<u>943,048</u>
18. Creditors: amounts falling due after more than one year		
Retirement benefits(Note 18(i))	589,031	574,321
Term loan (Note 18(ii))	121,245	242,491
	<u>710,276</u>	<u>816,812</u>
18(i) Retirement benefits		
Balance as at 1 st January	574,321	546,523
Provision for the year	63,886	46,723
Payment during the year	(49,176)	(18,925)
	<u>589,031</u>	<u>574,321</u>
18(ii) Term loan		
Due within one year (note 17)	121,246	147,703
Due after one year (note 18)	121,245	242,491
	<u>242,491</u>	<u>390,194</u>

This represents the outstanding balance in respect of € 4.8 million term loan granted to the company by DEG-DEUTSCHE Investitions in 2003 for the expansion of the existing oil mill and the rubber and oil palm plantation.

The facility is repayable within 8 years excluding moratorium from the date of first drawdown. The facility was granted at a rate of 8.8% per annum and secured by various undertakings by the core investors (Intercultures and Indufina) who had pledged the company's shares with the institution.

	2011 N '000	2010 N '000
19. Called-up share capital		
Authorised:		
600,000,000 ordinary shares of 50k each	<u>300,000</u>	<u>300,000</u>
Allotted, called-up and fully paid:		
476,955,000 ordinary shares of 50k each	<u>238,478</u>	<u>238,478</u>



	2011 N '000	2010 N '000
20. Revenue reserve		
As at the beginning of the year	3,760,833	2,247,921
Prior year adjustments	-	26,543
	<hr/>	<hr/>
Reserve as restated	3,760,833	2,274,464
Profit for the year	3,923,760	1,629,456
	<hr/>	<hr/>
	7,684,593	3,903,920
Dividends paid during the year (note 22)	(953,910)	(143,087)
As at the end of the year	<u>6,730,683</u>	<u>3,760,833</u>
	<hr/> <hr/>	<hr/> <hr/>
21. Share premium		
Balance at year end	<u>1,867,095</u>	<u>1,867,095</u>
	<hr/> <hr/>	<hr/> <hr/>
22. Dividend paid during the year		
Dividend paid during the year comprises:		
Final dividend 2009 (30kobo per share)	-	143,087
Final dividend 2010 (N1 per share)	476,955	-
Interim dividend 2011 (N1 per share)	476,955	-
	<hr/>	<hr/>
	953,910	143,087
	<hr/> <hr/>	<hr/> <hr/>
23. Cash and cash equivalents		
Cash and bank balances (notes 16)	2,864,961	544,898
Bank overdraft (note 17)	-	(7)
	<hr/>	<hr/>
	2,864,961	544,891
	<hr/> <hr/>	<hr/> <hr/>

24. Related party transactions

The company entered into the following material transactions during the year with the under listed related companies.

(i) SOCFINCO S.A

Socfinco S. A. has exclusive rights to know-how and manages the affairs of the company. In consideration of this technical knowhow, management fees and other support charges are paid to SOCFINCO S.A. The fees are calculated at an aggregate rate equal to 3% of the company's net sales and 3% of profit before tax. The technical knowhow and management service agreements are made with the approval of the National Office for Technology Acquisition and Promotion (NOTAP). The company incurred N538 million on management and technical fees during the year (2010: N254 million) and this was at arm's length. In addition, the company bears the remuneration of two Executive Directors and expatriates' to offer support to the company.

(ii) SODIMEX.SA.

The company purchases its equipment and spare parts from SODIMEX S.A (a related company). During the year under review, the company incurred 623.4million to procure capital assets and spare parts and these were carried out at arm's length. The amount due to the company from Sodimex S. A. at the end of the year was 16 million.

(iii) SOGESCO FR S.A

The company exports its rubber to SOGESCO FR S.A (a related company). Sales during the current year amounted to 4.4 billion (2010: 1.8 billion) and these were carried out at arms length. The amount due to the company from Sogesco FR S.A. as at year end was 444 million (2010: 175 million).



25. Contingent liabilities

There were no known contingent liabilities as at the balance sheet date.

26. Capital commitments

The capital commitments as at the balance sheet date were:

	2011 N '000	2010 N '000
Authorised but not contracted	2,059,908	336,334
Authorised and contracted	-	1,225,968
	<u>2,059,908</u>	<u>1,592,302</u>

27. Ultimate Holding Company

The ultimate holding company is SOCFINAF S.A incorporated under the laws of Luxembourg.

28. Post balance sheet events

There are no post balance sheet events which could have had a material effect on the financial position of the company as at 31st December, 2011 and of the profit for the year ended on that date which has not been adequately provided for and disclosed in these financial statements.

29. Comparative figures

Certain comparative figures have been reclassified in line with the current year's presentation.

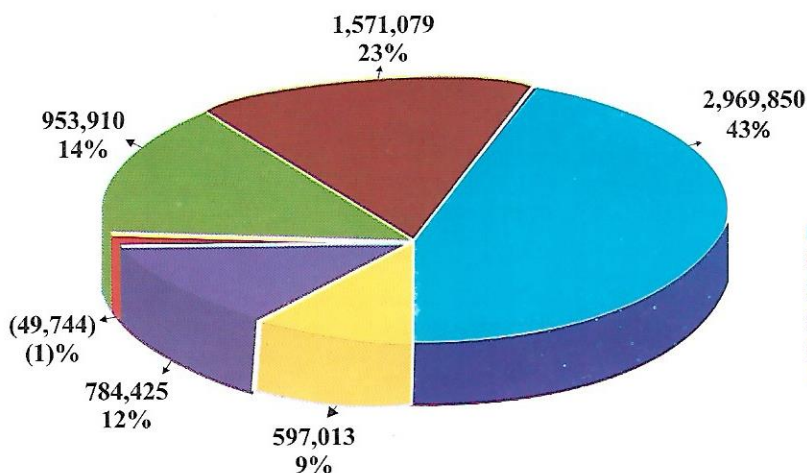
30. The financial statements were approved by the Board of Directors on 14th March 2012.



	2011 N '000	%	2010 N '000	%
Turnover (note 2)	11,121,011		6,087,836	
Other operating income	47,036		37,956	
Interest receivable	106,912		91,459	
	<u>11,274,959</u>		<u>6,217,251</u>	
Less: Bought in materials and services				
- imported	(1,054,026)		(449,719)	
- local	(3,368,434)		(1,660,688)	
Value added	<u>6,852,499</u>	<u>100</u>	<u>4,106,844</u>	<u>100</u>
Applied in the following ways:				
To employees				
Salaries, wages, pensions and related costs (including directors' remuneration)	1,571,079	23	1,550,860	38
To the providers of capital				
Financial and other borrowing costs	25,966	-	66,935	2
Dividend paid	953,910	14	143,087	3
To the government				
Taxation charge	784,425	12	44,363	1
To provide for the maintenance of assets and expansion of the business				
Depreciation	597,013	9	517,787	13
Deferred taxation	(49,744)	(1)	297,443	7
Retained profit for the year	2,969,850	43	1,486,369	36
	<u>6,852,499</u>	<u>100</u>	<u>4,106,844</u>	<u>100</u>

Value added represents the wealth created by the company and its staff, using the company's other resources. The value added statement shows how the wealth is shared amongst the various interest groups including the employees, providers of capital, the government and that retained for further creation of more wealth.

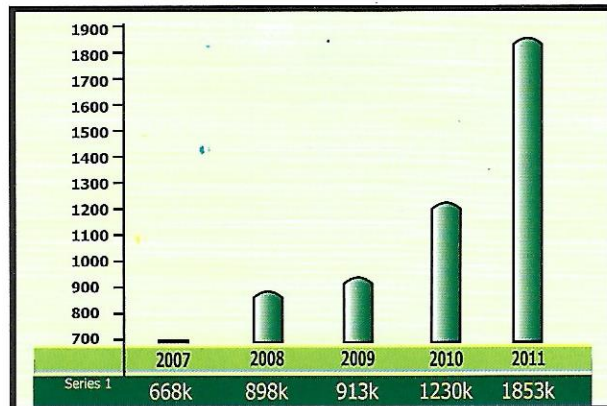
Distribution of Value Added



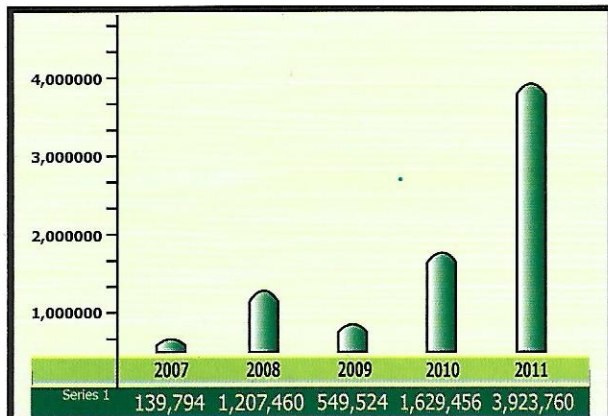
	N'000	%
1 Retained profit	2,969,850	43
2 Sal., wages etc	1,571,079	23
3 Dividend Paid	953,910	14
4 Deferred Taxation	(49,744)	(1)
5 Taxation	784,425	12
6 Depreciation	597,013	9
	<u>6,852,499</u>	<u>100</u>



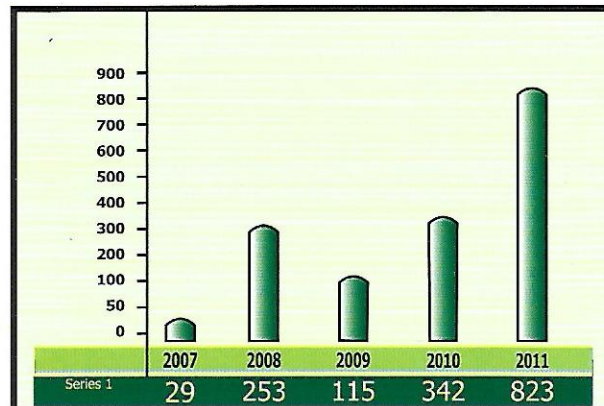
	2011 ₦ '000	2010 ₦ '000	2009 ₦ '000	2008 ₦ '000	2007 ₦ '000
Balance sheet					
Fixed assets					
Plant, property & equipment	3,308,480	2,761,045	6,253,692	5,878,168	5,703,653
Biological assets	3,735,888	3,654,368			
Long term debtors	-	-	32,254	32,254	39,216
Net current assets	3,458,024	1,421,112	601,705	449,705	(438,098)
Creditors: amounts falling due after more than one year	(710,270)	(964,515)	(1,825,996)	(1,785,293)	(1,824,750)
Deferred taxation	(955,860)	(1,005,604)	(708,161)	(291,846)	(291,846)
	<u>8,836,256</u>	<u>5,866,406</u>	<u>4,353,494</u>	<u>4,282,988</u>	<u>3,188,175</u>
Called-up share capital	238,478	238,478	238,478	238,478	238,478
Share premium	1,867,095	1,867,095	1,867,095	1,867,095	1,867,095
Revenue reserve	6,730,683	3,760,833	2,247,921	2,177,415	1,082,602
Net assets	<u>8,836,256</u>	<u>5,866,406</u>	<u>4,353,494</u>	<u>4,282,988</u>	<u>3,188,175</u>
Profit and loss account					
Turnover	<u>11,121,011</u>	<u>6,087,836</u>	<u>4,741,217</u>	<u>4,734,193</u>	<u>2,807,711</u>
Profit before taxation	4,658,441	1,971,262	661,741	1,240,038	150,794
Taxation	(734,681)	(341,806)	(112,217)	(32,578)	(11,000)
Profit after taxation	3,923,760	1,629,456	549,524	1,207,460	139,794
Dividend	(953,910)	(143,087)	(119,239)	(119,239)	-
	<u>2,969,850</u>	<u>1,486,369</u>	<u>430,285</u>	<u>1,088,221</u>	<u>139,794</u>
Revenue reserve at the beginning of the year	3,760,833	2,247,921	2,177,415	1,082,602	942,808
Prior year adjustments	-	26,543	(359,779)	6,592	-
	<u>6,730,683</u>	<u>3,760,833</u>	<u>2,247,921</u>	<u>2,177,415</u>	<u>1,082,602</u>
Earnings per share (kobo)	<u>823</u>	<u>342</u>	<u>115</u>	<u>253</u>	<u>29</u>
Dividend per share (kobo)	<u>200</u>	<u>30</u>	<u>25</u>	<u>25</u>	<u>-</u>
Dividend cover (times)	<u>4.12</u>	<u>11.40</u>	<u>4.60</u>	<u>10.12</u>	<u>-</u>
Net asset per share (naira)	<u>18.53</u>	<u>12.30</u>	<u>9.13</u>	<u>8.98</u>	<u>6.68</u>



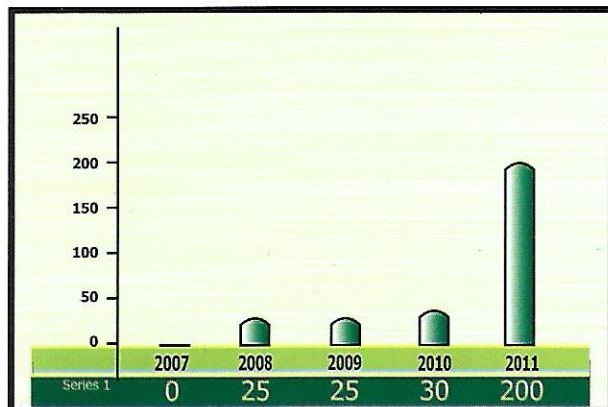
**Net Asset Per 50k share
2007 - 2011 in kobo**



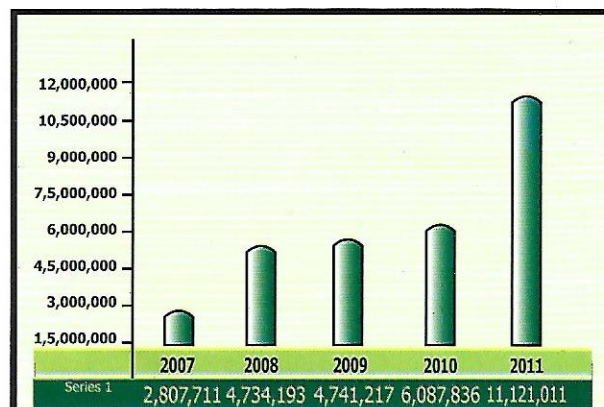
**Profit After Taxation
2007 - 2011 Naira in Million / Billion**



**Adjusted Earning Per 50k Share
2007 - 2011 Naira in Kobo**



**Dividend Per 50k Share
2007 - 2011 Naira in kobo**



**Turnover
2007 - 2011 Naira in Billion**