Annual Report & accounts 2015

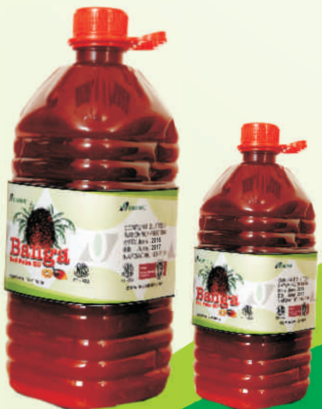
OKOMU

THE OKOMU OIL PALM COMPANY PLC

(RC 30894)

ISO 9001
BUREAU VERITAS Certification
BEL09000955

ISO 14001
BUREAU VERITAS Certification
BEL09000955



...creating wealth from the soil

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Mission Statement / Company Profile

Mission Statement

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.

Company Profile

The company was established in 1976 as a Federal Government pilot project aimed at rehabilitating of palm production in Nigeria. At inception, the pilot project covered a surveyed area of 15,580 hectares of which 12,500 hectares could be planted with oil palm trees. It was incorporated on December 2, 1979 as a limited liability company.

By 1989, the company began infrastructural developments on the estate. The facilities included office blocks, workshops and stores, staff quarters, a petrol station, power house and primary school for children of the company's staff.

In 1990 the Technical Committee on |Privatization and Commercialization (TCPC) privatized the company on behalf of the Federal Government of Nigeria and M/s. Socfin has become Management agent and majority shareholder.

Some of the historical land marks from them are as follows:
1993 New 20 Tons/Hr mill completed capable of processing 80,000 FFB per annum.
1998 First Rubber planting in Okomu.
2000 Acquisition of 6000 Ha property 15km east of Okomu called Extension 1
2004 Oil mill up-gradation to 30 Tons/Hr.
2005 Total Planted area has become 9200 Ha for oil palm and 3800 Ha for rubber.
2006 Replanting of the oldest trees planted in 1977 started.
2008 2.5 Tons/Hr Rubber processing factory commissioned.
2010 New 1.5km road linking Okomu to Extension 1 completed reducing the distance from the original 35 km.
2012 ISO 9001 Certification awarded by Bureau Veritas.
2012 Connection to the National electrical grid completed.
2013 Construction works for the Up-gradation of Palm Oil Mill with another 30 Tons/Hr Capacity started.
As at 2013, Okomu Oil Palm Company has 9,710 hectares of palm and 7,572Ha of rubber under the belt and its quest for continuous growth is making this company as one of the most dynamic and vibrant companies in Nigeria.

The growth of the Okomu Oil Palm Company has been a great success and a huge encouragement for the Nigerian agricultural sector, with profound positive consequences of socio-economical growth for the region where it is located.

Just as its expanding in size, its corporate environment is also expanding. Currently, the company employs 563 permanent staff with over 2,000 contractors as well as over 500 suppliers to the company. All these have added up to place the Okomu Oil Palm Company Plc on top in the burgeoning oil palm business and position the company as an emerging leader in rubber production.

The Okomu Oil Palm Company Plc benefits from the quality management provided by its main shareholders and technical partner, SOCFIN, with 62% shares in Okomu Oil Palm Company Plc, and SOCFIN is the biggest single shareholder that brings into Okomu a little under a century of sound acclaimed technical expertise in the world stage.

With all these feats, the Okomu Oil Palm Company Plc has lived true to its slogan: "with nothing we can do nothing, but with little, we can achieve plenty"

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of the company will be held at the Transcorp Hilton Hotel, 1 Aguiyi Ironsi street, Maitama, Abuja on Tuesday, 21st of June, 2016 at 9.30.am to transact the following:

ORDINARY BUSINESS

1. To receive and consider the audited accounts for the year ended 31st December 2015, together with the reports 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 87 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

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, Cardinalstone Registrars Ltd (formerly City Securities Limited), 358, Herbert Macaulay Road, Yaba, 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

Members whose names appear in the Register of Members at the close of business on Monday 9 May, 2016 shall be qualified for the dividend payment.

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 10th May to Friday 13th May 2016 (both days inclusive) to enable the Registrar to prepare for the payment of any dividends.

3. PAYMENT OF DIVIDEND

If a dividend is approved at the meeting, payment will be made on Monday 27th June, 2016 to shareholders ' whose names appear on the register of members at the close of business on Monday 9th May, 2016

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.

5. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before 7th day of June, 2016.

BY ORDER OF THE BOARD

Mr. Christian J. Mariere
Company Secretary
Dated this 24th day of March, 2016.

REGISTERED OFFICE:
Okomu Oil Palm Company plc Estate
Okomu-Udo,
Ovia South West L.G.A,
Edo State

Mr. Christian J. Mariere
Company Secretary

THE OKOMU OIL PALM COMPANY PLC

	2015 N '000	2014 N '000
TURNOVER	9,738,015	8,655,718
Profit on continuing operations Before taxation	2,898,645	1,904,496
Companies Income Tax Charge	(267,500)	(344,541)
Deferred Tax Income	-	(230,000)
Profit on continuing operations After taxation	2,631,145	1,329,955
Total Comprehensive Income	2,697,555	1,454,320
NET ASSETS'	12,063,599	9,604,522
Employees' expenses	728,905	899,865
	No.	**No.**
NUMBER OF EMPLOYEES	538	558
Basic earnings per 50 kobo share (naira)	2.76	1.39
Net asset per 50 kobo share (naira)	13	10

NB: 2014 figures were adjusted based on the amendment to IAS 16 and IAS 41 thereby removing bearer plants from IAS 41 into IAS 16

Corporate Information

DIRECTORS

CHAIRMAN
Mr. G. Oyebode MFR

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

FINANCE DIRECTOR/CHIEF FINANCIAL OFFICER
Mr. A. 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. Ph.de Traux de Wardin (Belgian)
Mr. R. Helsmoortel (Belgian)
Mr. S. Claeys (Belgian)

INDEPENDENT DIRECTOR
Mr. A. Ighodalo

COMPANY SECRETARY
Mr. C. J. Mariere

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE
Mr. P. A. E. Eguasa JP (Chairman)
Dr. L. J. J. Boedt
Mr. Sven Claeys
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
Mr. R. Helsmoortel
Mr. Ph. de Traux de Wardin

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Okomu Oil Palm Estate
Okomu-Udo
Edo State

AUDITORS
Horwath Dafinone
Chartered Accountants
16 Wharf Road, Apapa, Lagos

BANKERS
- **Nigerian**
  Access Bank Plc
  Mainstreet Bank Limited
  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
Cardinalstone Registrars Ltd.
358, Herbert Macaulay Way
Yaba,
Lagos

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

RC NO.
30894

Chairman's Statement

Distinguished Shareholders, Guests of Honour, Ladies and Gentlemen you are all welcome to the 36th Annual General meeting of our Company. It is once again my pleasure to present to you the annual report and financial results for the year ended 31st December 2015.

THE OPERATING & ECONOMIC ENVIRONMENT 2015

The past year continued to be difficult for both the Country and our company, foreign exchange control restrictions and the ongoing low commodity prices, especially that of rubber, which continued its slide by an average of 69% since 2013. Notwithstanding these continued poor prices, though, and mainly due to management's cost cutting and increased efficiencies measures, rubber still managed to remain positive at the operational level. This enabled the company to bring in valuable foreign currency from these rubber exports at a time when foreign exchange to pay for the importation of critical goods and materials required by the company is very scarce. Local crude palm oil (CPO) prices also managed, in part, to cushion the poor rubber prices, increasing by 2.5%, when compared to the prior year.

Despite the gloomy news pervading 2015, the company still managed to report a number of new milestones, such as the production and processing of 161,863t of fresh fruiting bunches (FFB) with the new 60t/hr mill, the highest tonnage of (FFB) ever in the company's history; the construction of a 50ha palm nursery on the company's new 11,400ha Extension 2 in anticipation of planting 4,000ha of palm in 2016 which is the largest nursery in Nigeria; the re-certification again of the company's ISO9001 and ISO14001 certifications for quality and environment; and the company reporting a noteworthy profit after tax of N2,7 billion even under the prevailing challenging business conditions.

The expansion programme in Extension 2 is also progressing according to plan, with the clearing of 4,000ha of land for planting in 2016. As you are aware, these developments have been instituted in order to unlock greater returns to you, the shareholder, in the near future. However, this also means that funding for this development has impacted upon the company's ability to pay as high a dividend as they have in the past, but your Board is very positive that the returns will be significant in terms of future added value to our shareholders. In this regard then, the Board of Directors have still recommended a dividend payment of N0.10/50k share, which would translate into a total payment to shareholders in 2015 of nearly N100,000,000.00 before tax.

THE COMPANY'S OPERATIONAL PERFORMANCE FOR 2015

OIL PALM

Total oil palm area increased marginally by 2.5% over that of 2014 to 9,960ha. A total of 250ha was also replanted in 2015 and immature area increased by 11% (998ha) over that of 2014. The new Extension 2 plantation had 664ha of mature palm, this being 2% lower than the previous year.

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

Total FFB production for 2015, excluding Extension 2, was 152,728t which was 11% higher than that produced in 2014 and represented an average FFB yield of 16.3 t/ha. Extension 2 produced 9,135t FFB in 2015. Labour productivity in 2015 also increased by 13% over that of 2014.

The new 60t/hr oil mill processed all of the FFB produced in 2015, resulting in 35,600t CPO, this being 12% higher than in 2014. An oil extraction rate, which averaged 21.9% for 2015, was substantially similar to that of 2014. Furthermore, oil mill costs for 2015 were 11% lower than for the corresponding period in 2014.

Total CPO sales and turnover for the past year were 14% and 15% higher, respectively, than in 2014, whilst revenue of N9.73 billion for all palm products in 2015 was 11% higher than for the prior year.

Gross profit was N5.24 billion which was 17% higher than that of 2014 and net profit on continuing operations was 46% higher than for the corresponding period in 2014 at N2.82 billion.

RUBBER

Of the total area of 7,863ha (cf. 8,086ha in 2014), mature area under rubber remained at 4,836ha in 2015. The area under new plantings was 250ha, which was 3% lower than in 2014, mainly as a result of the ongoing low price of rubber. Immature plantings decreased by 8% as at the end of 2015 to 2,723ha, whilst 225ha of immature rubber was brought into bearing during the year.

Wet cup lump production (on an average dry rubber equivalent) was 7,883t, which was 6% lower than in 2014, whilst the average yield of dry rubber was 1.62t/ha, this being similar to that for 2014.

The rubber factory processed 7,654t dry rubber last year, this tonnage being 8% lower than for 2014.

Average rubber prices have, since the highs of 2011, continued to drop, with a decline of 30.7% in 2014 over sales prices in 2013 and another drop of 4% in 2015 over that of 2014.

Rubber factory costs declined by 6%, whilst total rubber revenues declined by 2% over that of 2014. Direct costs of sales were 15% lower than for 2014. Gross profit declined by 1% over that of the corresponding period last year to N1.07 billion from N1.08 billion in 2014.

At EBITDA, rubber was still positive at N154 million, and generated a positive cash flow for our company, especially in foreign currency since all rubber was exported. However, after depreciation, amortization and taxes, rubber lost N134 million for the year.

CONSOLIDATED FINANCIAL RESULTS

During the year under review, notwithstanding the drastically lower rubber prices, the consolidated results of the Company recorded combined revenues of N9.73 billion (cf: N8.66 billion in 2014), this being nearly 13% higher than for 2014.

This, was mainly driven by lower consolidated costs of sales which were more than 7% less than 2014 at N3.5 billion (cf: N3.8 billion in 2014) as management continued its crusade against high costs.

The Company paid nearly N268 million in consolidated company and consumption taxes to both Federal and State agencies in 2015 (cf: N344 million in 2014). This translated into a total comprehensive income for 2015 of nearly N2.7 billion, nearly 85% better than the N1.45 billion profit in 2014.

Despite the large increase in profits for the company, this should be seen in the context of a very difficult economic environment where commodities such as rubber has not performed and prices going forward could still be lower This, along with inflation and the spectre of ongoing limited foreign exchange accessibility loom ominously ahead of us. Also, the new Extension 2 plantation in Ovia North East LGA is rapidly developing, whilst the mature areas on Okomu itself need to continue to generate income for the company going forward. All of these factors have impacted negatively on our cash this past year and this is reflected in our statement of cash flows, where, from an opening cash balance in 2015 of N2.9 billion, at yearend cash flow had dropped to under N1 billion. Notwithstanding this, your Board, also ever mindful of the importance of dividend payouts to you, have tried to balance this with the cash requirements of the Company and the future expansions that will add shareholder value, and have duly recommended a dividend payment of N0.10/50k share, which would translate into a total payment to shareholders in 2015 of nearly N100,000,000.00.

ENVIRONMENT, HEALTH, EDUCATION & SAFETY

Environmental conservation, health, education and safety standards continue to be key facets of the company, ensuring minimisation of any negative impacts on our staff, their families, communities and the surrounding biodiversity within our sphere of influence. The company's re-certification as an ISO9001:2008 Company in 2015 ensured that our customers were guaranteed only the highest quality products at all times. Also, the Company attained ISO14001:2004 status again, re-confirming that we manage all our daily activities so as to minimize any negative impacts on the environment. Furthermore, NAFDAC and SON certifications were renewed on the Company's products.

The Company's staff were also taken care of in terms of health, safety and welfare programmes in 2015. In this regard then, the costs to Company amounted to N25 million in 2015 (2014:N25.9 million).

The Federal Ministry of Environment also performed their annual, as well as their quarterly audits and gave the Company a clean bill of health in this regard in 2015, thanks to the sterling work from the Health, Safety and Environment Department (HSE) who monitored and ensured that all departments complied with, and adhered to, all laws, permits and certificates required and implemented by Government.

Unfortunately, the beginning of 2015 was not a pleasant one as far as staff safety was concerned, as militants invaded our Company's property and killed two of our harvesters without any reason or provocation. It necessitated the assistance of the Joint Task Force (JTF) who, thankfully restored peace in the riverine area again. Subsequent to the JTF's arrival, calm was once again restored on the plantation and work resumed normally for the rest of the year. We extend our commiserations to the families of our staff who so needlessly lost their lives in this dastardly act.

Total fulltime employees on Okomu's payroll as at December 2015 was 563 (2014: 603). Ongoing improvement through training of our staff was again of paramount importance to the Company with it investing N21.6 million in skills development in 2015 (2014: N17.5 million).

FUTURE EXPANSION & DEVELOPMENT PLANS

As stated last year, the Company's recently purchased 11,418ha of land in Ovia NE L.G.A of Edo State and continued to develop it with 4,000ha of land having been cleared in anticipation of being planted to palm in 2016. Furthermore, a 50ha nursery was developed and more than 1million plants are currently being cultivated in readiness for their planting on this 4,000ha in mid 2016. As at the end of 2015 the Company had spent nearly N2.5 billion in developments on the project. In 2016, once the requisite environmental assessments have been completed, another 4,000ha is to be cleared and planted, along with other necessary infrastructure to support the development and maintenance of the 8,000ha of palm in 2017.

The Company, apart from its ISO9001 and ISO14001 certifications, will also be preparing to be ISO18001certified in May 2016. This will mean that the Company will aspire to the highest health and safety certification standards.

In conclusion, I would like to again thank all those who have this past year contributed to our commendable performance of the Company in achieving these results, especially under the current trying economic circumstances and to thank you, the shareholder for your consistent support of your Board, and the Company. I am sure you will agree, that despite these prevailing head winds, the Company is on the right path and is sure to generate future value for its loyal shareholders in the years to come. Thank you too, to all management and staff concerned for their continued outstanding commitment and loyalty to the Company in the past year, especially under these somewhat trying circumstances. I also wish to thank you for your attendance at our Annual General Meeting this year and wish you well for 2016.

Thank you.

Board of Directors

Mr. G. Oyebode MFR
Chairman

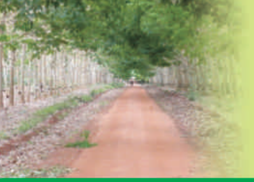
Name: **Gbenga OYEBODE MFR**
Residence: Nigeria
Appointment: Non Executive Director
Qualification: LLB, BL LLM
<u>Work experience and occupation</u>
Managing partner: Aluko & Oyebode (Barristers Solicitors and Trade Mark Agents)
Chairman: Okomu Oil Palm Company Plc,Access Bank Plc.
Director: MTN Nigeria
Member: Nigerian Bar Association, American Bar society of International Law.

Name: **Graham HEFER**
Residence: Nigeria
Appointment: Managing Director
Qualification: Msc. Agric, PHD. Agric
<u>Work experience and occupation</u>
Lecturer/Research fellow: University of Natal
Agricultural director: Tongaat Cotton Ltd
Executive director: Noordelike Sentrale katoen(PTY)
Managing Director: Okomu Oil Palm Company Plc

Dr. G. D. Hefer

Mr A. Mary

Name: **Alain MARY**
Residence: Nigeria
Appointment: Finance Director
Qualification: HED. Accounting
<u>Work experience and occupation</u>
Finance Director: Flour Mill, Mauritania
Escofier Technologie
Filatures de Chenimenil
Okomu Oil Palm Company Plc



Board of Directors

Name: **Luc BOEDT**
Residence: Belgium
Appointed: Non Executive Director
Qualification: PHD. Agronomy sciences
<u>Work experience and occupation</u>
Chairman: Terres Rouges Consultant S.a.s. (trc) Safacam
Salala Rubber Corporation (SRC)
General Manager: Socfinco
Manager: Brabanta
Director: Socfinaf, Socfinasia, Socapalm, Sud Comoe Caoutchouc (S.C.C.), Okomu Oil Palm Company Plc, Socfin Kcd, S.A.C. (SL) Limited (Socfin Agricultural Company), L.A.C. (Liberian Agricultural Coporation), PT Socfin Indonesia (SOFINDO), IFC (Institut Français de Caoutchouc)
Managing Director : S.O.G.B

Dr. L. J. J. Boedt

Mr. S. R. F. Claeys

Name: **Sven. R.F CLAEYS**
Residence: Belgium
Appointment: Non-Executive Director
Qualification: Msc. Agric Engineering, M.A International Policy
<u>Work experience and occupation</u>
Plantation Manager, SOGB, Grand Bereby, Cote 'd'Ivoire, Safacam, Edea, Cameroun
Director: Okomu Oil Palm Company Plc

Name: **David U. EDEBIRI OON**
Residence: Nigeria
Appointed: Non Executive Director
Qualification: Dip. Journalism
<u>Work experience and occupation</u>
Public relations/information officer in the Civil Service, Chairman of various committees including Palace Committee on Benin traditional sports and games. Author of a number of books on Benin kingdom, General business and fish farming.
Director: Okomu Oil Palm Company Plc

Chief D. U. Edebiri OON

Mr. P. A. E. Eguasa, JP

Name: **Peter A.E EGUASA**
Residence: Nigeria
Appointed: Non Executive Director
Qualification: BBA General Management Science,
MBA Finance &Accounting
<u>Work experience and occupation</u>
Managing Director: Perfect Securities & Investment Ltd
Director: Okomu Oil Palm Company Plc
Fellow: Institute of Stockbrokers, Nigeria

Mr. H. Fabri

Name : **Hubert FABRI**
Residence : Switzerland
Appointed: Non Executive Director
Qualification: Bsc. Business administration
<u>Work expérience and occupation</u>
Chairman : Socfin, Socfinaf, Socfinasia, Liberian Agricultural Corporation (LAC)
Manager : Brabanta
Director : Plantations des Terres Rouges, Compagnie du Cambodge, Bolloré, Financière Moncey, Financière de l'Odet, Forestière Equatoriale, Société Anonyme Forestière et Agricole « SAFA » , Société Industrielle et Financière de l'Artois, PT Socfin Indonesia « Socfindo », Okomu Oil Palm Company Plc, SAFA Cameroun, Société des Palmeraies du Cameroun « Socapalm » , (through PF Représentation) So.G.B., Sud Comoe Caoutchouc (SCC), Socfin Agricultural Company Limited (SAC SL), Socfin KCD

Name: **Regis HELSMOORTEL**
Residence: Belgium
Appointed: Non Executive Director
Qualification: BSc Industrial Management, MSc Agricultural Engineering
<u>Work experience and occupation</u>
Head: Agronomy Department. Socfinco SA (Socfin Group) - Belgium
Director: Okomu oil Palm Company Plc

Mr. R. Helsmoortel

Mr. Asue Ighodalo

Name: **Asue IGHODALO**
Residence: Nigeria
Appointment: Independent Director
Qualification: Bsc. Economics, LL.B, BL
<u>Work experience and occupation</u>
Founding Partner: Banwo & Ighodalo (Law Firm)
Director: Christopher Kolade Foundation, Dangote Flour Mills Plc, FATE foundation Main Street Technologies Ltd, Nigerian Economic Summit group, Piling Engineering Company Ltd, Nigerian Leadership Initiative, Union Bank (UK) Plc, Kakawa Discount House, University of Ibadan Advancement Board, Okomu Oil Palm Company Plc

Name: **Philippe de TRAUX de WARDIN**
Residence: Switzerland
Appointment: Non Executive Director
Qualification: Bsc. Applied Economic Science
<u>Work experience and occupation</u>
Director: Socfin, Socfinaf, Socfinasia, Okomu Oil Palm Company Plc S.O.G.B, Socapalm (Soc. Des Plameraies du Cameroun), SCC (Sud Comoe Caoutchouc), LAC (Liberian Agricultural Corporation), SAC SL (Socfin Agricultural Company Limited), Socfin KCD, Manager Brabanta

Mr. Ph.de Traux de Wardin

The directors present their annual report together with the audited financial statements report for the year ended 31st December, 2015.

1. PRINCIPAL ACTIVITIES
The principal activities of the company are the cultivation of oil palm, processing of fresh fruit bunches into crude palm oil 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 and the report of the Managing Director both of which should be read in conjunction with this report.

4. DIVIDEND
The directors recommend, in respect of the year ended 31st December 2015, the declaration of a dividend of ₦95.39 million (note 42) (2014: ₦238.48 million) subject to the deduction of withholding tax at the appropriate rate.

5. DIRECTORS' RESPONSIBILITIES
The Companies and Allied Matters Act, CAP C20, LFN 2004, and the Financial **Reporting Council Act No. 6 of 2011 require the** directors to prepare the financial statements in respect of each financial year,that 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 together with the relevant notes to the financial statements.

In preparing the 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 accounts in accordance with the individual contractual terms of business agreed with each organisation to whom it is liable. Trade payables amounted to 95 days on average during the year (2014: 78 days).

7. MANAGEMENT AND TECHNICAL SERVICE PROVIDER
Okomu Oil Palm Company Plc receives technical support from Socfinco F.R. S. A. 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 21 to this financial report.

9. BEARER BIOLOGICAL ASSETS
These are set out in note 22 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 into its biological assets is carried out by the technical partners as part of the provisions of the technical support.

11. DIRECTORS

The members of the Board of Directors during the year under review comprise:

- Mr. G Oyebode MFR	Chairman	
- Dr. G. D .Hefer	Managing Director	(South African)
- Mr. A. Mary	Finance Director	(French)
- Chief D.U Edebiri OON		
- Mr. H. Fabri	(Belgian)	
- Mr. R. Helsmoortel	(Belgian)	
- Dr. L.J.J. Boedt	(Belgian)	
- Mr. P. A. E. Eguasa JP		
- Mr. A. Ighodalo		
- Mr. Ph.de Traux de Wardin	(Belgian)	
- Mr. S. Claeys	(Belgian)	

12. DIRECTORS RETIRING

In accordance with Section 259 (1) of the Companies and Allied Matters Act, CAP C20 LFN, 2004, one-third of the directors shall retire at the conclusion of the Annual General Meeting, and these directors, being eligible, hereby offer themselves for re-election. The directors are: Mr. G. Oyebode, Chief D. U. Edebiri and Mr. R. Helsmoortel.

13. DIRECTORS' SHAREHOLDINGS INTEREST

The directors' interest in the ordinary shares of 50 kobo each that are fully paid up as recorded in the register of directors' shareholdings and/or notified by them for the purposes of Sections 275 and 276 of the Companies and Allied Matter Acts, CAP C20 LFN 2004 are as follows:

Held as at:	31st December, 2015		31st December, 2014	
Name	**Direct Number**	**Indirect Number**	**Direct Number**	**Indirect Number**
Mr. G. Oyebode MFR	35,938,136	5,345,978	35,938,136	5,345,978
Mr. P.A.E. Eguasa JP	9,090,000	75,000	9,015,500	150,000
Mr. A. Ighodalo	-	1,060,000	-	-

14. SHAREHOLDING

Okomu Oil Palm Company Plc is 62.69% owned by Socfinaf S.A which is incorporated under the laws of Luxembourg and 37.31% by a diversified spread of Nigerian individuals and Institutional shareholders. Other than Socfinaf S.A, no other shareholder holds more than 5% of the issued share capital of the company.

15. PROHIBITION OF INSIDER TRADING

The Company's Code of Conduct (in accordance with the extant of Nigerian laws and Rules of the Nigerian Stock Exchange) prohibits employees and Directors from insider trading, dealings and stock tipping when in possession of price-sensitive, non public information relating to the Company's business and from sharing or using such insider information.

16. 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 physically challenged during the course of their employment are given reasonable alternatives, having regard to their disability. There was no physically challenged person in the employment of the company.

17. 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 their attendance at other relevant external courses. The company incurred **₦21.6 million (2014:₦ 17.5million)** in providing training during the year.

18. 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 three staff clinics and also provides medical facilities to all levels of employees. The company incurred ₦25.0 million (2014: ₦25.9 million) during the year.

19. COMPLAINT MANAGEMENT FRAMEWORK

The Company has a Complaint Management Policy and Framework in place in accordance with SEC Directives on resolution of complaints. This policy has also been uploaded on the Company's website for public access.

20. CORPORATE GOVERNANCE

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

21. CHARITABLE DONATIONS

The company made charitable gifts and donations of ₦94.73 million during the year (2014:₦150.89 million). These comprise.

	2015 N'000
Community projects	91,715
Scholarships given	2,260
Donation to the Edo State Police	759
	94,734

22. STATEMENT OF DISCLOSURE TO AUDITORS

In accordance with Section 369 (1(a) & (b)) & 369(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, each and all of the directors, 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 of 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. ANALYSIS OF SHAREHOLDING

Range		No. Of holders	Percent	Unit	Percent
1	-50	264	1.615	6,846	0.001
51	-100	314	1.920	27,304	0.003
101	-500	3,098	18.948	1,115,307	0.117
501	-1000	3,552	21.725	2,856,437	0.299
1001	-5000	5,812	35.547	14,164,963	1.485
5001	-10000	1,358	8.306	10,011,824	1.050
10001	-50000	1,442	8.820	32,021,238	3.357
50001	-100000	229	1.401	16,625,971	1.743
100001	-500000	207	1.266	47,965,203	5.028
500001	-1000000	35	0.214	25,156,952	2.637
1000001	-953910000	39	0.239	803,957,955	84.280
	Grand Total	**16,350**	**100**	**953,910,000**	**100**

24. 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 an equal number of representatives of both the Directors and Shareholders. The members of the Committee are: Chief D.U. Edebiri OON, Mr. L.A Ohenhen, Mr. .P.A.E Eguasa, Mr. M. Igbrude, Mr. A. Imadu and Dr. Luc Boedt.

25. AUDITORS

Messrs Horwath Dafinone, Chartered Accountants, having indicated their willingness to 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

Mr. C. J. Mariere
Company Secretary
Okomu-Oil Palm Estate
Okomu-Udo
Edo State
24th March, 2016

Grant Thornton
An instinct for growth™

Chartered Accountants

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Report of the External Consultant on Okomu Oil Palm Company Plc's Board of Directors' Appraisal

We have completed our procedures for Okomu Oil Palm Company Plc's board of directors' appraisal for the year ended 31 December 2015 in accordance with the Securities and Exchange Commission's (SEC) Code of Corporate Governance 2011 for public companies in Nigeria.

The scope of our review focused on all the relevant sections of SEC's Code.

Based on our review, as well as analysis of board members self-evaluation questionnaires, we are of the opinion that the board's performance complied with the requirements set out in the Securities and Exchange Commission's Code of Corporate Governance 2011 for public companies in Nigeria.

Our review procedures were in accordance with the limited scope of our engagement and might not necessarily identify all irregularities that may exist in the underlying information. This report should not be construed for expression or approval of matters not specifically mentioned therein.

The review was concluded in March 2016. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the board of directors.

Yours faithfully

Grant Thornton

(Chartered Accountants)

8 March, 2016

The Board is responsible to the 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 Board's 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, seven Non-Executive directors and two Executive Directors.

The posts of Chairman and Managing Director are separated 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 directors headed by a Chairman with at least one independent director.

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

FUNCTIONING OF 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 solicitors 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 specially 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 appointments and, subject to shareholder approval, remuneration of the external auditors;
- Approval of the dividend policy, the interim dividend and the recommendation of the final dividend;
- 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 update on the following financial performance; key management changes; material new projects; financial plans; legal and regulatory updates, and in particular, it continued with development work in the future expansion project of the company. In addition to formal reports passed to the directors, the directors are 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 which are defined by their terms of reference. Additional information on the responsibility of each the Board Committees are outline on pages 20 and 21.

BOARD TRAINING

The company's policy encourages directors to attend different training programmes and seminars that enhances their professional skills and informs them of new developments in the company's business and operating environment.

BOARD PERFORMANCE AND EVALUATION

In the year under review, the company's consultants Grant Thornton, Chartered Accountants undertook an annual independent evaluation of the Board and Board committee performance and also ascertained whether there were areas where performance and procedures might be further improved. The outcome of the Board evaluation was highly enlightening and very satisfactory.

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 authorized in accordance with the Articles by the other Directors. The Board has adopted a set of guiding principles on managing conflicts and has approved a process for identifying current and future actual and potential conflicts of interest.

BOARD MEETINGS

During the year the Board held four scheduled meetings. The attendance of Directors at the scheduled committee meetings that were convened in the year ended 31 December 2015 are as follows:-

S/N	Name of Director	Board of Directors	Audit committee	Risk management committee	Governance/ Remuneration committee
Number of meetings held		**4**	**4**	**2**	**3**
1.	Mr. G. Oyebode	4 **C**	-	-	-
2.	Dr. G. Hefer	4	-	2	-
3.	Dr. L. J. J Boedt	4	4	2	-
4.	Mr. P. A. E Eguasa	4	4 **C**	2 **C**	3
5.	Mr. P. De Traux	4	-	-	2
6.	Mr. H. Fabri	4	-	-	-
7.	Mr R. Helsmoortel	4	-	-	3
8.	Chief D. U Edebiri	4	4	2	3
9.	Mr. A. Ighodalo	4	-	-	3 **C**
10.	Mr. A. Mary	4	-	2	-
11.	Mr. S Claeys	4	-	2	-

- Non - member C Chairman

(i) Mr. A. Mary and Dr. G. Hefer were requested to be in attendance at the audit committee meetings to provide the appropriate information required by the committee.

In line with the provisions of Section 258(2) of the companies and Allied Matters Act 2004, the record of directors' attendance at board meetings is 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, or an alternate is produced where applicable.

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 & company secretary and through him 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 Secretary. The principal committees of the Board are as follows:

NAME	RISK MANAGEMENT	GOVERNANCE/ REMUNERATION
Mr. G. Oyebode MFR	-	-
Dr. L.J.J Boedt	M	-
Chief D. U. Edebiri OON	M	M
Mr. P. A. E Eguasa	C	M
Mr. H. Fabri	-	-
Dr. G.D Hefer	M	-
Mr. R. Helsmoortel	-	M
Mr. A. Ighodalo	-	C
Mr. A. Mary	M	-
Mr. P.de Traux de Wardin	-	M
Mr. S. F Claeys	M	-

KEYS

- \- Non-member
- M Member
- C Chairman of Committee

RISK MANAGEMENT COMMITTEE

The Risk management committee is charged with the responsibility for acknowledging and identifying risk in the work place and the operating environment, evaluating and prioritizing such risks that may arise and advising the company on how to avoid, modify and manage all of the risks the company may encounter. During the year, the committee was chaired by Mr. P. A. E Eguasa with three other non-executive directors as members. The committee met 2 times in 2015.

AUDIT COMMITTEE

The Committee comprise of three non-executive directors and three elected members of the shareholders as shown below:-

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

It was chaired by Mr. P.A.E. Eguasa from October, 2014 to October, 2015 and Mr. A. Imadu from October 2015 to date. The committee met four times during the year. At the meetings, the Managing Director, Finance Director, representative of External Auditors, the internal Auditor and the company secretary were all in attendance. The Board considers that the members of 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 the 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 authorized 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 included:

- Reviewing the half year and annual financial statements with particular reference to accounting policies, together with significant estimates and financial reporting judgements 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 process;
- Reviewing and assessing the effectiveness of the company's internal financial controls and their applications;
- Monitoring and reviewing 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 to 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

This Committee comprises four non-executive directors and an Independent Director. The Independent non-executive director Mr. Asue Ighodalo, chairs the committee. The company secretary provides secretarial and related advisory services to the committee as necessary.

The committee's principal responsibilities are to determine the company policy on senior management remuneration and approve appropriate salary packages of senior management staff and non-executive Board allowances. The committee (excluding the non-executive chairman) 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 the 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 other member of the company's Non-Executive Board.

RELATIONS WITH SHAREHOLDERS

The company recognizes 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 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 7 days 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 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;
- The company's 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;
- The company's 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 assurance on the effectiveness of internal controls.

The Audit Committee 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 2015; 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 its employees to report the concerns which they feel the 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 victimization or reprisal.

CODE OF CONDUCT

The company's Code of Ethics and Business Conduct is readily available to all employees, and in particular to ensure that employees have a single reference point (which is available in local language as appropriate) which details the company's commitment and approach to ethical and business conduct.

GOING CONCERN

The Board of Directors has undertaken a thorough review of the company's budget and forecasts and the management 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 the Authority of the Board

Mr. Christian J. Mariere
Company Secretary
Okomu-Udo
Edo State

24th March, 2016

In compliance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, 1990, 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, 2015 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, 2015.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2015 were adequate and we confirm that the responses by the Management to the External Auditors findings on Management matters were satisfactory.

Rev. A. Imadu
Chairman, Audit Committee

Dated this 24th March, 2016

MEMBERS OF THE AUDIT COMMITTEE:

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

The Company Secretary,
Mr. C. J. Mariere, - Acted as the Secretary to the Committee.

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 31^{st} December, 2015 which are set out on pages 29 to 58 and which comprise the statement of comprehensive income, the statement of financial position, 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 to the financial statements.

DIRECTORS AND MANAGEMENT'S RESPONSIBILITIES

The directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, the listing requirements of the Stock Exchange, the Code of Corporate Governance, the regulation and provisions of the Investment Securities Act 2011, and the Companies and Allied Matters Act, CAP C20, LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making such accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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

BASIS OF OPINION

An audit involves performing appropriate 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 these risk assessments, the auditor considers the internal controls that are 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 the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the information contained within the financial statements.

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

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 31^{st} December, 2015 and of its financial performance and its cash flows for the year then ended on that date, 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.

COMPLIANCE WITH THE RELEVANT LEGISLATION AND REGULATIONS

In accordance with Section 360 (1) and (2) of 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.

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

Lagos, Nigeria
24^{th} March, 2016

Babatunde Lawal
Engagement Partner
for: Horwath Dafinone
Chartered Accountants
FRC/2012/ICAN/0000000357

Statement of Profit or Loss and Comprehensive Income

	Notes	2015 '000	2014 '000
REVENUE	6	9,738,015	8,655,718
Other work performed by entity capitalised	7	1,448,193	656,858
Changes in inventories of finished goods and work in progress		(41,178)	100,328
Raw materials and consumables used	8	(1,803,655)	(2,071,942)
Other external charges	9	(2,885,254)	(2,244,939)
Employee expenses	10	(728,905)	(899,865)
Depreciation on property, plant and equipment	21	(916,786)	(734,977)
Depreciation on bearer biological assets	22	(228,288)	(223,500)
Other expenses	11	(1,490,374)	(1,477,914)
Other income	12	186,413	192,070
Profit from continuing operations before gain/(loss) on changes in fair value of non-current biological assets, tax, finance and other related costs		3,278,181	1,951,837
Finance income	15	43,111	85,701
Gain on disposal of assets	16	6,534	8,534
Finance costs	17	(429,181)	(141,576)
PROFIT ON CONTINUING OPERATIONS BEFORE OTHER COMPREHENSIVE INCOME AND TAX	18	2,898,645	1,904,496
Companies Income Tax charge	19.1	(267,500)	(344,541)
Deferred tax charge	19.1	-	(230,000)
PROFIT ON CONTINUING OPERATIONS AFTER TAXATION	5(ii)	2,631,145	1,329,955
Other comprehensive income			
Actuarial gains		94,872	177,664
Deferred tax on actuarial gains		(28,462)	(53,299)
Total comprehensive income		2,697,555	1,454,320
Basic earnings per share (Naira)	20	2.76	1.39

The general information and principal accounting policies that are set out on pages 29 to 41 and the notes on pages 41 to 58 form integral parts of these financial statements.

Statement of Financial Position

	Notes	2015 '000	2014 '000
ASSETS			
Non-current assets			
Property, plant and equipment	21	**9,848,681**	**10,255,455**
Bearer biological assets	22	**7,395,989**	**5,111,060**
		17,244,670	15,366,515
CURRENT ASSETS			
Inventories	23	1,490,595	1,415,552
Trade receivables	24	62,856	105,304
Other receivables	26	296,592	626,875
Cash and bank balances	27	958,473	358,082
		2,808,516	2,505,813
TOTAL ASSETS		**20,053,186**	**17,872,328**
Equity and liabilities equity attributable to equity holders of the company			
Share capital	29(b)	476,956	476,956
Share premium	30	1,867,095	1,867,095
Revenue reserves	31	9,719,548	7,260,471
		12,063,599	9,604,522
NON-CURRENT LIABILITIES			
Deferred tax liabilities	19.4	1,733,273	1,704,811
Post-employment benefits obligation	33	352,650	496,256
Non-current financial liabilities	34	3,386,168	1,477,305
		5,472,091	3,678,372
CURRENT LIABILITIES			
Trade payables	35	888,636	772,216
Other current payables	36	120,423	97,585
Current provisions and accruals	37	483,085	359,328
Other current financial liabilities	38	340,417	2,285,898
Current tax payable	19.3	611,962	1,003,014
Dividend payable	39	63,465	63,465
Intercompany payables	25	9,508	7,928
		2,517,496	4,589,434
TOTAL LIABILITIES1		**7,989,587**	**8,267,806**
TOTAL EQUITY AND LIABILITIES		**20,053,186**	**17,872,328**

The general information and principal accounting policies that are set out on pages 29 to 41 and the notes on pages 41 to 58 form integral parts of these financial statements.

Mr. G. Oyebode MFR
Chairman
FRC/2013/NBA/00000002546

Dr. G. D. Hefer
Managing Director
FRC/2013/IODN/00000002460

Mr. Peter Akpokwaye
Ag: Chief Finance Officer
FRC/2016/ICAN/

Approved by the Board of Directors on 24th March, 2016

Statement of Changes in Equity

	Share Capital '000	Share premium '000	Non distributable reserves '000	Distributable Revenue reserves '000	Total '000
BALANCE AS AT 31 DECEMBER, 2013	**476,956**	**1,867,095**	**13,952,067**	**6,321,040**	**22,617,158**
Reversal of fair value effect on Biological asset	-	-	(13,952,067)	439,021	(13,513,046)
Re-instated balance as at 31st December, 2013	**476,956**	**1,867,095**	**-**	**6,760,061**	**9,104,112**
TRANSACTIONS WITH SHAREHOLDERS					
Dividends paid	-	-	-	(953,910)	(953,910)
	-	-	-	(953,910)	(953,910)
Profit for the year	-	-	-	1,329,955	1,329,955
Actuarial gains	-	-	177,664	-	177,664
Deferred tax on actuarial gains	-	-	(53,299)	-	(53,299)
COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**124,365**	**1,329,955**	**1,454,320**
Balance as at 31st December, 2014	**476,956**	**1,867,095**	**124,365**	**7,136,106**	**9,604,522**
Balance as at 1st January, 2015	**476,956**	**1,867,095**	**124,365**	**7,136,106**	**9,604,522**
TRANSACTIONS WITH SHAREHOLDERS					
Dividends paid (953,910)	-	-	-	(238,478)	(238,478)
	-	**-**	**-**	**(238,478)**	**(238,478)**
Profit for the year	-	-	-	2,631,145	2,631,145
Actuarial gains	-	-	94,872	-	94,872
Deferred tax on actuarial gains	-	-	(28,462)	-	(28,462)
COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**66,410**	**2,631,145**	**2,697,555**
BALANCE AS AT 31ST DECEMBER, 2015	**476,956**	**1,867,095**	**190,775**	**9,528,773**	**12,063,599**

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 does not allow the distribution of dividends from gains arising from the revaluations of non-current assets and actuarial gains on post-employment benefits.

The general information and principal accounting policies that are set out on pages 29 to 41 and the notes on pages 41 to 58 form integral parts of these financial statements.

Statement of Cash Flows

	Notes	2015 N'000	2014 N'000
CASH FLOW OPERATING ACTIVITIES			
Profit on continuing operations before tax		2,898,645	1,904,496
Adjustments for items not involving movement of cash			
Depreciation	21	916,786	734,977
Profit on disposal of fixed asset		(6,534)	(8,534)
Depreciation of bearer biological assets	22	228,288	223,500
Fixed asset adjustment		-	686
Derecognition of burnt rubber plantation		107,023	-
		4,144,208	2,855,125
Movement in working capital			
Decrease in inventories		(75,043)	(95,649)
Increase in trade receivables		42,448	28,667
Inter-company receivables		1,580	144,738
Other receivables and prepayments		330,283	450,608
Trade and other payables		139,258	274,775
Provisions and accruals		123,757	190,994
Retirement benefits		(48,734)	(39,016)
Net cash generated from operating activities		4,657,757	3,810,242
Tax paid		(658,552)	(644,497)
		3,999,205	3,165,745
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(929,047)	(4,483,992)
Pre-cropping expenditure incurred		(2,209,422)	(657,275)
Proceeds from disposal of property, plant and equipment		14,751	8,534
Net cash outflow from investing activities		(3,123,718)	(5,132,733)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans and borrowings		1,849,280	210,638
Dividends paid	32	(238,478)	(953,910)
Net cash generated from financing activities		1,610,802	(743,272)
Net cash inflow in the year		2,486,289	(2,710,260)
Cash and cash equivalent as at the beginning of the year		(1,527,816)	1,182,444
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR	27	958,473	(1,527,816)
		=======	=========

The general information and principal accounting policies that are set out on pages 29 to 41 and the notes on pages 41 to 58 form integral parts of these financial statements.

1. GENERAL INFORMATION

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 Allied Matters Act CAP C20 LFN, 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are as set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 GOING CONCERN

These financial statements have being prepared on the going concern basis. Management has no doubt that the company would remain in existence after 12 months. The company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the company due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the company is carried out by the company to ensure that there are no going concerns threats to the operation of the company.

2.1.1 BASIS OF PREPARATION

The principal accounting policies adopted in the preparation of the financial statement are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Compliance With International Financial Reporting Standards

The financial statements have been prepared in compliance with the Companies and Allied Matters Act (CAMA) and the International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

Use Of Significant Estimates, Assumptions And Management's Judgement

The preparation of financial statements, in conformity with generally accepted accounting principles under IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Functional And Presentation Currency

These financial statements are presented in Nigerian Naira because that is the functional currency of the primary economic environment in which the company operates.
The financial statements were authorised for issue by the Board of Directors on , 2016. The shareholders of Okomu Oil Palm Company Plc do not have the right to amend the issued financial statements after they have been approved by the Board and accepted by the shareholders at the Annual General Meeting.
The financial statements have been prepared using a rounding level to the nearest ₦1000.

Basis Of Measurement

The financial statements have been prepared on a historical cost basis except for the fair value basis that has been applied to certain non-current assets.

2.1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(a) New and amended standards adopted by the company
The following new standards, amendments to standards and interpretations have been adopted for the financial year ending 2015.

- *Amendment to IAS 16 and 41 concerning the bearer biological asset, bearer plant are entered into the scope of IAS 16 and produce growing on the bearer plant remain with the scope of IAS 41. Effective for Annual periods beginning on or before 1st January, 2016.*

(b) The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 31st December 2015 and have not been early adopted.
None of these is expected to have a material impact on the financial statements of the company.
IFRS 9, 'Financial Instruments' (effective for periods beginning on or after 1st January 2018).

2.2 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Okomu Oil Palm Company Plc. The company operates only one line of business.

2.3 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which Okomu Oil Palm Company Plc operates ('the functional currency'). The functional currency of Okomu Oil Palm Company Plc is the Nigerian Naira. The financial statements are also presented in Naira.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement under 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement under 'other (expenses)/income net'. Translation differences related to changes in amortised cost are recognised in profit or loss.
The company has applied IAS 21 for the treatment of foreign currency translation.

2.4 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Prior to the assets being brought into operation the amounts incurred are recorded as part of capital work-in-progress.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Leasehold land is depreciated over the applicable lease period. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

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 company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Also, when parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated based on their different useful lives. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate. Items classified as capital work in progress are not depreciated.

Impairment of property, plant and equipment

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than it's estimated recoverable amount.

All repairs, maintenance and renewal expenses shall be charged to the statement of income during the period in which they are incurred.

Capital Work in progress (CWIP) shall be stated at cost. When ready for intended use CWIP shall be transferred to property, plant and equipment and depreciated in accordance with company's policy. Interest costs on borrowings to finance the construction of property, plant & equipment shall be capitalised as part of the cost of the asset.

Disposal

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.5 BEARER BIOLOGICAL ASSETS

Biological assets comprise the land and associated natural assets situated on such. These assets are initially recognized at their historic cost. The historic cost comprises the amounts incurred from the stage of pre-cropping, land clearing, agricultural labour, the costs of materials and the other expenditure incurred to bring the biological assets to the point of maturity.

Each group of biological assets is grouped in to the year in which the cultivation of the biological assets commences. The groups of assets are segregated according to the year and the product type. The biological assets are first recognised as immature until classified as mature.

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

- Palm Oil plantations 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.
  In 2015, the European Union endorsed the amendments to IAS 16 and IAS 41 concerning bearer plants thereby removing bearer plants from IAS 41 into IAS 16 beginning on or before 1st January, 2016.

The company decided early adoption of this amendment recognising bearer plants at original cost less depreciation.

Bearer plants are now stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributed to the planting and nurturing of the bearer plant. Prices to the asset being tapped and harvested the amounts incurred are recorded as immature plantation. All other costs incurred for maintenance after recognition as matured plantation are charged to the income statement during the financial period in which they are incurred.

Depreciation
Depreciation is calculated using the straight line method to allocate their cost over their estimated useful lives as follows:

Class of asset	Rate
Palm plantation	5%
Rubber plantation	5%

Useful lives of the assets are reviewed annually and adjusted if appropriate. Items classified as immature plantations are not depreciated.

Impairment of Biological bearer plant
Where an indication of impairment exists, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
All maintenance expenses shall be charged to the statement of income during the period in which they are incurred.
Immature plantation shall be stated at cost when ready for tapping and harvesting they shall be transferred to matured plantation and depreciated in accordance with company's policy.

Disposal
The gain or loss arising on the disposal or retirement of the asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income.

2.6 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.6.1 CLASSIFICATION

Management determines the classification of its financial instruments at initial recognition.
The company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative financial assets

(a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets or liabilities held for trading. A financial asset or liability is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

(c) Available-for-sale investments
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in

any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(d) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the directors have the positive intention and ability to hold to maturity, other than:

(a) those that the group upon initial recognition designates as at fair value through profit or loss;
(b) those that the group designates as available-for-sale; and
(c) those that meet the definition of loans and receivables.

2.6.2 RECOGNITION AND MEASUREMENT

(a) Financial assets at fair value through profit or loss

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of income. Gains and losses arising from changes in fair value are presented in the consolidated statement of income within "other gains and losses (net)" in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term. Interest swaps and warrants are classified as current.

(b) Loans and receivables

Loans and receivables are initially recognised at fair value including transaction cost and subsequently they are carried at amortised cost using the effective interest method.

Loans and receivables include cash and cash equivalents, and trade and other receivables.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 365 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the assets' carrying amount and the recoverable amount net of any costs that may be incurred in recovering the debt. The recoverable amount, if the receivable is more than one year is equal to the present value of expected cash flows, discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognized as an expense in profit or loss.

Bad accounts shall be written off when there is no possibility of recovery.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in profit or loss.

Cash, cash equivalents and bank overdrafts

Cash and cash equivalents shall comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.
For the purpose of the Statement of cash flows, cash and cash equivalents comprise of: cash in hand, cash at bank, short term bank deposits, domiciliary account balance and bank overdraft.

Available-for-sale investments

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from remeasurement are recognized in other comprehensive income except for exchange gains and losses on the translation of debt securities, which are recognized in the consolidated statement of income. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the income statement. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months.

Held-to-maturity investments

Held-to-maturity investments are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Non-derivative financial liabilities

Financial liabilities at amortized cost include trade and other payables, bank overdraft, short and long term borrowings.

Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

Bank debt and long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Borrowings

Borrowings are recognized initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortized cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Deposit for shares

Deposit received from existing shareholder, against future allotment is included in non- current liabilities in company's financial statements in the period in which they are received.

2.6.3 IMPAIRMENT OF FINANCIAL ASSETS

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result an event that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor is experiencing financial difficulty, default in interest or principal payments, or the probability that they will enter bankruptcy and where there is an indication of a decrease in the estimated future cash flows.

For loans and receivables, the amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.6.4 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.7 INVENTORIES

Agricultural inventories held at the reporting date in respect of both rubber and oil palm is valued at the net realisable value. Agricultural inventories are passed to the manufacturing processes at these values.

Palm oil products, rubber products and work in progress that are subject to the manufacture or refining process are valued at the value of direct materials and the labour plus appropriate amount attributable to production overheads based on the normal levels of production capacity.

All inventories are evaluated for any impairment in value whether arising from a deficit of net realisable value, obsolescence or other technical factors. The risk crystallising from the risk of impairment from whatever cause is recognised in the profit and loss account as a charge against profit.

2.8 FINANCE INCOME AND FINANCE COST

Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss on the date that the company's right to receive payment is established.

Finance cost

Finance cost comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration. They are recognised in profit or loss.

Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, (i.e. Capitalised) until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is probable that the company will be required to settle that obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.10 INCOME TAX

The tax for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The tax currently payable is based on taxable profit for the year and education tax. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Tax payable is provided in accordance with the provisions of the Companies Income Tax Act (as amended) and Education Tax Decree (as amended) on the profits as adjusted for that purpose.

Withholding taxes are recognised as a taxable asset on the occurrence of the receipt of the evidence of withholding tax certificates from the tax authority.

Withholding tax for which the tax certificates are available and for which no recovery is foreseen by the Directors, through the offset against the company's income tax liability is charged against the profits of the company through the tax charge in the year the loss is foreseen.

Deferred tax

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax liabilities on a net basis.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

2.11 EMPLOYEE BENEFITS

(a) Defined Contribution scheme

The company operates a defined contributory pension scheme in line with the provisions of the Pension Reform Act 2004. The employer's contributions are recognised as employee benefit expenses when they are due. The employer and the employee contributes 8% and 10% respectively of the employees' total emolument. The fund is independently managed by a Pension Fund Administrator in line with the Act. The company has no further payment obligation once the contributions have been paid.

(b) Defined benefit gratuity scheme

The service gratuity plan provided a defined terminal benefit to the employees based on the salary and years of employment and was calculated annually by independent actuaries using the projected unit credit method. The liability recognised in the statement of financial position in respect of the service gratuity scheme is the present value of the defined benefit obligation at the reporting date, together with adjustments for actuarial gains/losses and past service cost. The plan was unfunded.

Actuarial gains and losses were recognized in full in the period in which they occurred, in other comprehensive income and cumulated in other reserves without recycling to profit or loss in subsequent periods. Current service cost, the recognized element of any past service cost and the interest expense arising on the pension liability are included in the comparative period in the same line items in profit or loss as the related compensation cost.

2.12 LEASES

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

Operating lease

Leases where the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on straight line basis over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Finance lease

Finance leases that transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance cost in the income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Leases of items by the company where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term

Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Company's business activities expose it to a variety of financial risks:
- market risk (including foreign exchange, interest rate, and price);
- credit risk; and
- liquidity risk

The objective of the Company's risk management programme is to minimise potential adverse impacts on the Company's financial performance.

Risk management framework

Risk management is carried out in line with policies approved by the Board of Directors. The board provides written principles for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the Managing Director, which aims to effectively manage the financial risk of Okomu Oil Palm Company Plc, according to the policies approved by the Board of Directors.

The Company's financial instruments consist of trade and other receivables and trade and other payables, bank overdraft, cash and cash equivalents and loan.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of the company's holdings of financial instruments.

(i) Currency risk

The Company is exposed to foreign exchange risks from some of its commercial transactions and recognised assets. The Company buys and imports some of the raw materials used for production, the payments for which are made in Euro and US Dollars. The Company makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar.

Management's approach to managing foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for these transactions.

(ii) Price risk

The Company is not exposed to price risk as it does not hold any equity instruments.

(iii) Interest rate risk

The Company's interest rate risk arises from trade finance. The Company's policy on managing interest rate risk is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for its overdrafts and trade finances.

(b) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Company uses policies to ensure that sales of products are to customers with appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms of sale. The continuous credit worthiness of the existing customers is monitored periodically based on history of performance of the obligations and settlement of their debt. Appropriate provision for impairment losses is made for specific credit risks. At the year end, Okomu Oil Palm Company Plc considered that there were no material credit risks that had not been covered by doubtful debt provisions.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. None of the counterparties renegotiated their terms in the reporting period.

The maximum exposure to credit risk for trade receivables approximates the amount recognized on the statement of financial position. The Company does not hold any collateral as security.

The table below analyses the company's financial assets into relevant maturity groupings as at the reporting date.

	Neither past due nor impaired	Past due			
	1-30 days N'000	30 to 60 days N'000	61-360 days N'000	Over 360 days N'000	Impaired N'000
31st December, 2015					
Financial assets:					
Cash and cash equivalents	807,080	-	-	-	-
Trade receivables	62,856	-	-	-	-
	869,936	-	-	-	-
31st December, 2014					
Financial assets:					
Cash and cash equivalents	227,741	-	-	-	-
Trade receivables	105,304	-	-	-	9,934
	333,045	-	-	-	**9,934**

Impaired losses

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	2015 N'000	2014 N'000
Balance as at 1st January,	9,934	9,934
Impairment loss recognised	-	-
Amounts written off	(9,934)	-
Balance as at 31st December,	-	9,934

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times so that the Company does not breach borrowing limits on any of its borrowing facilities. The Company manages liquidity risk by effective working capital and cash flow management.

The table below places the Company's financial liabilities into relevant maturity classes based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year N'000	Between 1 and 2 years N'000	Over 2 years N'000	Total N'000
31st December, 2015				
Financial liabilities:				
Trade and other payables	1,009,059	-	-	1,009,059
Borrowings (principal and interest)	340,417	340,417	3,045,751	3,726,585
	1,349,476	**340,417**	**3,045,751**	**4,735,644**
31st December, 2014				
Financial liabilities:				
Trade and other payables	869,801	-	-	869,801
Borrowings (principal and interest)	2,285,898	400,000	1,077,305	3,763,203
	3,155,699	400,000	1,077,305	4,633,004

3.2 CAPITAL MANAGEMENT

The objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

Consistent with others in the industry, the Company monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at the end of the year are as follows:

	31st December, 2015 N	31st December, 2014 N
Total liabilities	7,989,587	8,267,806
Less cash and cash equivalent	(958,473)	(358,082)
	7,031,114	7,909,724
Total equity	12,063,599	9,604,522
Gearing ratio	**58%**	82%

3.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value

	31st December, 2015		31st December, 2014	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Trade receivables	62,856	62,856	105,304	105,304
Other receivables	1,189,894	293,712	1,177,913	624,425
	1,252,750	**356,568**	**1,283,217**	**729,729**
Financial liabilities:				
Trade payables	888,636	888,636	772,216	772,216
Related party	9,508	9,508	7,928	7,928
Borrowings	3,726,585	3,726,585	3,763,203	3,763,203
Other payables	666,973	666,973	520,378	520,378
	5,291,702	**5,291,702**	**5,063,725**	**5,063,725**

(b) Fair value hierarchy

IFRS 7 requires disclosures for all financial instruments measured at fair value.

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (that is, as prices) or indirectly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs (level 3).

(c) Fair valuation methods and assumptions

(i) Cash and bank balances

Cash and bank balances represent cash held with various banks of the various jurisdictions in which the company operates. The fair value of these balances is their carrying amounts.

The following table presents the Company's assets that are measured at fair value at 31st December, 2015.

	Level 1 N'000	Level 2 N'000	Level 3 N'000
Assets			
Cash and bank balances	958,473	-	-
Trade receivables	86,415	62,856	-
	1,044,888	62,856	-

The following table presents the Company's assets that are measured at fair value at 31st December, 2014.

	Level 1 N'000	Level 2 N'000	Level 3 N'000
Assets			
Cash and bank balances	358,082	-	-
Trade receivables	133,971	105,304	-
Total assets	492,053	105,304	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market (for example, unquoted equities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. For unquoted equities where the fair value cannot be reliably estimated, they are carried at cost.

Unquoted equities where the fair value cannot be reliably determined are carried at cost.

3.4 FINANCIAL INSTRUMENTS WHICH ARE CARRIED AT OTHER THAN FAIR VALUE

The carrying value of all financial assets and financial liabilities is a reasonable approximation of fair value. No further disclosure is required.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. No significant accounting judgments and estimates was made by the management in the preparation of this financial statements.

5. SEGMENT INFORMATION

IFRS 8 'Operating segments requires the operating segments to be based on the Company's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Board of Directors which includes executive directors and other key management. It is the Board of Directors that has responsibility for planning and controlling the activities of the Company.

The company's reportable segment has been identified on a product basis based on the manufacturing and distribution of palm and rubber products. The Company is a two segment business.

There are no customer sales greater than 10% of sales of the Company except the export sales of rubber which are sold to Sogescol FR SA.

Revenue is generated from both local and international sales. The analysis based on the geographical location of the customer is as set out below:

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 its by products are sold locally. The processed rubber product is exported.

(i) The analysis of the revenue by product revenue is derived as follows:

	2015 N'000	2014 '000
Palm oil products	7,742,484	6,629,419
Rubber products	1,995,531	2,026,299
	9,738,015	8,655,718

(ii) Profitability by product

	Palm Oil 2015 N'000	Palm Oil 2014 N'000	Rubber 2015 N'000	Rubber 2014 N'000
(i) Total revenue	7,742,484	6,629,419	1,995,531	2,026,299
Profit from continuing operations before tax, finance cost and other related cost	2,606,410	1,494,913	671,771	456,924
Finance income	34,277	65,638	8,834	20,063
Finance cost	(341,232)	(108,433)	(87,949)	(33,143)
Taxation/tax credit	(212,683)	(440,041)	(54,817)	(134,500)
Gain on disposal of assets	5,195	6,536	1,339	1,998
Profit on continuing operations	2,091,967	1,018,613	539,178	311,342

(ii) Profit summary by product

	2015 N '000	2014 N'000
Derived from palm oil	2,091,967	1,018,613
Derived from rubber	539,178	311,342
	2,631,145	1,329,955

6. REVENUE

The turnover by geographical destination and operations is:

	2015 N '000	2014 N'000
Local (palm oil)	7,742,484	6,629,419
Export (rubber)	1,995,531	2,026,299
	9,738,015	8,655,718

7. OTHER WORK PERFORMED BY THE ENTITY CAPITALISED

	2015 N'000	2014 N'000
Palm immature	1,008,764	243,704
Rubber immature	439,429	413,154
	1,448,193	656,858

8. RAW MATERIALS AND CONSUMABLES USED

	2015 N'000	2014 N'000
Upkeep of matured plantation	190,073	124,666
Harvesting and collection	327,976	298,115
Tapping and purchases of rubber lump	13,955	10,885
General overheads	1,271,651	1,638,276
	1,803,655	2,071,942

9. OTHER EXTERNAL CHARGES

	2015 N'000	2014 N'000
Transport	437,752	392,119
Wages	2,061,118	1,347,886
Technical assistance	13,877	26,934
Export expansion grant impairment (i)	274,271	298,000
Provision for exceptional risk (ii)	98,236	180,000
	2,885,254	2,244,939

(i) Export Expansion Grants represent grants by the Federal Government of Nigeria to those companies that export goods from the country and comply with the regulations towards the repatriation of the foreign exchange funds. The impairment represents the additional 30% provision on the principal amount due that was made in the year due to inconsistencies in government policies in terms of both the amounts that are received, the extent to which they can be utilized, and the delay in recovery have impeded the recoverability of these amounts.

(ii) The provision for risk of N180 million in 2014 represents the extent of the loss suffered by the company arising from the damage by fire to the rubber plantation.

10. EMPLOYEES' EXPENSES

	2015 N'000	2014 N'000
(Excluding directors' remuneration):		
Staff salaries	468,106	491,699
Staff welfare	22,368	74,980
Medical	365	9,929
Pension employer's contribution	47,132	43,384
Training	4,168	7,912
Gratuity	64,444	29,307
Production bonus	122,322	142,654
	728,905	899,865

11. OTHER EXPENSES

	2015 N'000	2014 N'000
Management fee	444,623	426,906
Directors fees and expenses	34,194	32,164
Security and safety expenses	290,947	255,369
Repairs and maintenance	101,251	121,050
Rent and rates	16,166	55,220
Professional and legal fees	189,993	106,750
Donations and subscriptions	96,533	156,796
Overseas travel	43,032	52,484
Training	17,473	9,577
Others	256,162	261,598
	1,490,374	1,477,914

12. OTHER INCOME

	2015 N'000	2014 N'000
Insurance claim compensation (note (i))	5,647	11,703
Sales of petroleum products (note (ii))	74,201	120,520
Other revenues	35,368	59,847
Write back on provision	71,197	-
	186,413	192,070

(i) **Insurance claims**
Insurance claims represent the compensation received from the insurance in respect of damages caused by natural disasters on electronic installations as well as on work related accidents.

(ii) **Sale of petroleum products**
The company is reimbursed by its clientele and staff when petroleum products (diesel and kerosene) are used by its clients, suppliers or staff.

13. SECTORIAL ANALYSIS

13.1 COST OF SALES

	2015 N'000	2014 N'000
Oil Palm	2,495,478	2,957,194
Rubber	929,739	933,568
	3,425,217	3,890,762

13.2 GROSS PROFIT

	2015 N'000	2014 N'000
By products:		
Oil Palm	5,246,751	3,672,225
Rubber	1,066,046	1,092,731
	6,312,797	4,764,956

14. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2015 N'000	2014 N'000
a) Director's emoluments		
Fees	13,680	13,680
Other emoluments and expenses	20,514	18,484
	34,194	32,164
b) Emoluments:		
Chairman	5,328	4,541
Highest paid director	5,328	4,541
c) Scale of other directors' remuneration (excluding the chairman)	**Number**	**Number**
N150,000 - N700,000	2	2
N1,500,001 and above	8	8
d) Employees remunerated at higher rate:		
N200,000 - N500,000	472	489
N500,001 - N1,000,000	50	52
N1,080,001 and above	16	17
	538	558
e) Average number of persons employed	538	558

15. FINANCE INCOME

	2015 N'000	2014 N'000
Interest income on fixed deposit	-	31
Foreign exchange gains on current assets and liabilities	43,111	85,140
Interest from the current account	-	530
	43,111	85,701

16. GAIN ON DISPOSAL OF ASSETS

	2015 N'000	2014 N'000
Sale of scrap	6,534	8,534

17. FINANCE COSTS

	2015 N'000	2014 N'000
Gross interest on long term loans	366,625	319,208
Interest capitalised (i)	-	(298,981)
Net interest on long term loans	366,625	20,227
Interest on overdraft	33,444	56,161
Foreign exchange losses on current assets and liabilities	29,112	65,188
	429,181	141,576

(i) The interest on long term loans received during the year to 31st December, 2014 has been capitalised as the loan was granted to purchase the extension to the oil mill.

	2015 N'000	2014 N'000
18. PROFIT FROM CONTINUING OPERATIONS BEFORE OTHER COMPREHENSIVE INCOME AND TAX	**2,898,645**	**1,904,496**
	=========	=========
Is stated after charging/crediting):		
Depreciation on property, plant and equipment	916,786	734,977
Depreciation on bearer biological assets	228,288	223,500
Auditors' remuneration	23,000	20,001
Directors' emoluments and expenses	34,194	32,164
Finance cost (note 17)	429,181	141,576
Finance income (note 15)	(43,111)	(85,701)
	=======	=======

19. TAXATION

Income taxes relating to continuing operations

19.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2015 N'000	2014 N'000
Current tax		
Expense in respect of the current year	180,000	285,000
Education tax	87,500	59,541
	267,500	344,541
Deferred taxation		
Deferred tax expense recognised in the current year	-	230,000
Total income tax expense recognised in current year relating to current operations	267,500	574,541
	=======	=======
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	2,898,645	1,904,496
Expected income tax expense calculated at 30% (2014: 30%)	869,594	571,348
Education tax expense calculated at 2% (2014: 2%) of assessable profit	57,972	38,089
Effect of Revenue/expenses that are not deductible in determining taxable profit	(660,066)	(34,896)
Write-off of tax credit	-	-
Deferred tax relating to prior periods	-	-
Adjustment recognised in the current year in relation to prior years	-	-
	267,500	574,541
	=======	=======
Effective tax rate	**32%**	**32%**
	===	==

The tax rate used for 2015 and 2014 reconciliation above is the company income tax rate of 30% which is based on the current provisions of the Companies Income Tax Act, CAP C21, LFN 2001, as amended. The rate of 2% for education tax is based on the current provisions of the Tertiary Education Tax Act, CAP E4, LFN 2004.

19.2 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2015 N'000	2014 N'000
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:	-	-
Arising from actuarial (gain)/losses on staff retirement benefit plan	28,462	53,299
	======	======

19.3 CURRENT TAX LIABILITIES

	2015 N'000	2014 N'000
As at the beginning of the year	1,003,014	1,302,970
Income tax expense recognised in current year	267,500	344,541
Payments during the year	(658,552)	(644,497)
As at 31st December	**611,962**	**1,003,014**
	=======	=========

19.4 DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The analysis of the deferred tax liabilities after the offset presented in the statement of financial positions:

	2015 N'000	2014 N'000
Deferred tax liabilities		
As at the beginning of the year	1,704,811	2,924,091
Reversal of the fair value effect on bearer biological assets (note 31(a))	-	(1,502,579)
Recognised in statement of profit or loss	-	230,000
Recognition in other comprehensive income	28,462	53,299
As at 31st December,	1,733,273	1,704,811
	=========	=========

20. BASIC EARNINGS PER SHARE

	2015	2014
Basic earnings per 50kobo ordinary share	2.76	**1.39**
	====	====

Basic earnings per share are calculated using the profit on continuing operations and the 953,910,000 ordinary shares that were issued as at 31st December, 2015.

21. PROPERTY, PLANT AND EQUIPMENT

	Machinery & equipment '000	Land & building '000	Palm mill '000	Rubber mill '000	Vehicle '000	Furniture & equipment '000	Work-in-progress '000	Total '000
COST								
As at 1st January, 2015	1,629,886	4,443,407	5,150,432	956,675	990,712	192,858	810,144	**14,174,114**
Additions	165,624	4,744	45,087	11,673	11,491	12,096	678,332	**929,047**
Reclassification/ transfer	245,076	471,555	101,823	2,778	-	15,015	(836,247)	-
Transfer to biological assets	-	-	-	-	-	-	(410,818)	(410,818)
Disposals	**(44,207)**	**(165)**	-	-	**(35,771)**	-	-	**(80,143)**
As at 31st December, 2015	**1,996,379**	**4,919,541**	**5,297,342**	**971,126**	**966,432**	**219,969**	**241,411**	**14,612,200**
As at 1st January, 2015	891,377	527,396	1,466,305	315,845	560,538	157,198	-	**3,918,659**
Charge for the year	236,799	132,948	334,416	51,966	147,299	13,358	-	**916,786**
Eliminated on disposal	(44,214)	(1,045)	-	-	(26,462)	(205)	-	(71,927)
As at 31st December, 2015	**1,083,962**	**659,299**	**1,800,721**	**367,811**	**681,375**	**170,351**	-	**4,763,519**
Net Book Value								
As at 31st December, 2015	**912,417**	**4,260,242**	**3,496,621**	**603,315**	**285,057**	**49,618**	**241,411**	**9,848,681**
As at 31st December, 2014	**738,509**	**3,916,011**	**3,684,127**	**640,828**	**430,175**	**35,660**	**810,144**	**10,255,455**

22. BEARER BIOLOGICAL ASSETS

	Oil palm Plantation N'000	Rubber Plantation N'000	Total N'000
COST			
As at 1st January, 2014	11,942,382	7,750,528	19,692,910
Removal of fair value effect	(9,687,056)	(3,859,985)	(13,547,041)
Reinstated opening balance	2,255,326	3,890,543	6,145,869
Additions	244,121	413,154	657,275
As at 31st December, 2014	2,499,447	4,303,697	6,803,144
Additions	1,839,802	369,620	2,209,422
Transfer	410,818	-	410,818
Disposals *	(1,547)	(189,412)	(190,959)
As at 31st December, 2015	4,748,520	4,483,905	9,232,425
Depreciation			
As at 1st January, 2014	-	-	-
Write back due on removal of fair value effect	626,921	841,663	1,468,584
Charge for the year	95,853	127,647	223,500
As at 31st December, 2014	722,774	969,310	1,692,084
Charge for the year	102,097	126,191	228,288
Elimination on disposals *	(1,547)	(82,389)	(83,936)
As at 31st December, 2015	823,324	1,013,112	1,836,436
Net Book Value			
As at 31st December, 2015	3,925,196	3,470,793	7,395,989
As at 31st December, 2014	1,776,673	3,334,387	5,111,060

(ii) Analysis by maturity

	Palm Plantation N'000	Rubber Plantation N'000	Total N'000
Matured plantation	1,264,155	1,531,265	2,795,420
Immature plantation	2,661,041	1,939,528	4,600,569
	3,925,196	3,470,793	7,395,989

*** The disposal is in respect of burnt plantation during the year.**

23. INVENTORIES

	2015 N'000	2014 N'000
Raw materials and consumables	66,511	55,976
General stores and agricultural consumables	1,168,674	1,035,305
Finished goods	204,045	250,831
Goods-in-transit	51,365	73,440
	1,490,595	1,415,552

24. TRADE RECEIVABLES

	2015 N'000	2014 N'000
Trade receivables	9,752	14,569
Advances to suppliers	53,104	100,669
	62,856	115,238
Less: allowance for impairment	-	(9,934)
	62,856	105,304

Trade receivables represent 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 between 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. The majority of the trade receivables arise from customers who have a business relationship with the company that is greater than 2 years.

25. INTERCOMPANY PAYABLES

	2015 N'000	2014 N'000
Sogescol (note 40(i))	300,647	127,110
Socfinco (note 40(ii))	(34,439)	(66,144)
Sodimex (note 40(iii))	(148,992)	(68,894)
Socfindo (note 40(iv))	(126,724)	-
	(9,508)	(7,928)

26. OTHER RECEIVABLES

	2015 N'000	2014 N'000
Staff loans and advances	65,092	20,654
Government grants(a)	210,177	493,450
Other receivables	18,443	12,085
Prepaid rent	2,880	2,450
Deferred income	-	98,236
	296,592	626,875

(a) **Government grants**

	2015 N'000	2014 N'000
Export Expansion Grant as at 1st January	1,059,885	1,059,885
Utilised in the year	(9,002)	-
Export Expansion Grant as at 31st December	1,050,883	1,059,885
Less: Impairment (note 9 (i))	(840,706)	(566,435)
	210,177	493,450

27. CASH AND CASH EQUIVALENTS

	2015 N'000	2014 N'000
Cash and bank balances	807,080	227,741
Dividend bank account	151,393	130,341
Cash and bank balances	958,473	358,082
Bank overdraft	-	(1,885,898)
	958,473	(1,527,816)

28. FINANCIAL STATISTICS

Deposits with licensed banks are at the following rate.

	Weighted average Interest rate 31/12/15	31/12/14	Average maturity period 31/12/15	31/12/14
Deposit with licensed banks in Nigeria	15%	15%	90 days	90 days

29. SHARE CAPITAL

(a) **Authorised:**

	2015 N'000	2014 N'000
1.2 billion ordinary shares of 50kobo each	600,000	600,000

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 ordinary shares of 0.50 each. The filing of the shares with Corporate Affairs Commission was completed on 4th February, 2013.

	2015 N'000	2014 N'000
(b) Called up share capital		
953,910,000 ordinary shares of 50 kobo each	476,956	476,956
	=======	=======

At the Annual General Meeting of the company, which was held on 5th of June 2013, the shareholders approved the sum of 228, 478,000, which was standing to the credit of the company be distributed among the existing shareholders in proportion to the respective holdings as bonus shares in the ratios of one share for every one ordinary share held as at 14th May 2013.

30. SHARE PREMIUM

	2015 N'000	2014 N'000
As at the reporting date	1,867,095	1,867,095
	=========	=========

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

31. REVENUE RESERVES

	2015 N'000	2014 N'000
At the beginning	7,260,471	20,273,107
Dividend paid (32)	(238,478)	(953,910)
Reversal of fair value effect on biological asset (a)	-	(13,513,046)
Reserve as restated	7,021,993	5,806,151
Retained profit for the year	2,631,145	1,329,955
Actuarial gains	66,410	124,365
	9,719,548	7,260,471
	========	=========

(a) During the year, the company changed its accounting policy on fair value of biological asset (IAS 41) to depreciation charge (IAS 16) which is in line with new pronouncements by the International Federation of Accountants (IFAC). The adjustment which restates the revaluation of the bearer biological assets, represents its fair value gains arising on the adoption of IFRS in 2012 to 2014.

32. DIVIDEND PAID

	2015 N'000	2014 N'000
Dividend paid during the year comprises:		
Final dividend 2013 (1 per share)	-	953,910
Final dividend 2014 (0.25 per share)	238,478	-
Paid during the year to 31st December, 2015	238,478	953,910
	=======	=======

33. POST EMPLOYMENT BENEFIT OBLIGATION

	2015 N'000	2014 N'000
Present value of unfunded obligations		
Liability in the balance sheet	352,650	496,256

Movement in the present value of the gratuity scheme in the current year were as follows:

	2015 N'000	2014 N'000
Opening defined benefit obligation	496,256	659,999
Current service cost	17,097	33,516
Interest cost	47,347	94,950
Remeasurement losses/(gains) arising from past service cost including curtailment gains	(94,872)	(177,664)
Benefits paid	(113,178)	(114,545)
Closing defined benefit obligation	352,650	496,256

The amount recognised in comprehensive income in respect of the gratuity scheme is as follows:

	2015 N'000	2014 N'000
Current service costs	17,097	33,516
Net interest expense	47,347	94,950
Amounts recognised in the income statements	64,444	128,466
Remeasurement of the defined benefit obligation actuarial losses/(gains) arising	(94,872)	(177,664)
Amounts recognised in other comprehensive income	(94,872)	(177,664)
Total	(30,428)	(49,198)

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The current service cost and the net interest expense for the year are included in the employee benefit expense as surplus or loss. The entire net interest expense for the year has been included in administration costs.

The principal actuarial assumptions were as follows:

	2015 N'000	2014 N'000
Average discount rate (p.a.)	12.82%	14.74%
Average salary increase rate (p.a.)	5%	10%

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and expected salary increase. The sensitivity analyses below has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease to 338.29 million (increase to 367.84 million).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase to 368.18 million (decrease to 337.86 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised the statement of financial position.

Exposure of risk

The risks faced by the group as a result of the defined benefit obligation can be summarised as follows:

- Liquidity risk: Given that the benefits are unfunded, the company would need enough liquid assets in order to pay the gratuity benefits.
- Salary increases: Higher than expected salary increases would result in higher liabilities and gratuity payments. There is in addition the further risk that the company would not be able to pay the benefits.
- Discount rate (and other economic assumptions): Adverse movement in the discount rate (and other economic assumptions) would increase the liability, leading to statement of financial position volatility for the company.

The gratuity provision for the year was based upon the independent actuarial valuation. The last actuarial valuation was carried out as at 31s December, 2015.

34. FINANCIAL LIABILITIES

	2015 N'000	2014 N'000
Access Bank Plc loan (34(i))	-	1,266,667
Foreign loan SOCFINAF (34 (ii)	1,841,079	610,638
Zenith Bank Plc	1,885,506	-
As at 31st December	3,726,585	1,877,305
The financial liability is disclosed as follows:		
Current (note 38)	340,417	400,000
Non-current	3,386,168	1,477,305
	3,726,585	1,877,305

(i) Access Bank Plc loan

The Access Bank Plc loan represents 2 billion commercial credit loan received under a scheme of the Federal Government and, which was then obtained by the company through Access Bank Plc. The total amount was drawn down in March 2013 and carries interest at the rate of 15% per annum. The facility has a repayment period of 5 years in 60 equal instalments ending in February 2018. This facility was obtained to finance the construction of additional production lines and the up grading of the existing oil mill project. It is secured by a specified charge over the oil mill and production lines. This loan was fully repaid by September 2015.

(ii) SOCFINAF S. A

The company entered into a 10 million Euro term loan agreement with SOCFINAF S.A in 2014 to finance capital investment in its extension (referred to as Extension 2) and working capital in order to facilitate the smooth and efficient operation of the company's business at a coupon rate of 8% per annum. The repayment period, excluding the moratorium was five years. The final instalment of the loan was received by the company in January, 2015 and the repayment will commence December 1st 2017 in five equal instalments of 2 million Euros.

(iii) Zenith Bank Plc loan

The Zenith Bank Plc loan represents 2 billion commercial agricultural credit loan received under a scheme of the Federal Government, which was obtained by the company through Zenith Bank Plc. The total amount was drawn down in August 2015 and bears interest at the rate of 9% per annum. The facility has a repayment period of 5 years in 60 consecutive monthly repayment of principal and interest ending in August 2020. This facility was obtained to finance the development of the newly acquired 11,416 hectares oil palm plantation situated at Uhiere, Ovia North East local Government Area in Edo state. It is secured by a legal mortgage over the land (11,416 hectares plantation).

	2015 N'000	2014 N'000
35. TRADE PAYABLES		
Trade creditors	716,848	546,210
Advances from customers	171,788	226,006
	888,636	772,216
36. OTHER CURRENT PAYABLES		
Value Added Tax	4,765	4,013
Withholding tax	60,300	55,955
Deferred income (a)	55,358	37,617
	120,423	97,585

(a) Deferred income represents the returns on the company's portfolio with Stanbic IBTC in respect of unclaimed dividends.

	2015 N'000	2014 N'000
37. CURRENT PROVISIONS AND ACCRUALS		
Provision for management fees payable	**18,690**	-
Provision for audit and professional fees	35,000	21,316
Accruals	233,308	134,033
Provision for losses arising from the burnt plantation	-	180,000
Pension liabilities	18,436	19,779
Accrued interest	177,651	4,200
	483,085	359,328
38. OTHER CURRENT FINANCIAL LIABILITIES		
Bank overdraft *	-	1,885,898
Access Bank Plc (note 34)	-	400,000
Zenith Bank Plc (note 34)	340,417	-
	340,417	2,285,898

*The bank overdraft is secured by way of a negative pledge on the assets of the company.

39. DIVIDEND PAYABLE

	2015 N'000	2014 N'000
As at the beginning and end of the year (a)	63,465	63,465
	======	======

(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, such amounts revert back to the company.

40. 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 1.996 billion (2014: 2.026 billion) and these were carried out on an arm's length basis. The amount due to the company from SOGESCOL FR S.A. as at year end was 300 million (2014: 127 million).

(ii) SOCFINCO FR

SOCFINCO FR SA has exclusive rights to know-how and manages the affairs of the company. In consideration of the provision to the company 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 403 million (2014:364 million) on management and technical fees during the year. These fees were incurred on an arm's length basis.

(iii) SODIMEX.S.A.

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 91 million (2014: **30** million) in costs to procure capital assets and spare parts and these were carried out on an arm's length basis. The amount due to SODIMEX S. A. from the company as at the end of the year was **149.0** million (2014 due from: 68.9 million).

(iv) SOCFINDO S.A.

The company purchased palm seeds from SOCFINDO S.A (a related company). During the year under review, the company incurred 173.8 million (2014: **Nil**) to procure the seeds on an arm's length basis. The amount due to SOCFINDO S. A. from the company as at the end of the year was **127** million (2014 due from: Nil).

41. ULTIMATE HOLDING COMPANY

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

42. PROPOSED DIVIDEND TO BE DECLARED

The Board of Directors recommend a dividend of 0.10 per ordinary share (2014: 0.25 per ordinary share) held, subject to the payment of withholding tax at the appropriate rate.

43. CAPITAL COMMITMENTS

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

44. COMPARATIVE FIGURES

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

Statement of Value Added
for the year ended 31st December, 2015

	2015 N'000	%	2014 N'000	%
Revenue from sales of products	**9,738,015**		**8,655,718**	
Other income	1,634,606		848,928	
	11,372,621		9,504,646	
Bought in materials and service	(6,565,803)		(5,709,643)	
Value added	4,806,818	100	3,795,003	100
Distribution of value added				
To employees and directors:				
Employees, costs	763,099	16	932,029	25
To government:				
Government as taxes	267,500	5	344,541	9
For replacement of property and Equipment				
Depreciation on property, plant and equipment	916,786	19	734,977	19
Depreciation on bearer biological asset	228,288	5	223,500	6
Deferred tax	-	0	230,000	6
Retained earnings	2,631,145	55	1,329,956	35
	4,806,818	100	3,795,003	100
***Other income comprises**				
Other work performed by the entity	1,448,193		656,858	
Other income	186,413		192,070	
	1,634,606		848,928	

This statement represents the distribution of the wealth created through the use of the company's assets and its employee's efforts.

Five Year Financial Summary

Year ended 31st December	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Profit and loss account					
Revenue	9,738,015	8,655,718	8,860,425	10,146,164	11,121,011
Profit before continuing operations before gain/loss in fair value taxation	3,278,181	1,951,837	2,595,663	4,181,957	4,085,076
Profit before taxation	2,898,645	1,904,496	2,687,301	4,172,189	4,181,486
Tax charge	(267,500)	(344,541)	(324,381)	(547,865)	(784,426)
Deferred tax	-	(230,000)	(277,000)	(208,038)	49,745
Profit on continuing Operations	2,631,145	1,329,955	2,085,920	3,416,286	3,446,805
Other comprehensive income					
Actuarial gains	94,872	177,664	-	-	-
Deferred tax on actuarial gains	(28,462)	(53,299)	-	-	-
(Loss)/profit after tax	2,697,555	1,454,320	2,085,920	3,416,286	3,446,805
Balance sheet					
Property plant & Equipment	9,848,681	10,255,455	6,507,126	4,325,947	3,308,480
bearer biological assets	7,395,989	5,111,060	4,677,285	4,073,901	3,735,888
Current assets	2,808,516	2,505,813	3,850,611	5,719,860	5,006,856
Total assets	20,053,186	17,872,328	15,035,022	14,119,708	12,051,224
Non current liabilities	5,472,091	3,678,372	3,348,178	1,761,670	1,666,136
Current liabilities	2,517,496	4,589,434	2,582,732	2,007,416	1,548,832
Total liabilities	7,989,587	8,267,806	5,930,910	3,769,086	3,214,968
Share capital	476,956	476,956	476,956	238,478	238,478
Share premium	1,867,095	1,867,095	1,867,095	1,867,095	1,867,095
Revenues	9,719,548	7,260,471	6,760,061	8,245,049	6,730,683
Total equity and reserves	12,063,599	9,604,522	9,104,112	10,350,622	8,836,256
Total equity and liabilities	20,053,186	17,872,328	15,035,022	14,119,708	12,051,224
Basic (loss)/earnings per share (Naira)	2.76	1.39	2.19	7.16	722
Net assets per share (Naira)	13	10	9	22	18

Proxy Form

I/We*______________________________________
the undersigned being a member/members of the above named company hereby appoint.

**______________________________________
or failing him.

**______________________________________
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on the 21st of June, 2016 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

Dated this ____________ Day of ____________ 2016

Signature ______________________________________

NOTES

1. This form of proxy together with the power of attorney of other authority, if any, under which it is signed or a notarially certified copy thereof must reach the Registrars Cardinalstone Limited, 358, Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time of the meeting.
2. Where the appointee is a corporation, this form may be under seal or under hand of an officer or attorney duly authorised.
3. This proxy will be used only in the event of a poll being directly demanded.
4. In the case of joint holder, the signature of any of them will suffice, but the name of all joint holders should be shown.

THE PROXY WILL VOTE (OR ABSTAIN FROM VOTING) AS HE THINKS FIT IN RESPECT OF ANY OTHER BUSINESS PROPOSED AT THE MEETING OF THE OKOMU OIL PALM COMPANY PLC. RC. 30894 (36TH ANNUAL GENERAL MEETING) TO BE HELD AT TRANSCORP HILTON HOTEL, ABUJA ON TUESDAY 21ST JUNE, 2016.

I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside. Strike out which ever is not desired.

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTIONS		
To declare a dividend		
To re-elect G. Oyebode To re-elect D. U. Edebiri To re-elect R. Helsmoortel		
To authorise the Directors to determine the remuneration of the auditors		
To elect members of the Audit Committee		
Special Business		
To fix the remuneration of Directors		

Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

- -

Before posting the above form, please tear off this part and retain it for admission to the meeting.

ADMISSION CARD

THE OKOMU OIL PALM COMPANY PLC. RC. 30894

Number of Shares held ______________________________________

Please admit the shareholder named on this form or his duly appointed proxy to the Company's 36th Annual General Meeting to be held at TRANSCORP HILTON HOTEL ABUJA, on Tuesday, June 21st, 2016 at 9.30a.m.

Name of Shareholder:* ____________________ Signature: ____________________

Name of Proxy:**____________________ Signature: ____________________

A member (Shareholder) entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member. The Proxy Card has been prepared to enable you exercise your right to vote.

IMPORTANT:

Please insert your name in Block capitals on both proxy and admission cards where (marked)*. Insert the name of any person whether a member of the Company or not who will attend the meeting and vote on your behalf in the blank space (Marked**)

Notes

Photo Speaks

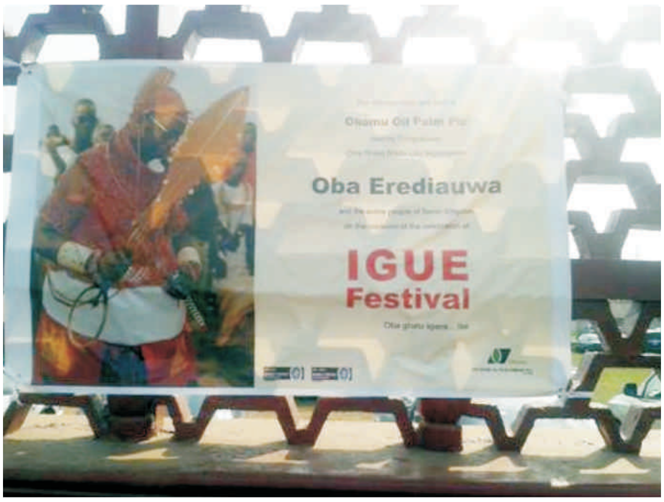
Corporate Social Responsibilities
in Partnership with the Communities

Crowd welcome Graham Hefer to Okomu Ijaw Community for post conflict Parlay

Leaders of Okomu Ijaw Community reciprocate Md's gesture

Training on Company Community Relations Participants in a group picture after the training

Recipients of 2015 Bursary Award



Recognizing cultural heritage, the Igue Festival of the Benin Kingdom

Mounting of Notice Board for information dissemination at Gbelebu Community

SPORTING IN THE ESTATE

Contractor's team Vs Management team in a Novelty match to mark the end of the year activities

REWARD FOR EMPLOYEES

A display of some long service award items

Alain Mary the Financial Director Celebrating with some of his staff during the long service award ceremony

EDUCATION IN THE ESTATE

Cultural display by pupils of Okomu Staff School

Participants at Crisis Management Training Organised for Okomu employees

CARDINALSTONE
REGISTRARS

358, Herbert Macaulay Way, Yaba, P. O. Box 9117, Marina Lagos.
Tel: +234 1 440 5107, 792 4462
E-mail: registrars@cardinalstone.com
Website: www.cardinalstone.com

MANDATE FOR e-DIVIDEND PAYMENT

TO: The Registrars
CardinalStone Registrars, Limited
358, Herbert Macaulay Way,
Yaba, P. O. Box 9117,
Marina Lagos.

I / We hereby request that, all dividends due to me/us from my/our holding in all the companies ticked at the right hand column be paid electronically my/our Bank Account named below:

SHAREHOLDER'S FULL NAMES: ______________________
(Surname First)

____

ADDRESS: ______________________

GSM NUMBERS: ______________________

E-MAIL ADDRESS: ______________________

SIGNATURE

JOINT / COMPANY'S SIGNATORIES

COMPANY SEAL

PLEASE ATTACH YOUR VALID MEANS OF IDENTIFICATION

NAME OF BANK______________________
BANK BRANCH______________________
BRANCH ADDRESS______________________
ACCOUNT NUMBER______________________
SORT CODE______________________
BVN______________________

Authorised Signature and Stamp of Bank

Please tick as applicable

NAME OF COMPANY	X
ACORN PET. PLC	
AFRIK PHARMACEUTICALS PLC	
AG HOMES SAVINGS & LOANS	
AG LEVENTIS	
ARBICO PLC	
ASHAKACEM PLC	
BANKERS WAREHOUSE	
BETA GLASS	
CAPITAL HOTELS PLC	
ELLAH LAKES	
EVANS MED PLC	
FCMB BOND	
FCMB GROUP PLC	
FIDSON BOND	
G.CAPPA PLC	
GUINEA PLC	
IMB ENERGY MASTER FUND	
JOS INT. BREWERIES PLC	
KOGI SAVINGS & LOAN LTD.	
LAFARGE AFRICA PLC	
LAFARGE BOND	
LAW UNION & ROCK PLC	
LEGACY FUND	
LIVESTOCK FEEDS PLC	
MORISON PLC	
MRS OIL PLC	
NAHCO BOND	
NAHCO PLC	
NEWPAK PLC	
N.G.C PLC	
NGC STERILE	
NPF MICROFINANCE BANK	
NULEC INDUSTRIES PLC	
OKOMU OIL PALMS PLC	
PREMIER PAINTS PLC	
REAN PLC	
SKYE BANK PLC	
TOTAL NIG. PLC	
TRANEX PLC	
WOMEN INVESTMENT FUND	

Directors: Olaronke Atere, Motunde Dada, Olufemi Ogunjimi, Mohammed Garuba, Michael Nzewi

REGISTRARS
Cardinalstone (Registrars) Ltd,
358 Herbert Macualay Way,
Yaba, Lagos
Tel: +234 1 4405107,
+234 1 7924462

4LTRS.

2LTRS.

OKOMU

THE OKOMU OIL PALM COMPANY PLC

(RC 30894)

Noel Emma, 08052143411, 08039122235