To be Nigeria's leading agro-business, through the efficient and effective management of our various plantations by a highly motivated workforce, working in harmony with our other stakeholders, and continuously returning favourable results to our shareholders.

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting of the Company will be held at the Transcorp Hilton Hotel, 1 Aguiyi Ironsi street, Maitama Abuja on Wednesday, 5th of June, 2013 at 9.00 am to transact the following:

ORDINARY BUSINESS

1. To lay before the meeting, the Audited Financial Statements for the year ended 31st December 2012, together with the report of the Directors, Auditors and Audit committee thereon.

2. To declare a dividend

3. To elect/re-elect Directors
   Pursuant to Section 256 of the Companies and Allied Matters Act, 2004, the Company received a special notice "That Chief D.U. Edebiri who is 84 years old be re-elected a Director of the Company."

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. **Capitalization Of Reserves**
   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
   "That following the recommendation of the Directors pursuant to Articles 140 of the Company's Articles of Association, the sum of N238,478,000.00 be and is hereby capitalized from the amount standing to the credit of the general reserves in the books of the Company into 476,956,000 new ordinary shares of 50 kobo each and the same be allotted and distributed to members whose names appear in the Register of Members at the close of business on Monday, 13th May, 2013 in proportion of one (1) new share for every one (1) existing share registered in such member's name on that date, the shares so distributed being treated for all purposes as capital and not as income and shall rank pari-passu with existing shares of the Company, provided that the shares issued pursuant to this resolution shall not rank for the dividend recommended for the year ended 31st December, 2012, and the Directors shall give effect to this resolution.

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. **QUALIFICATION DATE FOR DIVIDEND AND BONUS ISSUE**
   Members whose names appear in the Register of Members at the close of business on Monday, 13th May, 2013 shall be qualified for the dividend payment and bonus issue.

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 14th May to Friday 17th May 2013 (both days inclusive) to enable Registrar prepare for the payment of dividend.

3. **DIVIDEND**
   If dividend is approved at the meeting, the warrants for payment will be posted on Monday, 17th June, 2013 to shareholders whose names appear in the register of members as at close of register.

4. **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 13th March, 2013.

REGISTERED OFFICE

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

Mrs. C. Igie-Audu
Company Secretary

THE OKOMU OIL PALM COMPANY PLC

	2012 N '000	2011 N '000
TURNOVER	10,146,164	11,121,011
Profit on ordinary activities before tax	4,356,435	4,562,031
TAX CHARGES - Income	(547,865)	(734,681)
- Deferred	(208,038)	(349,745)
Profit on ordinary activities after Tax	3,590,763	3,923,760
NET ASSETS'	25,530,751	19,010,205
Employees' costs	1,967,444	1,576,251
		No.
NUMBER OF EMPLOYEES	717	808
Basic earnings per 50 kobo share (naira)	18	22
Net asset per 50 kobo share (naira)	53.52	39.85
Stock exchange quotation as at 31, December (naira)	39.90	23.10

DIRECTORS

CHAIRMAN
Mr. G. Oyebode MFR

MANAGING DIRECTOR
Dr. G. D. Hefer (South African)

FINANCE DIRECTOR
Mr. A. Mary (French)

NON EXECUTIVE DIRECTORS
Dr. L. J. J Boedt	(Belgian)
Mr. S. Claeys	(Belgian) appointed 13/3/13
Chief D.U. Edebiri OON	
Mr. P.A.E Eguasa JP	
Mr. H. Fabri	(Belgian)
Mr. R. Helsmoortel	(Belgian)
Mr. Ph.de Traux de Wardin	(Belgian)

INDEPENDENT DIRECTOR
Mr.A.Ighodalo

COMPANY SECRETARY
Mrs. C.Igie-Audu

AUDIT COMMITTEE
Mr. P. A. E. Eguasa JP	(Director)	(Chairman)
Dr. L. J. J. Boedt	(Director)	(Member)
Chief D. U. Edebiri, OON	(Director)	(Member)
Mr. M. Igbrude	(Shareholder)	(Member)
Rev. L. A. Ohenhen	(Shareholder)	(Member)
Rev. A. Imadu	(Shareholder)	(Member)

RISK MANAGEMENT COMMITTEE
Mr. P. A. E. Eguasa JP (Chairman)
Dr. L. J. J. Boedt
Chief D. U. Edebiri, OON
Dr. G. D. Hefer
Mr. A. Mary

GOVERNANCE/REMUNERATION COMMITTEE
Mr. A. Ighodalo (Chairman)
Chief D. U. Edebiri, OON
Mr. P. A. E. Eguasa JP
Dr. G. D. Hefer
Mr. R. Helsmoortel
Mr. Ph. de Traux de Wardin

REGISTERED OFFICE
Okomu Oil Palm Estate
Okomu-Udo
Ovia South West L.G.A., Edo State
website: www.okomuoilplc.net

AUDITORS
Horwath Dafinone
Chartered Accountants
Ceddi Towers, 16 Whaff Road,
Apapa P.O. Box 2151, Marina Lagos.

BANKERS
- **Nigerian**
  Access Bank Plc
  Mainstreet Bank Limited (Formerly AfriBank Plc)
  Stanbic IBTC Bank Plc
  Sterling Bank Plc
  Zenith Bank Plc

- **Foreign**
  Fortis Bank

SOLICITORS
Chief Charles Adogah & Co
(Solicitors & Advocates)
34 Oziegbe Street, New Benin
Benin City

REGISTRARS
City Securities (Registrars) Ltd
Primrose Towers
17A, Tinubu Street
Lagos

MANAGING AGENT
Socfinco F.R. S.A
24 Rue de Romont
1700 Fribourg
Switzerland

RC No.
30894

Chairman's Statement

Distinguished Shareholders, Guests of Honour, Ladies and Gentlemen. You are all welcome to the 33rd 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 2012.

THE OPERATING & ECONOMIC ENVIRONMENT 2012

The continuing world wide financial crisis and uncertainty in the Euro zone and USA continued to influence negativity in consumer spending. Commodity prices, as a result of this crisis, dropped accordingly, especially rubber prices and this, amongst others, had an influence on the Company's profits in 2012. Notwithstanding these challenges, the Company managed to perform admirably and this can be seen in the record highs achieved by our share price over this period which showed the confidence that the market has in our Board and Managements' ability to steer the Company in the right direction, even under these trying economic conditions.

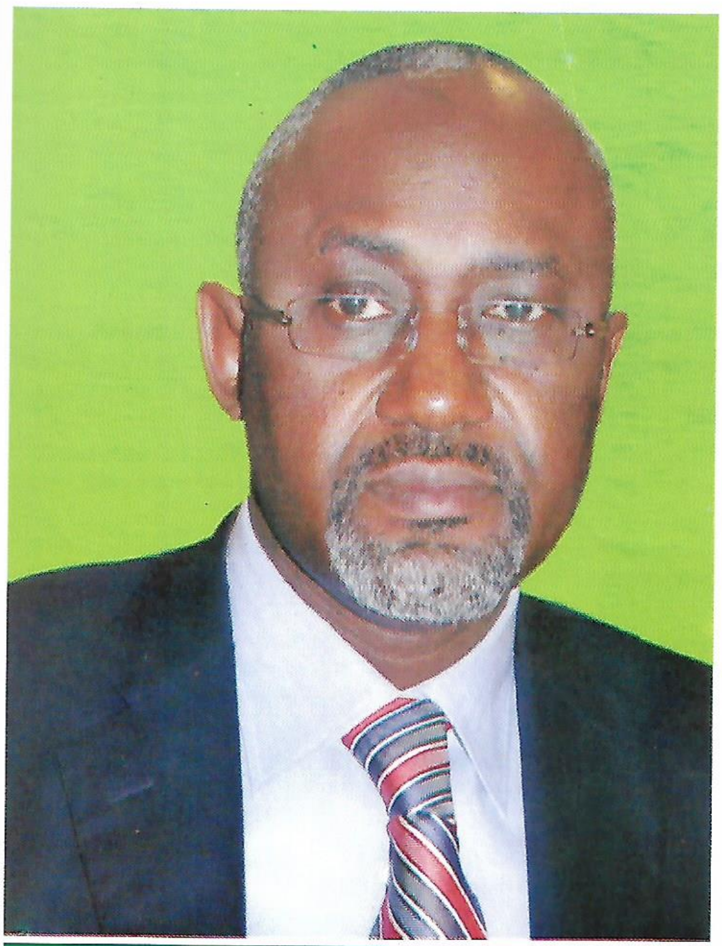
You will also notice, I am sure, that the financials in the annual report for 2012 look different. This is because the Company is now subscribing to the new provisions of IFRS.

THE COMPANY'S OPERATIONAL PERFORMANCE FOR 2012

OIL PALM

Total oil palm area remained substantially similar to that in 2011, namely 9,713ha, with mature area totaling 8,138ha. The remainder consisted of immature palm (1,173ha). Re-planting of older palms continued in 2012 with 402ha being planted to new clones.

Total FFB production for 2012 was 139,566 t which represented an average FFB yield of 17.15 t/ha. This tonnage is the highest yield recorded on the plantation and supports Management's decision to replant these older areas and to spend money on specific inputs, such as fertilizers in order to increase yields accordingly.



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

The oil mill processed 26,804 t CPO, this being 12% lower than in 2011, mainly due to the total crop being 4% lower than the previous year. Oil extraction rates averaged 20.7% for 2012, this being 2% lower than in 2011.

Revenue for all palm products in 2012 was N6.4 billion, which was 4% lower than for 2011. Cost of sales were 12% higher than 2011 and gross profit was 11% lower than for the corresponding period 2011 at N3.9 billion.

CPO prices for 2012 averaged N214,415/t. This price was 1% lower than the average actual price for 2011, again for the above mentioned reasons.

Profit on continuing operations for palm products decreased by 4%, to N2.2 billion (2011: N2.3 billion).

RUBBER

The total mature area under rubber increased by 339ha, to 6,649ha in 2012, with 4,889ha being classified as mature plantings. Wet cup lump production (on a dry rubber equivalent) was 7,622 t, which was 17% higher than in 2011. The average yield of dry rubber for 2012 was 1.56 t/ha, this being 11% better than for 2011.

Third party purchases were only 257t in 2012 (2011: 1,607t) (on a dry rubber equivalent), mainly because of the lower prices which resulted in smallholders withdrawing from the market. The rubber factory averaged 2.1 t/hr, and processed 8,271 t dry rubber in 2012, this tonnage being 13% higher than in 2011. The average dry rubber content (DRC) was 58%, compared to 52% in 2011.
Rubber revenues, at N3.7 billion, were 16% lower than in 2011 and cost of sales were 45% lower than for 2011. Gross profit increased by 11%, to N2.3 billion over that of the corresponding period 2011.

Rubber prices dropped 29%, to an average of N463,187/t dry rubber, over that of the prior year.

Profit on continuing rubber operations for 2012 was N1.3 billion, this being 16% lower than in 2011.

CONSOLIDATED FINANCIAL RESULTS

During the year under review, the consolidated results of the Company recorded a combined turnover of N10.1billion, this being 9% lower than for 2011, largely due to lower than average commodity prices and/or volumes, as already stated herein.

Consolidated cost of sales for 2012 were 17% lower than in 2011. The Company profit before interest and tax (PBIT) of N4.3 billion, was 7% lower than 2011. Net Profit after tax (PAT) came in at N3.6 billion which was 8% lower than for the prior year.

In conclusion, Ladies and Gentlemen, whilst external factors beyond the control of your Board and Management affected the Company's performance, albeit marginally, diligent Management of those factors within Management's control, such as costs, were very well managed. This allowed the Company to post good profits again this year, irrespective of the current negative economic circumstances prevailing. This excellent result has not only seen our Company's rising share price become one of envy on the NSE, but has seen us nominated as one of the best performing companies on the stock exchange in 2012.

This result has once again allowed the Board of Directors to recommend a dividend payment of N7.00/50k share, which would translate into a total payment to shareholders in 2012 of N3,338,685,000.00. This is 29% higher than the total dividend paid to shareholders in 2011 (N5/50k share).

Furthermore, the Board would like to recommend to shareholders that the Company distribute one new share for one existing ordinary share of 50k to shareholders whose names appear in the register of members as at the close of register.

I am sure you will agree that the dividend propose is the highest ever paid out in the Company's history, and in addiction the bonus shares re-affirms that the Company is indeed in good hands and I would like to thank all Management and staff concerned for their continued outstanding commitment and loyalty to the Company in the past year which allowed this outstanding result to be achieved.

I must however remind our esteemed Shareholders that , whilst the Company has proposed the above resolution for your approval today, our Company remains sensitive to the many voltatile extrinsic factors currently prevailing throughout the world today including commodity prices and weather conditions.

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.

The Company also became ISO9001:2008 certified in 2012 to ensure that customers are guaranteed only the highest quality products at all times. Furthermore, NAFDAC and SON certifications were renewed on the Company's products.

The Company also continued to support their staff in health and welfare programmes in 2012. In this regard, health and welfare of Company staff amounted to N14.1 million in 2012 (2011:N9.5 million). This was 33% higher than for 2011.

The Company made charitable donations and gifts worth nearly N60 million (2011: N20.2 million) available for its ongoing corporate social responsibility (CSR) programmes in 2012 (see photographs included in this annual report). This was a 67% increase in charitable donations and CSR in 2012 over that of 2011.
CSR included the following:

	N'000's
• Donations towards 1st Edo Agric Business Investment Summit	5,000
• Community projects and support to Okomu & Udo Communities	49,146
• Scholarships to students of Okomu & Udo Communities	1,280
• Other charitable donations	549
	55,975

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 2012.

STAFF & SECURITY

Whilst security concerns have abated as a result of Managements pro-active involvement within the communities surrounding the Company in the past few years, employees were kidnapped last year on the plantation. Thankfully, they were subsequently released unharmed. Security, whilst still focused on protecting staff against criminal elements, such as kidnappers, is now also focusing on anti theft measures to protect our rubber and palm fruit which is increasingly becoming an issue for the Company to control.

Total payroll as at December 2012 was 717 (2011: 808), down by 91 in 2011. The Company also trained 7 industrial trainees in 2012.

In terms of training, the Company once again invested in skills development of their staff in 2012. In this regard, more than 800 people were trained, at a total cost to Company of N20.9 million (2011: N11.8 million), which is an increase of 44% over that of 2011. Training spanned all grades and all departments, from developing interpersonal skills to industrial safety Management and welding courses.

FUTURE EXPANSION & DEVELOPMENT PLANS

The expansion of Extension 1 continues to be the focus point for the Company in 2013. A total of 600ha of rubber is to be planted in Extension 1 in 2013. Furthermore, another 700ha has already been cleared and will be planted in 2014. The last 1,200ha of clearing is expected to begin in October 2013 which will then effectively complete rubber expansion on extension 1. This clearing is faster than expected and by 2016 all cleared areas are expected to be planted to rubber.

The Company will continue its replant programme with another 402ha of oil palm in 2013 and a similar amount will be replanted in 2014.

The Company will also clear and plant 105ha of rubber on the main plantation in 2013.

Management has nearly completed the electrification of Okomu. The PHCN is in the process of upgrading a dedicated line from Benin City to the plantation which will hopefully ensure a more consistent and stable supply to the Company this year. Once this has been completed, then the aim is to also electrify Extension 1 thereafter.

The Company has begun expansion of the oil mill from a 30t/hr to 60t/hr. This will effectively make this the largest mill in Africa and it is scheduled for completion before the peak in 2014.

In conclusion, I would like to again thank all those who have this past year contributed to the highly commendable performance of the Company in achieving these results, especially under the current trying economic circumstances.

I also wish to thank you for your attendance at our Annual General Meeting this year and wish you well in 2013.

Thank you.

The directors present their annual report together with the audited financial statements for the year ended 31st December, 2012.

1. **PRINCIPAL ACTIVITIES**
The principal activities of the company are the cultivation of oil palm, refining fresh fruit bunches, palm kernel processing for resale, rubber plantation and processing of rubber lumps to rubber cake for export.

2. **RESULTS FOR THE PERIOD**
These are set out on page 25 of these financial statements.

3. **FUTURE PROSPECTS & REVIEW**
The review of the company's activities for the year is set out within the Chairman's statement which should be read in conjunction with this report.

4. **DIVIDEND**
The directors recommend, in respect of the year ended 31.December 2012, the declaration of a dividend of ₦3,338.68 million (note 33) (2011: ₦2,384.78 million) subject to the deduction of withholding tax.

5. **DIRECTORS' RESPONSIBILITIES**
The Companies and Allied Matters Act, CAP C20 LFN 2004, and the Financial Reporting Council Act No. 6 of 2011 requires the directors to prepare the financial statements in respect of each financial year, which give a true and fair view of the statement of financial position of the company as at the end of the year and of the profit and statement of comprehensive income 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 International Financial Reporting 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, the Financial Reporting Council Act No. 6 of 2011, the requirements and regulations of the Stock Exchange, the Securities and Exchange Commission and the relevant International Financial Reporting Standards.

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.

6. **CREDITORS PAYMENT POLICY**
The company's code in respect of its practices on payments are to settle the supplier's account's in accordance with the individual contractual terms of business agreed with each organisation to whom it is liable. Trade payables amounted to 29 days on average during the year (2011: 11 days).

7. **MANAGEMENT AND TECHNICAL SERVICE PROVIDER**
Okomu Oil Palm (Nigeria) Plc receives technical support from Socfinco FR SA The agreements are made with the approval of the National Office for Technology Acquisition and Promotion (NOTAP).

8. **PROPERTIES, PLANT AND EQUIPMENT**
These are set out in note 12 to this financial report.

9. **BIOLOGICAL ASSETS**
These are set out in note 13 to this financial report.

10. **RESEARCH AND DEVELOPMENT**
The activities of the company did not necessitate any expenditure on research and development during the year under review as the research is carried out by it's technical partners.

11. DIRECTORS

The directors of the company who held Office during the period under review were:

• Mr. G. Oyebode MFR	Chairman	
• Dr. G. D.Hefer	Managing Director	(South African)
• Mr. A. Mary	Finance Director	(French)
• 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. Helsmoortel	(Belgian)	
• Mr. J. Igbinowanhia	(Resigned 10/11/2012)	
• Mr. A. Ighodalo		
• Mr. P. de Traux de Wardin	(Belgian)	

In accordance with the company's Articles of Association, Messrs. G. Oyebode, Helsmoortel and Chief Edebiri retire by rotation and being eligible offer themselves for re-election. Mr. S. Claeys who was appointed after the last Annual General Meeting and being eligible offers himself for election as a director of the company.

In accordance with Section 249(2) of the Companies &Allied Matters Act, 2004, resolutions will be proposed at the annual general meeting approving the appointments.

In accordance with Section 277 of the Companies & Allied Matters Act, 2004, none of the directors has notified the company of any declarable interest in contracts with the company.

12. SHARE CAPITAL HISTORY

The company was incorporated on 3rd December 1979 with an authorized share capital of N500, 000 divided into 500,000 ordinary shares of N 1.00 each.

On the 22nd of June 1988 each ordinary share of N1.00 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 N0.50K 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 N34 million to N40 million by the creation of additional 12,000,000 shares of 50 kobo each with Issued and fully paid up capital of N33,120,000 through a bonus issue.

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 N40 million to N100 million by the creation of additional 120,000,000 shares of 50kobo each with issued and fully paid up capital of N52,992,000 through a Rights issue.

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 N100, 000,000 to N300, 000,000 by the creation of additional 400,000,000 shares of 50 kobo each with issued and fully paid up capital of N158,985,000 through a Rights issue. The issued and paid up capital was increased at the Annual general meeting on the 27th June 2006 to N238, 478,000 through a bonus issue.

At the Annual General Meeting of the company held on 13th June 2012, the authorized share capital was increased from N300,000,000 to N600,000,000 by the creation of additional 600,000,000 shares of 50kobo each ranking pari passu in all respect with the existing shares with Issued and fully paid up capital of N238, 478,000.

13. ANALYSIS OF SHAREHOLDINGS

Register Range Analysis As At: December 31st 2012

Holdings	Range	Number of Holders	Percentage %	Unit	Percentage %
1	50	205	1.4656	6323	0.0013
51	100	367	2.6239	29497	0.0062
101	500	5434	38.8504	1727533	0.3622
501	1,000	2262	16.1722	1662671	0.3486
1,001	5,000	4194	29.985	9012759	1.8896
5,001	10,000	671	4.7973	4968839	1.0418
10,001	50,000	631	4.5113	13491262	2.8286
50,001	100,000	90	0.64235	6610046	1.3859
100,001	500,000	100	0.7149	21087870	4.4214
500,001	1,000,000	9	0.0643	6899571	1.4466
1,000,001	476,955,000	24	0.1716	411458629	86.2678
Grand Total		**13987**	**100**	**476955000**	**100**

14. DIRECTORS' SHAREHOLDINGS INTEREST

The directors' interest in the paid up shares of the company as recorded in the register of directors' shareholdings and/or notified by them for the purposes of Section 275 and 276 of the Companies and Allied Matter Act, CAP C20 LFN 2004 are as follows;

Number of Ordinary Shares of 50K Each Held As At 31st December, 2012 — 31st December 2011

	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

15. AUTHORISED SHARE CAPITAL

The members, by an ordinary resolution passed on the 13th June, 2012 increased the company's authorised share capital from ₦300,000,000 to ₦600,000,000 by the creation of 600,000,000 additional ordinary shares of 0.50k each. As at the end of the year these shares had not been recorded and allotted as the filing of the shares with Corporate Affairs Commission was only completed on 4th February 2013.

16. SHAREHOLDING

Okomu Oil Palm Company Plc is owned 62.69% by Socfinaf S.A which is incorporated under the laws of Luxembourg, 9.96% by Stanbic Nominees Nigeria Ltd and 27.35% ownership by a diversified spread of Nigerian Individuals and Institutional shareholders. Other than Socfinaf S. A. and Stanbic Nominees Nigeria Ltd., no other shareholder holds more than 5% of the issued share capital of the company.

17. 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, after taking cognisance of their special aptitudes or challenges. Employees who become challenged during the course of their employment are given reasonable alternatives, having regard to their disability. There was one physically challenged person in the employment of the company as at the balance sheet date (2011: one).

18. EMPLOYEE INVOLVEMENT AND TRAINING

The company provides all of the appropriate training for its employees through the acquisition of the relevant experience that they obtain whilst working, and through the attendance at other relevant external courses. The company incurred ₦20.9million (2011:₦11.8million) in providing the training during the year.

19. HEALTH, SAFETY AND WELFARE

Health and safety regulations are in force within the company, and are displayed safety on various notice boards within the premises. The company has three staff clinics and welfare and also provides medical facilities to all levels of employees. The company incurred ₦14.1 million (2011 ₦9.5 million) during the year.

20. CORPORATE GOVERNANCE

The corporate governance report and the director's responsibilities are set out on pages 18 to 22 and form a part of this report.

21. CHARITABLE DONATIONS

The company made charitable gifts donations of ₦55,975 million during the year (2011: ₦20.2 million). These comprise.

	₦'000
• Donation towards 1st Edo Agric Business Investment Summit	5,000
• Community projects and support to Okomu Udo Community	49,146
• Scholarship to students of Okomu Community	1,280
• Other charitable donations	549
	55,975

22. STATEMENT OF DISCLOSURE TO AUDITORS

In accordance with Section 369 (1a & b) & 369(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, each director, as at the date of approval of this report confirms that:

So far as he is aware, there is no information, which would be required by the company's auditors in connection with the compilation of the audit report, of which the auditors are not aware; and

Each director has taken all the reasonable steps that he ought to have taken as a director to make himself aware of any such information and to establish that the auditors are aware of it.

23. AUDIT COMMITTEE

Pursuant to Section 359(5) of the Companies and Allied Matter Act, CAP C20 LFN 2004, the company has an audit committee comprising of Directors and Shareholders. They are: Dr. L. J. J. Boedt, Chief D.U Edebiri OON, Rev. L.A Ohenhen, Mr .P.A.E Eguasa, Mr M. Igbrude and Rev. A. Imadu.

24. 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
Lagos, Nigeria
13th March, 2013

ERNST & YOUNG

Ernst & Young
2A, Bayo Kuku Road, Ikoyi
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E-mail: services@ng.ey.com
website: www.ey.com

March 12, 2013

The Chairman, Board of Directors
Okomu Oil Palm Company Plc
Okomu-Udo, Ovia South West LGA
P.M.B 1449, Benin City
Edo State,
Nigeria.

Dear Sir,

Board Appraisal for the year ended 3l December 2012

We have completed our procedures for the Okomu Oil Palm Company Plc Board Appraisal for the year ended 31st December 2012, in accordance with our engagement letter dated I2' February, 2013.

Based on our review of documents, discussions with management, and an analysis of administered questionnaires, nothing has come to our attention which causes us to believe that the board's performance does not comply in any material respect with the criteria set out in the Securities and Exchange Commission (SEC) Codes of Corporate Governance.

The procedures we performed were limited in nature, and as such may not necessarily disclose all significant matters about the company or reveal irregularities, if any, in the underlying information.

The field-work was performed between the ll' of February 2013 and 1st of March 2013. A summary of the scope of our work, related findings, and recommendations resulting from our procedures are provided in the attached document.

Furthermore, we must emphasize that the scope of this engagement is different from an audit examination or review in accordance with any generally accepted auditing standards. The assignment was carried out for the purpose of compliance with Part B Section 15.6 of Security and Exchange Commission Code of Corporate Governance 2011. This report outlines our findings.

Yours faithfully

Ernst & Young

Ernst & Young

A member Firm of Ernst & Young Global Limited

The Board is responsible to shareholders for the management and control of the company's activities and is committed to the highest standards of Corporate Governance, as set out in the code of corporate governance. It is the Boards view that the company has fully complied with the provisions of the Code during the year.

This section together with the Directors' report on pages 13 to 16 provides the details of how the company applied the principles and complied with the provisions of the Code.

BOARD COMPOSITION AND BALANCE

During the year, the Board comprised a Non-Executive Chairman, one Independent Non-Executive Director, eight Non-Executive directors and two Executive Directors.

The posts of Chairman and Managing Director are separate and independent. The Chairman is responsible for the working and leadership of the Board and for the balance of its membership. The Managing Director is responsible for leading and managing the business within the authority delegated by the Board.

The Board considers that during the year the company was in full compliance with the Code, which requires that the membership of the Board should not be less than 5 persons and should be a mix of Executive and Non-Executive Director's headed by a Chairman with at least one independent Director.

It is part of the Board's plan to ensure that it has the blend of skills, experience and independence that is requires to provide leadership and to shape the overall strategic development of the company.

FUNCTIONING OF THE BOARD

The Directors receive management information, including financial, operating and strategic reports, in advance of Board meetings. The Board receives presentations from non-board members on matters of significance which help to give the Board greater insight into the business of the company. The Company's solicitor and Company Secretary provide the Board with ongoing reports that cover legal and regulatory changes and developments.

The Board has a formal schedule of matters specifically reserved to it for decision making, although its primary role is to provide leadership and to review the overall strategic development of the company as a whole. In addition, the Board sets the company's values and standards and ensures that the company acts ethically and that its obligations to its shareholders are understood and met. The Board is specifically responsible for the:

- Approval of the company's strategy and its budgetary and business plans;
- Approval of the significant investments and decisions;
- Review of the performance, assessed against the company's strategy, objectives, business plans and budgets;
- Approval of the annual results, interim management statements, accounting policies and the appointment and, subject to shareholder approval, remuneration of the external auditors;
- Approval of the dividend policy and interim dividends and the recommendation of final dividends;
- Changes to the company's capital structure and the issue of any securities;
- Establishing the company's risk policies, system of internal control, governance and approval authorities;
- Executive performance and succession planning, including the appointment of new directors; and
- Determine the standards of ethics and policy in relation to business practice, health, safety, environment, social and community responsibilities.

At its meetings during the year, the Board discharged the duties above and received updates on the following: financial performance; key management changes; material new projects; financial plans; legal and regulatory updates, and in particular:

- Passed an ordinary resolution increasing the company's authorised share capital from three hundred million naira to six hundred million naira;
- The Board approved a loan facility of 2 billion naira from Access Bank Plc for the expansion of the oil mill; and
- Reviewed the strategies and policies being pursued to mitigate risks, particularly those in relation to financial services.

As well as the planned briefings, directors are also expected to take responsibility for identifying their own individual needs and to take appropriate steps to ensure that they are properly informed about the company and their responsibilities as a Director.

The Board has delegated authority to certain committees to carry out specified objectives as defined by their terms of reference. Additional information on the responsibility of each of the Board Committees appears on pages 20 to 21.

BOARD TRAINING

It's the company's policy to send the directors for different training programmes and seminars that would enhance their professional skills and inform them of new developments in the company's business and operating environment.

BOARD PERFORMANCE AND EVALUATION

In the year under review, the Board engaged Ernst and Young, a firm of Chartered Accountants on a three year appointment to undertake an annual independent evaluation of Board and Board Committee performance and to identify areas where performance and procedures might be further improved.

DIRECTORS' CONFLICTS OF INTEREST

The Directors have and are aware of the statutory duty to avoid a situation in which they have, or could have, an interest that conflicts or possibly may conflict with the interests of the Company. They will not be in breach of that duty if the relevant matter has been authorised in accordance with the Articles by the other Directors. The Board has adopted a set of guiding principles on managing conflicts and approved a process for identifying current and future actual and potential conflicts of interest.

BOARD / COMMITTEE MEETINGS

During the year the Board held four scheduled meetings. Directors attendance at the scheduled board / committee meetings convened in the year ended 31 December 2012 were as follows:

Name of director	Board of directors	Audit committee	Risk management committee	F&GPC (i)	Governance/Remuneration committee
Number of meetings held	4	4	3	4	1
1. Mr. G. Oyebode	4	-	-	-	-
2. Dr. G.D. Hefer	4	-	3	4	1
3. Dr.L.J.J Boedt	4	*	*	4	-
4. Mr. P.A.E Eguasa	4	4	3	4	1
5. Mr. P. De Traux	4	-	-	4	1
6. Mr. H. Fabri	*	-	-	*	-
7. Mr. R. Helsmoortel	4	-	-	4	*
8. Chief D. U. Edebiri	4	4	3	4	1
9. Mr. A. Ighodalo	4	-	-	4	1
10. Mr. P. De Groote	3	-	*	3	-
11. Mr. J. Igbinomwanhia**	2	-	-	2	-
12. Mr. A. Mary	4	-	3	4	-

Keys

- Non member *Absent ** Resigned with effect from 10th November 2012.

In line with the provisions of Section 258(2) of the Companies and Allied Matters Act 2004, the record of directors' attendance at the board meetings will be available for inspection at the Annual General Meeting.

The Board and Committee meetings are structured to allow open discussion. All directors receive detailed papers in advance of Board meetings. When unable to be physically present in person, Directors may attend by audio or video conference. When directors are not able to attend Board or Committee meetings, their comments on the paper to be considered at that meeting are relayed in advance to the Chairman of that meeting.

The company secretary, whose appointment is a matter reserved for the Board, is responsible for advising and supporting the Chairman and the Board on company law and corporate governance matters and for ensuring that Board procedures are duly followed. The officer is also responsible for ensuring that there is a smooth flow of information to enable effective decision making. All directors have access to the advice and services of the company's legal counsel and company secretary and through her have access to independent professional advice in respect of their duties at the company's expense.

BOARD COMMITTEES

The Board has delegated certain authority to the committees each with formal terms of reference, which are available on request or can be obtained from the Company's Secretary. The principal committees of the Board are as follows:

FINANCE AND GENERAL PURPOSE COMMITTEE (F&GPC)

This committee reviews the 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.

RISK MANAGEMENT COMMITTEE

The Board in its meeting of 7th June, 2011 established this committee with the responsibility for acknowledging and identifying risk in the workplace and the operating environment, evaluating and prioritizing such risks that may arise and advising the company on how to avoid, modify and manage all risks the company may encounter. During the year, the committee was chaired by Mr. P. A. E. Eguasa with two other non-Executive Directors as members. The committee met thrice during 2012.

AUDIT COMMITTEE

The Committee comprised three Non-Executive Directors and three shareholders. It was chaired by Mr. P. A. E. Eguasa. The Committee met four times during the year. The meetings were also attended by the managing director, finance director, representatives from the internal and the external auditors and the company secretary. The Board considers that the members of the Audit Committee collectively have sufficient recent and relevant financial experience to carry out the functions of the Committee.

The Board has delegated to the Committee responsibility for overseeing the financial reporting, internal risk management and control functions and for making recommendations to the Board in relation to the appointment of the Company's internal and external auditors. The Committee is authorised to investigate any matter within its terms of reference and, where necessary, to obtain external legal or other independent professional advice. The Committee's principal activities during the year have included:

- Reviewing the half year and annual financial statements with particular reference to accounting policies, together with significant estimates and financial reporting judgments and the disclosures made therein.
- Monitoring the financial reporting process;
- Reviewing management representations made to the external auditors;
- Reviewing the company's procedures to ensure that all relevant information is disclosed;
- Discussing any issues arising out of the full year audit with the external auditors (in the absence of management where appropriate);
- Making recommendations to the Board with regard to continuing the appointment and remuneration of the external auditors;
- Overseeing the company's relations with the external auditors and the effectiveness of the audit process;
- Reviewing and assessing the effectiveness of the company's internal financial controls and their application;
- Monitoring and reviewing the effectiveness of the internal audit function, reviewing all reports prepared by the internal auditors and assessing management's responses to such reports; and
- Reviewing and assessing the efficiency of the company's internal control and risk management systems.

To enable it carry out its duties and responsibilities effectively, the committee relies on information and support from management across the business.
The committee also considers on an ongoing basis the independence of the external auditors and has established policies to consider the appropriateness or otherwise of appointing the external auditors to perform non-audit services, including consideration as to whether the auditors are the most suitable supplier of such services.

GOVERNANCE/REMUNERATION COMMITTEE
The inaugural meeting of this committee was held on the 12th December, 2012 and it's comprised of five Non-Executive Directors and was chaired by Mr. A. Ighodalo. The Company's Secretary is the secretary to the Committee and also provides such advice to it as is necessary.

The Committee's principal responsibilities are to determine the company policy on senior management remuneration and to agree the remuneration packages of the senior management staff and members of the company's Non Executive Board. The committee (excluding the Non-Executive Chairman) also determines the level of fees payable to the Non-Executive Chairman as well as establishing the criteria for Board and Board Committee membership.

Given the central part that remuneration plays in the success of company, in terms of recruitment, motivation and retention of high quality employees, the committee is consulted on the remuneration packages of the senior management staff. The committee also reviews the remuneration of the other members of the company's Non-Executive Board.

RELATIONS WITH SHAREHOLDERS
The company recognises the importance of maintaining regular dialogue with its shareholders hence the institution of a comprehensive programme to maintain the ongoing two-way dialogue between the company and shareholders as it helps to ensure that the Board is aware of shareholders' views on a timely basis.

The Annual General Meeting (AGM) provides the Board with a valuable opportunity to communicate with private shareholders and is generally attended by all the directors. Shareholders are given the opportunity to ask questions during the meeting and to meet the directors following the conclusion of the formal part of the meeting. The directors aim to give as much notice of the AGM as possible which will be at least 21 clear days, as required by the Companies and Allied matters Act, CAP C20 LFN 2004. In accordance with the Articles, electronic and proper proxy appointments and voting instructions must be received not later than 48 hours before a general meeting.

INTERNAL CONTROL AND RISK MANAGEMENT
The Board has overall responsibility for establishing and maintaining the company's system of risk management and internal control to safeguard shareholders' investments and the company's assets and for reviewing the effectiveness of this system. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Key elements of the company's system of risk management and internal controls are:

The regular review and assessment of the performance of the business in relation to risk management and internal control by the Board and its subcommittees.
A company risk management policy which sets out the process for identifying, evaluating and managing the key risks to the company's business objectives, supported by an appropriate organisational structure and clearly defined management responsibilities;
A company risk committee which reports to the Board and is tasked with the review, discussion and challenges of key risks reported, the ongoing development of internal control and the monitoring of internal audits and other sources of assurance on the effectiveness of internal controls.

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the system of risk management and internal control. In performing its review of effectiveness, the Audit Committee considers the following reports and activities:

- Internal audit reports on the review of priority controls across the company and the monitoring of management actions arising;
- Management's own assessment of the performance of the system of risk management and internal control during 2012; and
- Reports from the external auditors on issues identified during the course of their work.

The Board, having reviewed the effectiveness of the system of internal control, can confirm that necessary actions have been, or are being, taken to remedy any significant failings or weaknesses identified.

WHISTLE-BLOWING

The company encourages employees to report concerns which they feel need to be brought to the attention of management. Whistle-blowing procedures, which are displayed on the company's notice boards are available to employees who are concerned about possible impropriety, security breach, or otherwise, and who may wish to ensure that action is taken without fear of victimisation or reprisal.

CODE OF ETHICS AND BUSINESS CONDUCT

Okomu Oil Palm Company Plc has adopted a Code of Ethics and Business Conduct for all its directors and employees. This code details policy, procedures and guidelines aimed at ensuring that the highest ethical standards, corporate behavior and accountability are maintained across the company.

GOING CONCERN

The Board of directors has undertaken a thorough review of the company's budgets and forecasts and has produced detailed and realistic cash flow projections. These cash flow projections, when considered in conjunction with the company's anticipated undrawn facilities and cash (including consideration of reasonable possible changes in trading performance), demonstrate that the company has sufficient working capital for the foreseeable future. Consequently, the directors believe that the company has adequate resources to continue its operational existence. The financial statements have therefore been prepared on a going concern basis.

By Order of the Board

Mrs. C. Igie - Audu
Company Secretary
Okomu Udo
Edo State

13th March, 2013

Report of the Audit Committee

In compliance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, 2004, we, the members of the Audit Committee of Okomu Oil Palm Company Plc, having carried out our functions under the Act, confirm that the accounting and reporting policies of the company as contained in the audited financial statements for the year ended 31st December, 2012 are in accordance with legal requirements and agreed ethical practices.

We confirm that the external auditors, Messrs Horwath Dafinone, Chartered Accountants have issued an unqualified opinion on the Company's financial statements for the year ended 31st December, 2012.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2012 were adequate and we confirm that the responses by the Management to the External Auditors findings on Management matters were satisfactory.

Mr. P.A.E. Eguasa
Chairman, Audit Committee
Dated this 13th March, 2013

MEMBERS OF THE AUDIT COMMITTEE:

Mr. P. A. E. Eguasa	-	Chairman
Dr. L. J. J. Boedt	-	Member
Chief D. U. Edebiri OON	-	Member
Mr. M. Igbrude	-	Member
Rev. A. Imadu	-	Member
Rev. L. A. Ohenhen	-	Member

The Company Secretary,
Mrs. C. Igie - Audu, - Acted as the Secretary to the Committee during the year.

Horwath Dafinone

Horwath Dafinone
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OKOMU OIL PALM COMPANY PLC

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Okomu Oil Palm Company Plc for the year ended 31st December, 2012 which are set out on pages 25 to 43 and which comprise the statement of financial position, the profit and loss and statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, the summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Accounting Standards and International Financial Reporting Standards. 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 NSAs issued by ICAN. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those 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 financial statements.

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

COMPLIANCE WITH LEGISLATION AND REGULATIONS

In our opinion, we report in accordance with Section 360 (1) and (2) of the Companies and Allied Matters Act CAP C20 LFN 2004 that the financial statements are in agreement with the accounting records which have been properly kept

We further report, in accordance with Section 359(2) (Sixth Schedule) of the Companies and Allied Matters Act, CAP C20 LFN 2004 that we received all the information and explanation that were required for the purpose of the audit.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Okomu Oil Palm Company Plc as of 31st December, 2012 and of its financial performance and its cash flows for the year then ended and comply with the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council Act No. 6 of 2011 together with the applicable International Financial Reporting Standards.

Lagos, Nigeria
13th March, 2013

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A 375476

Horwath Daf
Horwath Dafinone
Chartered Accountants

FRC/2012/ICAN/0000000622

Statement of comprehensive income

	Note	31 December 2012 N'000	31 December 2011 N '000
REVENUE	2	10,146,164	11,121,011
Other work performed by entity		498,254	238,193
Changes in inventories of finished goods and work in progress		(84,378)	4 67,111
Other income		516,765	114,812
Raw materials and consumables used		(1,879,578)	(3,084,126)
Other external charges		(742,860)	(763,696)
Employee expenses	5(c)	(1,967,444)	(1,576,251)
Depreciation and amortisation expense		(525,386)	(597,013)
Other expenses		(1,605,102)	(1,358,010)
Profit or loss from continuing operations before gain/(loss) on changes in fair value of non-current biological assets, tax, finance and other related costs	6	**4,356,435**	**4,562,031**
Finance income	7	170,075	207,458
Gain on disposal of assets		17,903	15,464
Finance costs	8	(197,747)	(126,512)
PROFIT BEFORE TAX	9	4,346,666	4,658,441
Tax charge	10	(547,865)	(784,426)
Deferred tax	10	(208,038)	349,745
PROFIT ON CONTINUING OPERATIONS		3,590,763	3,923,760
Other comprehensive income			
Gain/(loss) on changes in fair value of non-current biological assets		5,959,522	7,327,754
Deferred capital gains tax on the fair value gain on non-current biological assets		(595,942)	(732,775)
PROFIT AFTER TAX		8,954,343	10,518,739
Basic earnings per share (Naira)	11	18	22

The principal accounting policies on pages 29 to 32 and the notes on pages 33 to 43 form integral parts of these financial Statements.

Statement of financial position

	Notes	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
ASSETS				
Non-current assets				
Property, plant and equipment	12	4,325,947	3,308,480	2,761,046
Biological assets	13	21,008,866	15,049,344	7,721,689
Other non-current assets	17(ii)	-	228	28,076
		25,334,813	18,358,052	10,510,811
CURRENT ASSETS				
Inventories	14	973,615	1,159,882	998,123
Trade receivables	15	154,277	431,966	380,085
Inter-company receivables	16	112,163	478,509	57,931
Other receivables and short term prepayments	17(i)	557,292	72,194	34,107
Cash and cash equivalents	18	3,922,513	2,864,961	544,891
		5,719,860	5,007,512	2,015,137
TOTAL ASSETS		31,054,673	23,365,564	12,525,948
Equity and liabilities				
Equity attributable to equity holders of the company				
Share capital	19	238,478	238,478	238,478
Share premium	20	1,867,095	1,867,095	1,867,095
Revenue reserve	21	23,425,178	16,904,632	7,421,423
		25,530,751	19,010,205	9,526,996
NON-CURRENT LIABILITIES				
Deferred tax liabilities	22	2,899,348	2,095,367	1,412,336
Non-current provisions for post-employment benefit	23	617,158	589,031	574,321
Non-current financial liabilities	24	-	121,245	242,491
		3,516,506	2,805,643	2,229,148
CURRENT LIABILITIES				
Trade payables	25	299,827	235,906	418,811
Other current payables	26	94,461	115,610	412
Current provisions and accruals	27	113,981	209,164	65,117
Other current financial liabilities	28	123,257	121,246	147,703
Current tax payable	10(c)	1,261,376	770,900	36,256
Retirement benefit obligations	29	51,049	27,526	32,141
Dividend payable	30	63,465	69,364	69,364
		2,007,416	1,549,716	769,804
TOTAL LIABILITIES		5,523,922	4,355,359	2,998,952
TOTAL EQUITY AND LIABILITIES		31,054,673	23,365,564	1 2,525,948

Chairman   Managing Director   13th March, 2013

FRC/2013/NBA/00000002546   FRC/2013/IODN/00000002460

The principal accounting policies on pages 29 to 32 and the notes on pages 33 to 43 form integral parts of these financial statements.

Statement of Changes in Equity

NON DISTRIBUTABLE

	Share Capital N'000	Share premium N'000	Distributable reserves N'000	Revenue reserves N'000	Total N'000
BALANCE AS AT 1 JANUARY, 2011	238,478	1,867,095	-	3,760,833	5,866,406
Fair value restatement of biological assets	-	-	-	4,067,332	4,067,332
Deferred tax on restatement	-	-	-	(406,732)	(406,732)
Transfer of gains to non-distributable reserves	-	-	3,660,600	(3,660,600)	-
Prior year adjustment	-	-	(10)	-	(10)
AS RESTATED AT 1 JANUARY, 2011	238,478	1,867,095	3,660,590	3,760,833	9,526,996
Profit for the year	-	-	-	3,923,760	3,923,760
Net fair value adjustment in respect of biological assets transferred to + non-distributable reserves	-	-	-	6,594,979	6,594,979
Transfer of gains to non-distributable reserves	-	-	6,594,979	(6,594,979)	-
COMPREHENSIVE INCOME FOR THE YEAR	-	-	6,594,979	3,923,760	10,518,739
Dividends paid	-	-	-	(953,910)	(953,910)
Effects from adoption of IAS 41	-	-	-	(81,620)	(81,620)
TRANSACTIONS WITH SHAREHOLDERS	-	-	-	(1,035,530)	(1,035,530)
BALANCE AS AT 31 DECEMBER, 2011	238,478	1,867,095	10,255,569	6,649,063	19,010,205
Profit for the year	-	-	-	3,590,763	3,590,763
Net fair value adjustment in respect of biological assets transferred to non-distributable reserves	-	-	-	5,363,580	5,363,580
Transfer of gains to non-distributable reserves	-	-	5,363,580	(5,363,580)	-
COMPREHENSIVE INCOME FOR THE YEAR	-	-	5,363,580	3,590,763	8,954,343
Dividends paid	-	-	-	(1,907,820)	(1,907,820)
Effects from adoption of IAS 41	-	-	-	(525,977)	(525,977)
TRANSACTIONS WITH SHAREHOLDERS	-	-	-	(2,433,797)	(2,433,797)
BALANCE AS AT 31 DECEMBER, 2012	238,478	1,867,095	15,619,149	7,806,029	25,530,751

(a) The movement from distributable revenue profits to non distributable profits arises from the requirement of Section 380 of the Companies and Allied Matters Act CAP C20 LFN 2004 which do not allow the distribution of dividends from gains arising from revaluations.

The principal accounting policies on pages 29 to 32 and the notes on pages 33 to 43 form integral parts of these financial statements.

Statement of Cash Flows

	Note	31 December 2012 N'000	31 December 2011 N'000
CASH FLOW OPERATING ACTIVITIES			
Receipts from customers		10,423,854	11,069,130
Payments to suppliers		(1,815,657)	(3,267,031)
Payment to employees		(1,967,444)	(1,576,251)
Payments of operating expenses		(1,944,033)	(1,762,087)
Payment of taxes: CIT		(57,385)	(49,782)
Valued Added Tax		3,976	22,470
Withholding tax		9,027	(21)
Other receipts		516,765	114,813
NET CASH GENERATED FROM OPERATING ACTIVITIES		**5,169,103**	**4,551,241**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,542,853)	(950,463)
Pre-cropping expenditure incurred		(531,876)	(275,505)
Proceeds from disposal of property, plant and equipment		17,903	15,464
Finance Income received	7	170,075	207,458
Net cash outflow from investing activities		(1,886,751)	(1,003,046)
Cash flow from financing activities			
Loans and borrowings		(119,233)	(147,703)
Interest paid	8	(197,747)	(126,512)
Dividends paid	21(a)	(1,907,820)	(953,910)
Net cash generated from financing activities		(2,224,800)	(1,228,125)
Net cash inflow in the year		1,057,552	2,320,070
Cash and cash equivalent as at the beginning of the year		2,864,961	544,891
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR	18	**3,922,513**	**2,864,961**

a) **BASIS OF PREPARATION**

The financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRSs) prevailing as at 1st January, 2012 and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004 together with the requirements of the Financial Reporting Council of Nigeria Act No. 6, 2011.

USE OF ESTIMATES AND JUDGEMENTS

The preparations of the financial statements are in conformity with IFRS. This requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the result of which form the bases the judgements in respect of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a going concern basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period; or in the period of revision and future periods, if the revision affects both current and future periods.

Additional disclosures for compliance with the requirements of the listing regulations of the Nigeria Stock Exchange are incorporated within these financial statements.

The financial statements are presented in Naira ('') and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

b) **FIRST TIME ADOPTION**

This is the first set of financial statements that the company is preparing utilising International Financial Reporting Standards.

The comparative amounts stated in these financial statements have been derived through the reinstatement of the financial statements for the reporting periods ended 31st December 2010 and 2011 in accordance with the relevant provisions of International Financial Reporting Standard no.1.

c) **BIOLOGICAL ASSETS**

Biological assets comprise the land and associated natural assets situated on such. These assets are recognised at their cost. Cost comprises the amounts incurred from the stage of pre-cropping, land clearing, and all other expenditure incurred to bring the biological assets to the point of maturity.

Biological assets are recognised as mature when the following events occur:

- Palm Oil Biological assets are treated as mature when 60% of palm per block are bearing fruits with an average weight of 3kg or more.
- Rubber plantations are treated as mature when 40% of the trees can be tapped during the year.

These capitalized costs are amortized upon maturity at the following annual rates which reflect the current useful economic lives of the crops concerned:

Oil palm	-	over 20 years or 5%
Rubber	-	over 20 years or 5%

No consideration is made for the discounted value of the clearance cost at the end of the useful life of the crops as such discounted value, as such is deemed immaterial given the length of future time such cost would be incurred.

d) **PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION**

Property plant and equipment are recognised only when future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All items of property, plant and equipment are initially recorded at cost. Costs comprise the amounts incurred to acquire and bring the asset to its present location and condition. Prior to the assets being brought into operation the amounts incurred are recorded as part of capital work-in-progress

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (Cont'd)

Upon the asset being brought into use subsequent expenditure on such assets is treated as repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Where future economic benefits are associated with the additional expenditure and the costs and benefits can be reliably measured, such cost are included in the carrying value of the asset and previous amount in the carrying value derecognised.

Property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any accumulated losses.

The cost of freehold land initially acquired is allocated between the land, buildings and biological assets elements in proportion to the relative fair values for the interests in the land element, buildings element and biological asset element. Freehold land has an unlimited useful life and therefore is not depreciated.

Long term leasehold land is depreciated over the period of the lease which ranges from 50 to 99 years. Capital work-in-progress are also not depreciated as these assets are not available for use. Other property, plant and equipment are depreciated by equal annual instalments over their estimated economic lives based upon the original cost or deemed cost on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life. The principal annual depreciation rates uses are:

Class of asset	Rate
	%
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

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net recoverable amount (proceeds), if any and the net carrying amount is recognised in the profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

e) **INVENTORY**

Stocks are stated at the lower of the cost or the net realisable value. Cost represents the amounts 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 levels of production capacity.

f) **RECEIVABLES**

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.

g) **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.

h) **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.

i) **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.

j) **INCOME TAX**

Income tax expense is the aggregate charge to profit and loss account in respect of company income tax, education tax, capital gain tax and deferred tax. The components are charged as follows:

- Company income tax is the expected amount of income tax payable on taxable profits determined in accordance with the Company Income Tax Act (CITA) using the statutory tax rate at the balance sheet date.

- Education tax is assessed at 2% of the chargeable profit while capital gains tax is assessed at 10% of the capital gain.

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.

k) **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.

l) **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.

m) **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.

n) **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.

o) **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.

p) **RESEARCH AND DEVELOPMENT**

All general research and development costs are expensed as incurred where applicable.

q) **GOVERNMENT GRANTS**

The export income of the company, where it complies with the terms and conditions set out in the relevant legislation will, upon a claim submitted by the company, yield government grants that support companies who export items from Nigeria. These grants are recognised on an accrual basis.

Provision is made for the discount, given or prevailing, on such certificates to reflect the impairment arising from such discount.

r) **TURNOVER**

Turnover from the sale of goods is recognised when the significant risk and rewards or ownership of the finished goods have passed to the buyer. These risks and rewards are determined to have passed where the buyer takes physical custody of the product (oil palm and local rubber sales).

Export revenue is recognised when the goods are delivered at the port of embarkation.

Revenue derived from the sale of the fixed assets is recognised at the latter of the physical delivery or the receipt of the funds.

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, 1990.

	2012 N'000	2011 N'000
2. **SEGMENTAL REPORTING**		
By geographical destination and operations:		
Local	6,408,454	6,680,629
Export	3,737,710	4,440,382
	10,146,164	11,121,011

SEGMENTAL INFORMATION

For management purposes, the company's revenue can be derived through its product type and the final geographical location of its customers.

The company's plantation carries on the business of oil palm and rubber cultivation. These are processed and the refined palm oil products and it's by products are sold locally. The processed rubber product is exported.

The analysis of the company's operations are as follows:-

TURNOVER BY PRODUCT

Revenue consists of the following:

	2012 N'000	2011 N'000
Palm products	6,408,454	6,680,629
Rubber products	3,737,710	4,440,382
	10,146,164	11,121,011
3. **COST OF SALES**		
Oil Palm	2,531,966	2,225,975
Rubber	1,308,899	2,375,143
	3,840,865	4,601,118
4. **GROSS PROFIT**		
By products:		
Oil Palm	3,982,512	4,454,654
Rubber	2,322,787	2,065,239
	6,305,299	6,519,893

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

		2012	2011
(a)	Director's emoluments	N'000	N'000
	Fees	7,286	6,629
	Other emoluments	5,093	8,007
		12,379	14,636
(b)	Emoluments:		
	Chairman	1,894	1,670
	Highest paid director	1,894	1,670
		Number	Number
(C)	Scale of other directors' remuneration (excluding the chairman)		
	₦150,000 - ₦700,000	-	1
	₦700,001 - ₦1,500,000	7	9
	₦1,500,001 and above	2	2
(d)	Employees remunerated at higher rate:		
	₦200,000 - ₦500,000	214	406
	₦500,001 - ₦1,000,000	434	361
	₦1,080,001 and above	69	41
	Average number of persons employed	717	808
		N'000	N'000
(e)	Employees' costs during the year (excluding directors' remuneration):		
	Staff salaries	487,893	474,491
	Staff welfare	31,475	34,594
	Medical	14,085	9,481
	Pension employer's contribution	29,820	15,045
	Training	20,881	11,800
	Gratuity	117,791	63,886
	Production bonus	132,671	149,898
	Labour supplied by contractors	1,132,828	817,056
		1,967,444	1,576,251

For the Year Ended: 31st December, 2012

6 **SEGMENTAL REPORTING: PROFITABILITY**

(a.) Profitability of product

	Palm Oil		Rubber	
	31/12/12 N'000	31/12/11 N'000	31/12/12 N'000	31/12/11 N'000
Total revenue	6,408,454	6,680,629	3,737,710	4,440,382
Profit from continuing operations before tax, finance cost and other related cost	2,751,583	2,740,509	1,604,852	1,821,522
Finance income	107,422	124,624	62,653	82,834
Finance cost	(124,900)	(75,998)	(72,847)	(50,514)
Taxation/tax credit	(477,439)	(441,339)	(278,464)	(293,342)
Profit on continuing operations	11,308	9,290	6,595	6,174
Profit on continuing operations	2,267,974	2,357,086	1,322,789	1,566,674

(b.) Profitability by geographical segments

	Nigeria		Europe	
	31/12/12 N'000	31/12/11 N'000	31/12/12 N'000	31/12/11 N'000
Total Revenue	6,408,454	6,680,629	3,737,710	4,440,382
Profit from continuing operations before tax, finance cost and other related cost	2,751,583	2,740,509	1,604,082	1,821,522
Finance income	107,422	124,624	62,653	82,834
Finance cost	(124,900)	(75,998)	(72,847)	(50,514)
Taxation/tax credit	(477,439)	(441,339)	(278,464)	(293,342)
Gain on disposal of assets	11,308	9,290	6,595	6,174
Net Profit For The Year	2,267,974	2,357,086	1,322,789	1,566,674

	31 December 2012 N'000	31 December 2011 N'000
7. **FINANCE INCOME**		
Interest income on fixed deposit	75,165	34,197
Interest on staff loans	231	-
Foreign exchange gain on current assets/liabilities	93,955	173,261
Interest on current account	724	-
	170,075	207,458
8. **FINANCE COST**		
Interest on long term loans	13,937	25,966
Foreign exchange (loss) on current assets/liabilities	183,810	100,546
	197,747	126,512

		2012 N'000	2011 N'000
9.	**PROFIT FROM CONTINUING OPERATION BEFORE OTHER COMPREHENSIVE INCOME AND TAX**	4,346,666	4,658,441
	Is stated after charging/crediting):		
	Depreciation and amortisation expense	525,386	597,013
	Auditors' remuneration	24,000	21,000
	Directors' emoluments and expenses (note 5(a)	67,144	27,422
	Finance cost (note 8)	197,747	126,512
	Finance income (note 7)	170,075	207,458
10	(a) Taxes		
	Income tax charge comprise of:		
	Education tax	472,711	113,421
	Company income tax	75,154	671,005
		547,865	784,426
	(b) Tax Liability		
	Deferred tax comprise of:		
	Transfer to deferred taxes	208,038	300,000
	Write back from deferred taxes	-	(349,745)
	Deferred tax on charge in fair value	595,942	732,775
		803,980	683,030
	(c) Current Tax Receivables		
	As at 1st January	770,900	36,256
	Charge for the year (note (a))	547,865	784,426
	Payments during the year	(57,389)	(49,782)
		1,261,376	770,900
11.	**BASIC EARNINGS PER SHARE**		
	Basic earnings per 50kobo ordinary share (Naira)	18	22

Basic earnings per share are calculated using the profit on continuing operations on the 476,955,000 ordinary shares issued as at 31st December, 2012.

12. PROPERTIES, PLANT AND EQUIPMENT

Cost	Land & Buildings N'000	Palm Mill N'000	Rubber Mill N'000	Machinery & equipment N'000	Vehicles & Trailers N'000	Fixtures & fittings N'000	Capital WIP N'000	Total N'000
At 1st January, 2012	1,034,357	1,887,517	899,015	869,234	406,867	209,552	212,366	5,518,908
Additions	113,303	119,623	35,323	248,675	355,157	12,971	657,801	1,542,853
Transfer	242,494	100,848	-	232,310	-	-	(575,652)	-
Disposal	-	-	-	(2,205)	(27,408)	-	-	(29,613)
At 31st December, 2012	1,390,154	2,107,988	934,338	1,348,014	734,616	222,523	294,515	7,032,148
Depreciation								
At 1st January, 2012	273,431	937,000	166,352	391,236	266,448	175,961	-	2,210,428
Charge for the period	55,961	177,942	48,721	140,140	92,162	10,460	-	525,386
Eliminated on disposal	-	-	-	(2,205)	(27,408)	-	-	(29,613)
At 31st December, 2012	329,392	1,114,942	215,073	529,171	331,202	186,421	-	2,706,201
Net book value								
As 31st December, 2012	1,060,762	993,046	719,265	818,843	403,414	36,102	294,515	4 ,325,947
As 31st December, 2011	760,926	950,517	732,663	477,998	140,419	33,591	212,366	3,308,480

13. BIOLOGICAL ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Total N'000
Fair Value			
At 1st January, 2012	10,580,843	5,532,610	16,113,453
Fair value on biological assets	2,234,368	3,725,154	5,959,522
At 31st December, 2012	12,815,211	9,257,746	22,012,975
Depreciation			
At 1st January, 2012	469,740	594,369	1,064,109
Charge for the period	74,219	119,644	193,863
IAS41 adjustment	(74,219)	(119,644)	(193,863)
At 31st December, 2012	469,740	594,369	1,064,109
Fair Value			
Fair value as at 31st December, 2012	12,345,471	8,663,395	21,008,866
Fair value as at 31st December, 2011	10,111,103	4,938,241	15,049,344

13(i) ANALYSIS BY MATURITY

Matured plantation	11,795,564	7,932,604	19,728,168
Immature plantation	549,907	730,791	1,280,698
	12,345,471	8,663,395	21,008,866

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
14. INVENTORIES			
Fuel and lubricants	89,022	48,237	83,683
Spare parts	276,155	268,004	372,895
General stores and various materials	108,671	109,208	55,070
Agricultural consumables	64,259	117,655	90,783
Finished goods(oilpalm and rubber cake)	433,284	616,778	141,731
Goods-in-transit	2,224	-	253,961
	973,615	1,159,882	998,123
15 TRADE RECEIVABLES			
Trade receivables	19,612	103,518	5,981
Advances to suppliers	144,599	335,459	376,115
	164,211	438,977	382,096
Less: allowance for impairment	(9,934)	(7,011)	(2,011)
	154,277	431,966	380,085

The balance of trade receivable represents amounts due from trade customers as at the end of the year. The company's operational policy is not to give credit, but those with significant volumes are so given and have an average credit period of 7 to 15 days.

Trade receivables are those that are neither past due nor impaired and are credit worthy debtors with past payment records with the company. 75% (2011: 75%) of the trade receivables arise from customers with more than two years' business relationship with the company.

16. INTERCOMPANY

	1 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
Sogescol (note 31(i))	229,246	443,873	174,626
Socfinco (note 31(ii))	(77,107)	50,183	(101,682)
Sodimex (note 31(iii))	(40,081)	(15,621)	(23,334)
Socfindo	-	74	7,254
Brabanta	-	-	858
Weala Rubber	-	-	(148)
Soca Palm	105	-	216
Liberian Agricultural Company	-	-	141
	112,163	478,509	57,931
17. (i) OTHER RECEIVABLES AND SHORT TERM PAYMENTS			
Staff loans and advances	42,710	26,886	27,074
Government grant (iii)	268,057	-	-
Insurance claim receivable on stock loss	228,664	-	-
Other receivables	152	45,308	998
Rent prepaid	17,709	-	6,035
	557,292	72,194	34,107

20. SHARE PREMIUM

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
As at the reporting date	1,867,095	1,867,095	1,867,095

Share premium is the excess paid by shareholders over the nominal value for their shares.

21. REVENUE RESERVES

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
At the beginning	16,904,632	7,421,423	2,247,921
Prior year adjustments (note 22(i))	(1,127,817)	(814,395)	(380,189)
Reserve as restated	15,776,814	6,607,028	1,867,732
Retained profit for the year	3,590,763	3,923,760	1,629,456
Fair value gain	5,959,522	7,327,754	4,067,322
	25,327,099	17,858,542	7,564,510
Dividend paid (21(a.))	(1,907,820)	(953,910)	(143,087)
Unpaid dividends written back	5,899	-	-
	23,425,178	16,904,632	7,421,423

21(a.) DIVIDENDS PAID

	31 December 2012 N'000	31 December 2011 N'000
Dividend paid during the year		
Comprises:		
Final dividend 2009 (30 kobo per share)	-	-
Final dividend 2010 (₦1 per share)	-	476,955
Interim dividend 2011 (₦1 per share)	-	476,955
Final dividend 2011 (₦4 per share)	1,907,820	-
Paid during the year 31st December, 2012	1,907,820	953,910

22. DEFERRED TAX LIABILITIES

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
As at 1st January	2,095,367	1,412,336	708,161
Charge on profit on continuing operations	208,039	300,000	297,443
Write back to income statement	-	(349,745)	-
Deferred tax on fair value gains	595,942	732,775	406,732
	2,899,348	2,095,367	1,412,336

THE OKOMU OIL PALM COMPANY PLC

22(i) PRIOR YEAR ADJUSTMENTS

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
Previous year adjustments	(814,395)	(380,189)	26,543
Deferred tax on fair value	-	(732,775)	(406,732)
Others	(313,422)	298,569	-
	(1,127,817)	(814,395)	(380,189)

23. NON CURRENT PROVISION FOR POST EMPLOYMENT BENEFIT

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
As at 1st January	589,031	574,321	546,523
Provision for the year	117,791	63,886	46,723
Payment during the year	(89,664)	(49,176)	(18,925)
As at 31st December	617,158	589,031	574,321

The gratuity provision for the year was based upon independent actuarial valuation and the last such valuation was carried out as at December 31st, 2010.

24 NON-CURRENT FINANCIAL LIABILITIES

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
Foreign loan DEG	-	121,245	242,491

Germany Investment & Development Bank (DEG)

The company entered into a ₦697 million term loan agreement with German Investment and Development Bank, in 2003 to provide additional capital to support for expansion programmes at a coupon rate of 8.8% per annum. The repayment period, excluding moratorium, shall be eight years from the date the initial draw down of each advance. The loan is thus finally repayable in 2013.

25. TRADE PAYABLES

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
Trade creditors	248,027	161,964	195,908
Advances from customers	51,800	73,942	222,903
	299,827	235,906	418,811

26. OTHER CURRENT PAYABLES

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
Pending claims	-	-	3,923
Value Added Tax	44,566	40,590	4,808
Withholding tax	30,572	21,545	18,120
Nigerian Social Investment Trust Fund	-	12,209	12,209
Deferred income	10,312	-	-
Taxes paid to state and local Government	(2,494)	9,446	(18,630)
Taxes paid for third parties	-	-	(29,854)
Other current payables	11,505	31,820	9,836
	94,461	115,610	412

	31 December 2012 N'000	31 December 2011 N'000	1 January 2011 N'000
27. CURRENT PROVISIONS AND ACCRUALS			
Provision for management fee	34,496	123,420	19,235
Provision for audit fee	24,000	21,000	24,938
Provision for interest on loans	4,517	9,150	14,103
Other provisions	-	50,000	2,840
Accruals	50,968	5,594	4,001
	113,981	209,164	65,117
28. OTHER CURRENT FINANCIAL LIABILITIES			
Foreign loan DEG (note 24)	123,257	121,246	147,703
29. RETIREMENT BENEFIT OBLIGATIONS			
Pension liabilities	14,836	11,313	15,733
Retirement benefit obligations	36,213	16,213	16,408
	51,049	27,526	32,141
30. DIVIDEND PAYABLE			
As at the beginning of the year	69,364	69,364	79,344
Write back of unclaimed dividends (a)	(5,899)	-	(9,980)
As at the end of the year	63,465	69,364	69,364

(a.) The amount represents unclaimed dividends declared up to and including the 2004 financial year. Section 379-386 of Companies and Allied Matters Act, CAP C20 LFN 2004, stipulates that where dividends remain unclaimed for more than twelve (12) years, they revert back to the company.

31. RELATED PARTY TRANSACTIONS

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

(i) SOGESCOL FR SA

The company exports its rubber to SOGESCOL FR S.A (a related company). Sales during the current year amounted to ₦4.4 billion (2011: ₦4.4 billion, 2011) and these were carried out at arms length. The amount due to the company from SOGESCOL FR S.A. as at year end was ₦227 million (2011: ₦444 million).

(ii) SOCFINCO FR SA

SOCFINCO FR SA has exclusive rights to know-how and manages the affairs of the company. In consideration of this technical know-how, management fees and other support charges are paid to SOCFINCO FR SA. The fees are calculated at an aggregate rate equal to 2% of the company's net sales and 2% of profit before tax. The technical know-how and management service agreements are made with the approval of the National Office for Technology Acquisition and Promotion (NOTAP). The company incurred ₦463million (2011: ₦491million) on management and technical fees during the year. These fees were incurred on an arm's length basis.

(iii) SODIMEX. SA.

The company purchases a large amount of its equipment and spare parts from SODIMEX S.A (a related company). During the year under review, the company incurred ₦248 million (2011: ₦623 million) in costs to procure capital assets and spare parts and these were carried out at arm's length. The amount due to SODIMEX S. A. from the company as at the end of the year was ₦40 million (2011: ₦16 million, 2010: ₦23 million).

32. ULTIMATE HOLDING COMPANY

The ultimate holding company is SOCFINCO FR SA which is incorporated under the laws of Switzerland.

33. PROPOSED DIVIDEND TO BE DECLARED

The Board of Directors shall submit and declare as dividend the sum of ₦7 per ordinary share held, subject to the payment of withholding tax at the appropriate rate.

34. CAPITAL COMMITMENTS

There were no capital commitments as at the balance sheet date.

35. EVENTS AFTER THE REPORTING DATE

At the annual general meeting held on 13th June, 2012, the members approved the increase in the authorised share capital by the creation of an additional 600 million shares each ranking pari pasu with the existing shares of the company. The additional 600 million shares were registered with the commission on 4th February, 2013 and shall be recognised in the financial reports for the year to 31st December 2013.

36. PROPOSED BONUS SHARE ISSUE

The directors have proposed that subsequent to the approval by the shareholders, of the increase in authorised share capital that they will issue out of reserves one new share, for every share held and such new shares shall not rank for the proposed dividend referred to in paragraph 33.

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in line with the current period's presentation wherever this has been deemed necessary to ensure compliance with International Financial Reporting Standards.