OKOMU

Responsible tropical agriculture

THE OKOMU OIL PALM COMPANY PLC

(RC 30894)

ANNUAL REPORT & ACCOUNTS 2017

...creating wealth from the soil

ISO 9001
BUREAU VERITAS
Certification

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CONTENTS

C O N T E N T S

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.

- **1976** - Okomu oil Palm was established as a Federal Government pilot project aimed at rehabilitating oil palm production in Nigeria. At inception, the pilot project covered a surveyed area of 15,580 hectares of Government de-reserved forest reserve, out of which a net arable area of 12,500 hectares could be planted.
- **1979** - Okomu was officially incorporated as a limited liability company by the Federal Government.
- **1985** - the company acquired and installed a 1.5-ton Fresh fruit Bunch (FFB)/hr oil mill.
- **1989** - 5,500ha was planted to oil palm while other critical infrastructure such as staff quarters, schools and clinics were built.
- **1990** - the Technical Committee on Privatisation and Commercialisation (TCPC) privatized The Okomu Oil Palm Company on behalf of the Federal Government of Nigeria and, through an initial public offering (IPO), shares were sold to the public and the company was duly registered on the Nigerian Stock Exchange. Besides the opportunity for more than 14,000 Nigerian shareholders to own a part of this company, the success of the company has been further exemplified by the strong increase of its net income which has resulted in a 4 fold increase in the company's share price since 2012 and the payout of annual dividends to its many shareholders.
- **2001** - the company obtained another 6,116 ha now known as Extension 1 and as the end of 2017 there was 1,969 ha of palm and 1,811 ha rubber planted on it.
- **2008 -**2.5 t/hr rubber processing plant was commissioned and compliments the company's rubber plantations and allows it to generate vital foreign exchange for Nigeria since all of the company's rubber is exported annually.
- **2013** the company expands its current 30t/hr oil mill to a 60t/hr oil mill and produces around 40,000t of CPO/annum.
- **2014** - Responding to the Government's change in policy from a solely crude oil based economy to an agro based one, the company further expanded its operations which culminated in the acquisition of 11,416 ha of land in the Ovia NE LGA/Uhunmwonde LGA, including 664 ha of cultivated oil palm.
- **2016** the company erects a 50ha palm nursery in Extension 2, the biggest in Africa, and plants more than 4,000ha of palm in one year, also a record.
- **2017** - the company's total concessions in Edo state expands to 33,112 ha, with palms covering 17,177ha and 7,335 ha under rubber as at the end of this year.
- **2018** - Another 2,300 ha of oil palm is planned to be planted in Ext 2 in 2018 which will complete the area to be planted on Extension 2, the net arable area totaling approximately 9,500ha in extent.
- **2018** - the company begins the erection of its 2 new 30t/hr oil mills in Extension 2.
- **2020** - another 1,500 ha of rubber will be planted in Extension 1.
- **2020** Okomu plans to commission its new 30 t/hr oil mills in Extension 2 and expects to double its production of CPO to around 80,000t per annum by 2025.
- The company has consistently posted profits in the last 12 years, a period during which most other agricultural initiatives in the country had either folded up or were performing sub-optimally.
- Okomu Oil Palm Company Plc is ranked 10th among listed companies with the largest turnovers quoted on the Nigerian Stock Exchange (NSE).
- According to the June/July 2016 issue of the Bottomline magazine, the Okomu Oil Palm Company Plc is ranked as the ninth largest company with the highest profits before tax among companies quoted on the NSE, and the only agro-business on the Exchange's top 16, earning it a number of accolades at both State and Federal levels.
- Just as the company is expanding in size, its corporate social environment is also expanding. Currently, the company employs nearly 2,000 workers, directly, and 5 times that, indirectly, together with several hundred independent sub-contractors who provide essential support services to the company.
- The company is the largest private sector employer in Edo State, second only to that of the Edo State Government.
- The company provides free health care, housing, power, water, schooling and other benefits to its workers and has a social corporate responsibility (CSR) programme that assists 29 neighbouring communities surrounding the company's three plantations.
- CSR includes boreholes, road grading, school and clinic refurbishment, town halls, scholarships, and the like. Okomu also provides assistance to parastatal organisations such as the Nigerian Police Force, the Nigerian Army, Nigerian Immigration Service, Ministries of Justice and Education and Local Governments to enable them to boost their zones of influence and to benefit all concerned within these areas.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting of the company will be held at the Protea Hotel, Benin City, Edo State, on Tuesday, 12th June, 2018 at 12noon to transact the following:

ORDINARY BUSINESS

1. To receive and consider the audited accounts for the year ended 31st December 2017, together with the reports of the Directors, Auditors and Audit committee thereon.
2. To declare a dividend
3. To elect/re-elect directors
4. To authorize the directors to fix the remuneration of the auditors
5. To elect members of the audit committee

SPECIAL BUSINESS

6. To fix the remuneration of the directors

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, 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 14 May, 2018 shall qualify 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 15th May to Friday 18th May 2018 (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 Tuesday 25th June, 2018 to shareholders' whose names appear on the register of members at the close of business on Monday 14th May, 2018

4. E-DIVIDEND

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to Shareholders to provide an account for the purpose of an e-dividend. The form on page 73 of this Annual Report & Accounts 2017 should be filled, detached by all share holders to furnish the particulars of their accounts and to be posted to the Registrars (Cardinalstone Registrars Ltd, 358 Herbert Macaulay Way, Yaba, Lagos). Or scan and email to: raymond.akokota@cardinalstone.com

5. 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.

6. 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 14th day of May, 2018.

BY ORDER OF THE BOARD

Mr. Christian J. Mariere
Company Secretary
FRC/2017/NBA/00000016477
Dated this 15th day of March, 2018.

REGISTERED OFFICE:

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

Mr. Christian J. Mariere
Company Secretary

	2017 N '000	2016 N '000
TURNOVER	20,261,918	14,364,736
Profit on continuing operations Before taxation	11,140,142	5,906,453
Companies Income Tax Charge	(1,992,292)	(996,180)
Deferred Tax Charge	-	-
Profit on continuing operations After taxation	9,147,850	4,910,273
Total Comprehensive Income	8,925,714	4,962,072
NET ASSETS'	24,506,890	17,012,041
Employees' expenses	832,799	816,933
	No.	No.
NUMBER OF EMPLOYEES	510	521
Basic earnings per 50 kobo share (naira)	9.59	5.15
Net asset per 50 kobo share (naira)	26	18

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. F. Claeys	(Belgian)

INDEPENDENT DIRECTOR
Mr. A. Ighodalo

COMPANY SECRETARY
Mr. C. J. Mariere

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

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

BANKERS

- Nigerian
  Access Bank Plc
  Skye Bank Plc
  Sterling Bank Plc
  Zenith Bank Plc
  Guaranty Trust Bank Plc

- Foreign
  Banque Cantonale de Fribourg
  Freiburger Kanonal 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
Square des Places 3
1700
Fribourg
Switzerland

RC NO.
30894 Edo State

Distinguished Shareholders, Guests of Honour, Ladies and Gentlemen, welcome to the 38th Annual General meeting of our Company. It is a pleasure to present to you the annual report and financial results for the year ended 31st December 2017.

THE OPERATING & ECONOMIC ENVIRONMENT FOR 2017

Although there were some improvements from the previous year, 2017still presented numerous challenges to the business environment with a contractionary monetary policy, high levels of inflation and unemployment. However, Government action to reign in excessive budgets and improve foreign exchange liquidity as well as an increase in oil prices helped bring the economy out of recession this year.

We also saw improved rubber and crude palm oil (CPO) prices this year, with increases of 24% and 44% respectively. This, combined with fiscal discipline displayed by the management, saw the company delivering record consolidated profits.

OPERATING RESULTS

The consolidated profits on continuing operations after tax saw an increase of 78% on the 2016 results. Turnover also increased by 40% from 2016 which saw the company take up a position as one of the top 10 companies with the highest turnover on the Nigerian Stock Exchange in 2017.

The results delivered by the company, in the improving but somewhat unstable economic environment is commendable and encouraging.

DIVIDENDS

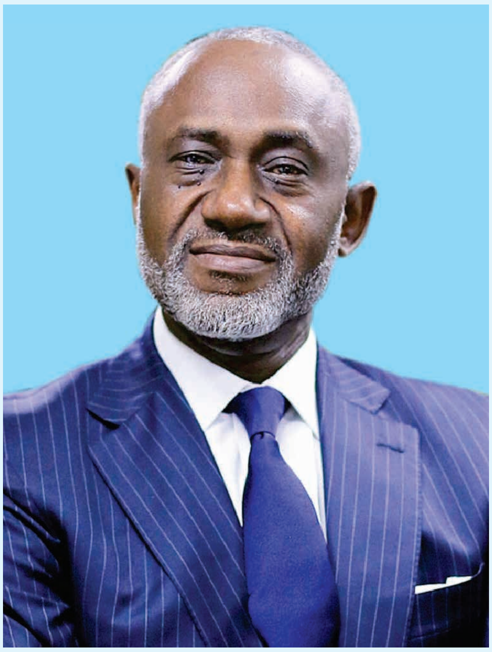
As a result of the excellent results delivered, and to ensure that our shareholders remain participants in the success of the company, the Board of Directors recommends for approval, a dividend payment of N3.00k per ordinary share, or a total dividend of nearly N2.8 billion.

OPERATIONAL PERFORMANCE

PALM

As at the end of 2017, total oil palm area was 17,244ha, of which 7,371ha were immature and new plantings. Plantation costs for the year were 28% higher than for 2016.

Production of crude palm oil from the oil mill was 2% higher than 2016's production, with oil extraction rates averaging approximately 22%. However, the oil mill costs for 2017 were 37% higher than the previous year, predominantly driven by the increased costs of imported spares as a result of the devaluation of the naira.



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

Despite increased costs, the company recorded increased palm oil products turnover, up 40% on 2016 and increased net profit from palm product operations of 55% on the previous year.

RUBBER

No new rubber plantings or replants were done in 2017, neither was any immature area opened for tapping. Dry rubber production saw a 10% increase from last year, and the average yield of dry rubber was also 10% higher than in 2016. Rubber plantation costs were nearly 19% higher than those for 2016.

The rubber factory processed 14% more dry rubber in 2017 than in the prior year. The price of processed rubber also increased 24% for the year. However, factory processing costs increased by about 42%, driven mainly by the Naira's devaluation. There was an increase in total rubber turnover of 45% which led to net profit of N564 million compared to a loss of N354 million in 2016.

FINANCIAL RESULTS

During the year under review, the results of the Company recorded combined turnover totalling N20.2 billion which amounts to an increase of 40% on 2016's turnover.
Direct costs of sales were 36% higher than 2016 at N4.9 billion (cf 2016: N3.6 billion), generally in line with inflation and the Naira devaluation.

In 2017, the Company also paid more than N2 billion in taxes to Federal agencies up from N948 million paid in 2016. This translated into a total comprehensive income for 2017 of N8.9 billion, this being 78% better than the N4.9 billion total comprehensive income for 2016.

ENVIRONMENT, HEALTH, EDUCATION, SAFETY AND SUSTAINABILITY, FOR 2017

We continue to focus our energy on environmental conservation, health, education and safety issues to ensure that any negative impact on our staff, their families, communities, stakeholders and the surrounding biodiversity within our jurisdiction, as a result of our activities, are mitigated and minimised.

The company successfully completed all statutory environmental audits in 2017 without any State or Federal sanctions, and continues to pursue and maintain certifications by the International Standards Organisation to ensure that stakeholders are guaranteed the highest standards possible.

The company has designated more than 10% of its total area as high conservation value (HCV) areas, a notable achievement in the area of conservation. In 2017, we spent N8.4 million on environmental impact assessments and audits (cf 2016: N11.1 million). The company also spent N48 million on staff health, safety and welfare programmes, up from N35 million in 2016.

Although there was a surge in politically motivated unrest in the latter part of the year, the unrest did not spill over into the plantation and the year closed on a peaceful note within the plantation. In general, we have seen a marked decline in violence and general militancy due to the presence of troops recently stationed within some neighbouring communities.

EMPLOYEES

The number of directly employed staff decreased from 521 to 510 in 2017 as a result of natural attrition and as the company continued to seek efficiency in its operations. The company also increased its investment in employee skills training programmes by 4%.

CORPORATE SOCIAL RESPONSIBILITY

We continue to operate an excellent corporate social responsibility (CSR) programme. Disbursements for ongoing training, projects, bursaries, skills acquisition programmes etc. made to our local communities and Government departments amounted to N214 million in 2017, of which N82 million of these projects were completed in 2017. The remainder of the projects were work in progress as at the year end.

FUTURE EXPANSION & DEVELOPMENT PLANS FOR 2018

The company plans to plant approximately 2,000 ha of palm in 2018. An order has also been placed for the first of two 30t/hour oil mills, with ground expected to be broken on the civil works early 2018. We expect the first oil mill to be commissioned in 2020 and the second one, shortly thereafter.

The company will also replant about 700ha of oil palm at Okomu and will start the environmental impact assessment in anticipation of the planting of about 700ha of rubber from 2019.

The company was connected to the national grid in 2017 and since then, has integrated BEDC power with our current gensets allowing us to seamlessly switch between the two power sources without affecting productivity or downtime. On average, BEDC currently accounts for nearly 60% of our total power usage and in 2018 we hope to increase this usage to above 70% which would lead to a further reduction in the company's energy costs. We also plan to erect an overhead line through to Extension 1 in 2018 in order to allow them to benefit from these savings.

It is further envisaged that in 2018, the acquisition of two more tilting sterilizers will effectively create a separate 60ton/hour oil mill side by side with the original 30ton/hour oil mill at Okomu and create a "mega" mill capable of processing around 75tons/hour of FFB in 2019.

The company will also finalize a memorandum of understanding (MoU) with the Okomu National Park (ONP) under which the park will partner with the company to co-manage the buffer zones and HCVs bordering the ONP. Furthermore, the company has agreed to assist the park in the development of its management plan, starting 2018.

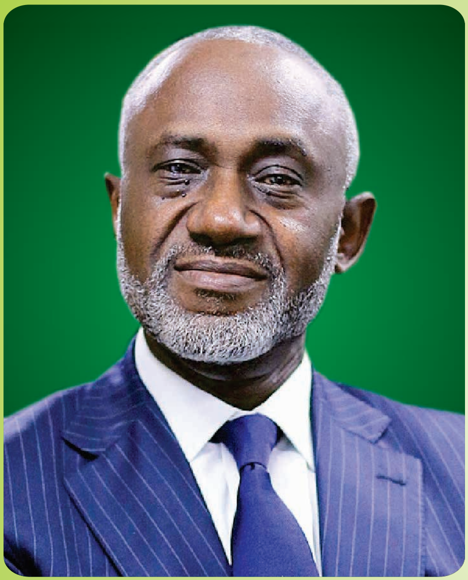
At present, the company has opted to finance most of the Extension 2 development with internally generated funds, due to the high cost of borrowing. However, going forward, the Company will be seeking to obtain affordable loans to cover these costs, thereby freeing up cash flows.

CONCLUSION

Ladies and Gentlemen, we hope that you can see that, despite the difficult times, the Board and management have ensured that your company continues to extract as much value as it can for its shareholders. I would like to thank the management, staff, contractors, communities and all other stakeholders who have, together, once again taken our company to new heights this past year and who have contributed tremendously to our highly commendable performance in all aspects. Lastly, thank you to my Board members, audit committee and, you, our shareholders, who have once again supported the company through thick and thin. To all of you, I say, watch this space as more good things are yet to come in 2018! Thank you for your attendance at our Annual General Meeting this year and I wish you well for 2018.

Thank you.

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



Mr. G. Oyebode MFR
Chairman

Name: **Gbenga OYEBODE MFR**
Residence: Nigeria
Appointment: Non Executive Director
Qualification: LLB, BL, LLM
Work Experience & Occupation: Gbenga Oyebode is the Chairman of Aluko & Oyebode, (Barristers, Solicitors & Trademark Agents), one of the largest integrated law firms in Nigeria, with offices in Lagos, Abuja and Port-Harcourt.

Gbenga was an Associate with White & Case, New York between 1982 and 1983.

Gbenga was educated at the University of Ife (LL.B Honours), and the University of Pennsylvania, Philadelphia (LL.M) graduating in 1979 and 1982, respectively. He is a Barrister and Solicitor of the Supreme Court of Nigeria (admitted June 1980) and an attorney-at-law of the Supreme Court of New York State (admitted November 1983). He was conferred Doctor of Laws (Honoris Causa), by the Ekiti State University, Ado Ekiti (2016) and Elizade University, Ilara Mokin, Ondo State, Nigeria (2017). He is the Chancellor of Elizade University, Ilara Mokin, Ondo State, Nigeria.

Gbenga is a Fellow of the Chartered Institute of Arbitrators (UK) (FCIArb) and the Nigerian Leadership Initiative (NLI). He is also a member of the Nigerian Bar Association, the American Bar Association, and the International Bar Association (IBA). Gbenga is the past Chairman of the Section of Business Law of the Nigerian Bar Association.

Gbenga was conferred with one of Nigeria's highest honours, the Member of the Order of the Federal Republic of Nigeria (MFR) in the year 2000. He was also conferred with the Belgian Royal Honour of 'Knight of the Order of Leopold' in 2007. He was conferred with an award for Lifetime Contribution to Law at the Law Digest Africa Awards 2015.

He was Chairman, Access Bank Plc (2005-2015) and the Chairman of Okomu Oil Palm Company Plc (both listed on the Nigerian Stock Exchange NSE) and serves on the Boards of MTN Nigeria Limited, Nestle Nigeria Plc and Socfinaf S.A (listed on the Luxemburg Stock Exchange). He is the Chairman of CFAO Nigeria Plc.

Gbenga sits on the Africa Advisory Committee of the Johannesburg Stock Exchange (JSE), is the Chairman of Teach for Nigeria, Director Teach for All, New York, Member of the Global Advisory Council of the Africa Leadership Academy, Johannesburg, Director Jazz at the Lincoln Centre, New York and Director African Philanthropy Forum. Member Board of Trustees Carnegie Hall, New York.

Name: **Graham HEFER**
Residence: Nigeria
Appointment: Managing Director
Qualification: Msc. Agric, PHD. Agric
Work experience & occupation
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
Work experience & occupation
Finance Director: Flour Mill, Mauritania
Escofier Technologie
Filatures de Chenimenil
Okomu Oil Palm Company Plc

Director's Profile *Cont'd*

Mr. H. Fabri

Name: **Hubert FABRI**
Residence : Switzerland
Appointment: Non Executive Director
Qualification : BSc Business Administration
Work Experience & Occupation:
Chairman : Bereby Finances (Befin), Liberian Agricultural Corporation (LAC), Palmeraies de Mopoli, Plantations Socfinaf Ghana (PSG), Socfin,Socfinaf, Socfinasia, Director : Bolloré Group, Brabanta, Compagnie du Cambodge, Coviphama,FinancièreMoncey,ForestièreEquatoriale, OKOMU, PT Socfin Indonesia (SOCFINDO), Safacam, Socapalm, Socfin Agricultural Company SL (SAC), Socfin KCD, SociétéIndustrielle et Financière de l'Artois, SOGB, SudComoeCaoutchouc (SCC)

Name: **David U. EDEBIRI OON**
Residence: Nigeria
Appointment: Non Executive Director
Qualification: Dip. Journalism
Work experience & occupation
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

Dr. L. J. J. Boedt

Name: **Luc BOEDT**
Residence : Switzerland
Appointment: Non Executive Director
Qualification : PhD. Agronomy Sciences
Work Experience & occupation : General manager : Socfinco FR, Bereby Finances (Befin) Chairman : Agripalma, Brabanta,Safacam, Salala Rubber Corporation (SRC), Socfin Agricultural Company SL (SAC), Socfin Green Energy, Socfin KCD, Socfinco FR Director : Bereby Finances (Befin), Camseeds, Coviphama, Liberian Agricultural Corporation (LAC), OKOMU, Plantations Socfinaf Ghana(PSG), PT. Socfin Indonesia (SOCFINDO), Socapalm, SOGB, SudComoeCaoutchouc (SCC), Socfin, Socfinaf, Socfinasia, Socfin Research

Name: **Peter EGUASA (JP)**
Residence: Nigeria
Appointment: Non Executive Director
Qualification: BBA, MBA
Work Experience & Occupation: EGUASA, P.A.E. (JP) FCS., M.I.O.D, is an alumnus of Florida International University (B.B.A) and Nova University (M.B.A), with qualifications in Accounting and Finance. He has since veered into the Capital Market Operations, Banking and Finance services, which has made him become one of the major players in the industry.
Mr. Eguasa belongs to several professional bodies amongst which are: Fellow Chartered Institute of Stockbrokers (F.C.S), Member Institute of Directors (M.IO.D) Nigeria, and Fellow, Association of M.B.A. Executives. U.S.A As part of his early working experience, he worked with South-East Bank Incorporated, Miami Florida U.S.A., U.A.C.N PLC as a field sales manager, in the then A.J. Seward Division., Abacus Merchant Bank/Abacus Securities Limited as a Senior Investment Executive, Lagos., Bendel Brewery Ltd as Distribution Manager., U.I.D.C. Securities Ltd as Managing Director/CEO., Centrust Securities Ltd as Managing Director/CEO., Oko-Iyekogba Community Bank Ltd, as Director. He also served as Council Member of the Chartered Institute of Stockbrokers, of which he is one of the founding members of the Institute.
Mr. Eguasa has also attended several Local and International Multi-disciplinary courses. He is also an Authorized Dealing Clerk of the Nigerian Stock Exchange. He is currently Managing Director/CEO of perfect Securities and Investment Ltd. (A Civil Engineering and Investment Consultancy Firm). He is widely travelled and happily married with children.

Mr. P. A. E. Eguasa, JP

Name : Philippe de Traux de WARDIN
Residence : Switzerland
Appointment: Non Executive Director
Qualification : BSc Applied Economic Science
<u>Work Experience & Occupation :</u> General manager : Socfinco FR Chairman : Camseeds, Coviphama, Socfin Research
Director : Bereby Finances (Befin), Brabanta, Liberian Agricultural Corporation (LAC), OKOMU, Palmeraies de Mopoli,Plantations Socfinaf Ghana (PSG), PT Socfin Indonesia (SOCFINDO), Salala Rubber Corporation (SRC), Safacam, Socapalm, Socfin Agricultural Company SL (SAC), Socfin KCD, SociétéIndustrielle et Financière de l'Artois, SOGB, SudComoeCaoutchouc (SCC), Socfin,Socfinaf, Socfinasia, Socfinco FR, Socfin Green Energy

Mr. Ph.de Traux de Wardin

Mr. R. Helsmoortel

Name : Regis HELSMOORTEL
Residence : Switzerland
Appointment: Non Executive Director
Qualification : BSc Industrial Management, MSc Agricultural Engineering
<u>Work Experience & occupation:</u> Head : Agronomy Department at Socfinco FR
Director : Brabanta,Camseeds, Liberian Agricultural Corporation (LAC), OKOMU, Plantations Socfinaf Ghana (PSG), Socapalm,Socfin Agricultural Company SL (SAC), Socfinco FR, Socfin Research

Name: **Asue IGHODALO**
Residence: Nigeria
Appointment: Independent Director
Qualification: Bsc. Economics, LLB, BL
<u>Work experience & Occupation</u>
Foundation Partner: Banwo & Ighodalo (Law Firm)
Director: Christopher Kolade Foundation, Dangote Flour Mills Plc (Chairman)
FATE Foundation, Nigerian Economic Summit Group (Vice Chairman)
Okomu Oil Palm Company Plc, Sterling Bank Plc (Chairman)

Mr. A. Ighodalo

Mr. S. F. Claeys

Name : Sven CLAEYS
Residence : Belgium
Appointment: Non Executive Director
Qualification : MSc Agricultural Engineering, M.A International Policy
<u>Work experience & occupation</u> Head : Industrial Department at Socfinco SA
Director : Liberian Agricultural Corporation (LAC), OKOMU, Salala Rubber Corporation (SRC), Socfin Agricultural Company SL (SAC), SOGB, SudComoeCaoutchouc (SCC), Socfinco FR, Socfin Green Energy, SPFS

The directors present their annual report together with the audited financial statements report for the year ended 31st December, 2017.

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 as set out on page 32 of these financial statements.

3. FUTURE PROSPECTS & REVIEW

The review of the company's activities for the year is as set out within the Chairman's statement. The reports should be read in conjunction with this report.

4. DIVIDEND

The directors recommend, in respect of the year ended 31st December 2017, the declaration of a dividend of 2.862 billion (note 41) (2016: 1.431 billion) 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 were 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 from there, ensure 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 shall 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 and the Securities and Exchange Commission together with the applicable International Financial Reporting Standards.

The directors are also responsible for safeguarding the assets of the company, and for therefore ensuring that all 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 -- days on average during the year (2016: 68 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. F. 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. H. Fabri, Mr. S. F. Claeys and Mr. Ph.de Traux de Wardin.

13. HISTORY OF SHARE CAPITAL

Year	Authorised share capital number	Value	Issued & fully paid shares	Value	Remarks
		₦		₦	
1989	68,000,000	34,000,000	50,700,000	500,000	Initially the share of the company were 10k/share
1989	68,000,000	34,000,000	50,700,000	25,350,000	By Ord. Resolution passed on 7/04/1990, 340,000,000 ord. Shares of 10k was consolidated and divided into 68,000,000 shares of 50k each.
1991	68,000,000	34,000,000	55,200,000	27,600,000	Listed on Stock Exchange on 8 March 1991
1992	68,000,000	34,000,000	66,240,000	33,120,000	
1993	80,000,000	40,000,000	79,884,000	39,120,000	Bonus shares of 1 for 5 held issued and fully paid

13. HISTORY OF SHARE CAPITAL *(Continue)*

	Authorised share capital				
Year	**Number**	**Value**	**Issued & fully paid shares**	**Value**	**Remarks**
		₦		₦	
1994	80,000,000	40,000,000	79,884,000	39,744,000	
1995	80,000,000	40,000,000	79,884,000	39,744,000	
1996	80,000,000	40,000,000	79,884,000	39,744,000	
1997	**200,000,000**	**100,000,000**	**105,984,000**	**52,992,000**	Increase in Share Capital and Rights issue of 1 for 3 held
1998	200,000,000	100,000,000	105,984,000	52,992,000	
1999	200,000,000	100,000,000	105,984,000	52,992,000	
2000	200,000,000	100,000,000	105,984,000	52,992,000	
2001	**600,000,000**	**300,000,000**	**317,970,000**	**158,985,000**	Increase in Authorised Share capital & a rights issued of 2 for 1 held
2002	600,000,000	300,000,000	317,970,000	158,985,000	
2003	600,000,000	300,000,000	317,970,000	158,985,000	
2004	600,000,000	300,000,000	317,970,000	158,985,000	
2005	600,000,000	300,000,000	317,970,000	158,985,000	
2006	**600,000,000**	**300,000,000**	**476,955,000**	**238,476,000**	Bonus issue of 1 for 2 held
2007	600,000,000	300,000,000	476,955,000	238,476,000	
2008	600,000,000	300,000,000	476,955,000	238,476,000	
2009	600,000,000	300,000,000	476,955,000	238,476,000	
2010	600,000,000	300,000,000	476,955,000	238,476,000	
2011	600,000,000	300,000,000	476,955,000	238,476,000	
2012	600,000,000	300,000,000	476,955,000	238,476,000	
2013	**1,200,000,000**	**600,000,000**	**953,910,000**	**476,956,000**	Increase in share capital & Bonus issue of 1:1
2014	1,200,000,000	600,000,000	953,910,000	476,956,000	
2015	1,200,000,000	600,000,000	953,910,000	476,956,000	
2016	1,200,000,000	600,000,000	953,910,000	476,956,000	
2017	**1,200,000,000**	**600,000,000**	**953,910,000**	**476,956,000**	

14. DIRECTORS' 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, 2017		31st December, 2016	
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	9,165,000	-	9,090,000	75,000
Mr. A. Ighodalo	-	921,284	-	921,284
	========	=======	========	=======

NB: On the indirect share shown above for 2017, Mr. G. Oyebode is representing Coordinated Nigeria Limited (5,345,978 shares) while Mr. Ighodalo is representing Moehi Nigeria Limited (921,284 shares).

15. SHAREHOLDING

The shares of Okomu Oil Palm Company Plc are 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.

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 disabilities. 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 N30.6 million (2016: N29.2million) 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 N48 million (2016: N35 million) during the year.

19. CORPORATE GOVERNANCE

The corporate governance report and the director's responsibilities are set out on pages 20 to 26 and form an integral part of this report.

20. CHARITABLE DONATIONS

The company made charitable gifts and donations of N82.34 million during the year (2016: N124.96million). These comprised:

	2017 N'000	**2016 N'000**
Community projects	78,552	122,564
Scholarships given	3,791	2,400
	82,343	124,964
	======	=======

21. 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 or they are aware, there is no information, which would be required by the company's auditors in connection with their compilation of their audit report, of which the auditors have not been made 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 such information.

22. 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**

23. AUDIT COMMITTEE

Pursuant to Section 359(4) of the Companies and Allied Matter Act, CAP C20, LFN 2004, the company established an audit committee comprising of an equal number of the representatives of both the Directors and the Shareholders. The members of the Committee are: Chief D.U. Edebiri OON, Rev. L. A Ohenhen, Mr. P. A. E Eguasa, Mr. M. Igbrude, Rev. A. Imadu and Dr. Luc Boedt.

24. INDEPENDENT AUDITORS

Messrs Horwath Dafinone, Chartered Accountants, having indicated their willingness, to continue in office, shall do so 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
FRC/2017/NBA/00000016477
Company Secretary
Okomu-Oil Palm Estate
Okomu-Udo
Edo State
15th March, 2018

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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 2017 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 2017. 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)

15th March, 2018

Partners:
Peter N. Orizu (Executive Chairman)
Isaac E. Esene
Ngozi A. Ogwo
Orji J. Okpechi
Victor O. Osifo
Nkwachi U. Abuka

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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 14 to 18 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 THE BOARD

The Directors receive management information, including financial, operating and strategic reports, in advance of Board meetings. The Board receives presentations from non-board members on matters of significance which help to give the Board greater insight into the business of the company. The Company's 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 22 to 26.

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 2017 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**	**3**	**4**
1.	Mr. G. Oyebode	4 **C**	-	-	-
2.	Dr. G. Hefer	4	-	3	-
3.	Dr. L. J. J Boedt	4	4	-	-
4.	Mr. P. A. E Eguasa	4	4	3 **C**	4
5.	Mr. P. De Traux	4	-	-	3
6.	Mr. H Fabri	4	-	-	-
7.	Mr. R. Helsmoortel	4	-	-	4
8.	Chief D. U Edebiri	4	4	3	4
9.	Mr. A. Ighodalo	4	-	-	4 **C**
10.	Mr. A. Mary	4	-	3	-
11.	Mr. S F. Claeys	4	-	3	-

- Non member C Chairman

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 were 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	-	-
Chief D. U. Edebiri OON	M	M
Mr. P. A. E Eguasa	C	M
Mr. H. Fabri	-	-
Dr. G.D Hefer	-	-
Mr. R. Helsmoortel	-	M
Mr. A. Ighodalo	-	C
Mr. A. Mary	-	-
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 two other non-executive directors as members. The committee met 3 times in 2017.

AUDIT COMMITTEE

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

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

It was chaired by Rev. A. Imadu from October, 2015 to October, 2016 and Mr. P.A.E Eguasa from October 2016 to October 2017. 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 Nigerian 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 Nigerian Management staff. The committee also reviews the remuneration of other members 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 as much notice of the AGM as possible which will be at least 21 clear days, as required by the Companies and Allied Matters Act, CAP C20, LFN 2004. In accordance with the Articles, electronic and proper proxy appointments and voting instructions must be received not later than 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 than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

- The regular review and assessment of the performance of the business in relation to risk management and internal control by the Board and its subcommittees;
- 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 controls 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 there from;
- Management's own assessment of the performance of the system of risk management and internal control during 2017; 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.

BOARD / COMMITTEE MEETINGS HELD IN 2017

During 2017, the Board Meetings held four meetings. The record of Directors' attendance is presented below:

Name	Meeting Date 16 March 2017	Meeting Date 22 June 2017	Meeting Date 18 October 2017	Meeting Date 13 Dec 2017	Total Attendance
Mr. Gbenga Oyebode	✓	✓	✓	✓	4 Meetings
Dr. Graham Hefer	✓	✓	✓	✓	4 Meetings
Dr. Luc Boedt	✓	✓	✓	✓	4 Meetings
Mr. Peter A. Eguasa	✓	✓	✓	✓	4 Meetings
Mr. Hubert Fabri	✓	✓	✓	✓	4 Meetings
Chief D. U. Edebiri	✓	✓	✓	✓	4 Meetings
Mr. Ph De Wardin	✓	✓	✓	✓	4 Meetings
Mr. R. Helsmoortel	✓	✓	×	✓	3 Meetings
Mr. Alain Mary	✓	✓	✓	✓	4 Meetings
Mr. Asue Ighodalo	✓	✓	✓	✓	4 Meetings
Mr. Sven Claeys	✓	✓	✓	✓	4 Meetings

✓- Present × - Absent

The Governance/Remunerations Committee held four meetings in 2017 the record of members attendance is presented below:

Name	Meeting Date 15 March 2017	Meeting Date 22 June 2017	Meeting Date 17October 2017	Meeting Date 13 Dec 2017	Total Attendance
Mr. Asue Ighodalo	✓	✓	✓	✓	4 Meetings
Chief D. U. Edebiri	✓	✓	✓	✓	4 Meetings
Dr. Luc Boedt	✓	✓	✓	✓	4 Meetings
Mr. Ph De Wardin	✓	✓	✓	✓	4 Meetings
Mr. Peter A. Eguasa	✓	✓	✓	✓	4 Meetings

✓ - Present

The Risk Committee held three meetings in 2017 the record of members attendance is presented below:

Name	Meeting Date 15 March 2017	Meeting Date 22 June 2017	Meeting Date 17October 2017	Total Attendance
Mr. Peter A. Eguasa	✓	✓	✓	3 Meetings
Chief D. U. Edebiri	✓	✓	✓	3 Meetings
Mr. Sven Claeys	✓	✓	✓	3 Meetings

✓ - **Present**

The Audit Committee held four meetings in 2017 the record of members attendance is presented below:

Name	Meeting Date 15 March 2017	Meeting Date 22 June 2017	Meeting Date 17October 2017	Meeting Date 13 Dec 2017	Total Attendance
Mr. Peter A. Eguasa	✓	✓	✓	✓	4 Meetings
Chief D. U. Edebiri	✓	✓	✓	✓	4 Meetings
Dr. Luc Boedt	✓	✓	✓	✓	4 Meetings
Rev. A. Imadu	✓	✓	✓	✓	4 Meetings
Rev. L. A. Ohenhen	✓	✓	✓	✓	4 Meetings
Mr. Moses Igbrude	✓	✓	✓	✓	4 Meetings

✓- Present

COMPLAINTS MANAGEMENT POLICY

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

PROHIBITION OF INSIDER TRADING

The company's Code of Conduct (in accordance with the extant 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.

REMUNERATION POLICY

This policy is guided by both the Conditions of Service and General Regulations for senior Nigerian Managers and the Okomu Oil Palm Company PLC (OOPC) Technical Know-How and Management Service Agreement between OOPC and SOCFINCO FR S.A. (the Managing Agent).

This policy applies only to senior Nigerian managers employed by OOPC under the terms and conditions of Article 5 of the Technical Know How and Management Services Agreement between OOPC and the Managing Agent and each manager's individual terms and conditions for remuneration under Clause 9 of their Conditions of Service and General Regulations. This policy excludes the remuneration of any and all expatriates, including executive directors, who are seconded to OOPC under Article 1, more specifically clause 1.1.7 therein, of the Technical Know How Service Agreement between OOPC and SOCFINCO FR S.A wherein the Managing Agent is soley responsible for their secondment and remuneration. Implementing this Policy, OOPC and the Managing Agent are subject to the laws of Nigeria and are committed to complying with all such applicable laws. Where national law and international law differ, both parties will adhere to national law, while seeking ways to respect international law to the greatest extent possible, where applicable.

PROCESS FOR THE APPOINTMENT OF DIRECTORS

A formal and transparent procedure for the selection and appointment of new directors to the Board helps promote understanding and confidence in that process. The appointment of new members to the Board will be considered by the Governance/Remuneration committee for subsequent ratification at the AGM, through the Board.

a.) Identification of potential Board candidate- The general Board may at various times determine that there is a specific requirement for a director with particular skills.

b.) Selection- Where the Board believes there is a need to appoint another director whether due to retirement of a director , growth or complexity of the company's business, certain procedures will be followed by the Governance /remuneration Committee, including:

- Determine the skill and experience appropriate for the appointee, having due regard to those of the existing directors;
- Determining the process and timetable for seeking such a person;
- The preparation of a short list of candidates

Potential directors are to be approached and their interest in joining the Board, togetherwith the responsibilities such an appointment would entail, discussed. The terms and conditions of the appointment, including the level of remuneration are also communicated to the candidates.

Once a potential candidate has been identified, that candidate would be expected to provide a copy of his resume detailing his skills and experience. The Governance/Remuneration Committee would interview the candidate and explain details of the company, its operations, policies and expectations to that candidate.

When considering a candidate the Board will make their assessment pursuant to the following guidelines:

- Competence and qualifications;
- Other directorships held (previously and currently);
- Time availability;
- Contribution to the overall balance of the composition of the board;
- Depth of understanding of the role and legal obligations of a director;
- Legal, not disqualified by virtue of section 257 of the Companies & Allied Matters Act.

The full Board shall consider any appointment to the Board.

C.) Appointment to the Board – If an invitation to become a director of the Board is accepted, the new director is expected to sign the terms and conditions for appointment. The director will also be provided with access to the company's policies and procedures.

The new director recommended by the Board will stand for election by shareholders at the next Annual General Meeting. Shareholders are to be provided with the relevant information on the candidates for election/re-election.

SEC CODE OF CORPORATE GOVERNANCE FOR PUBLIC COMPANIES IN NIGERIA

The company complied with the SEC Code of Corporate Governance for Public Companies in Nigeria.

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 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.

Mr. Christian J. Mariere
FRC/2017/NBA/00000016477
Company Secretary
By the Authority of the Board
Okomu-Udo
Edo State
15th March, 2018

Report of the Audit Committee

In compliance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, we, the members of the Audit Committee of Okomu Oil Palm Company Plc, having carried out our functions under the Act, confirm that the accounting and reporting policies of the company as contained in the audited financial statements for the year ended 31st December, 2017 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, 2017.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2017 were adequate and we confirm that the responses by the management to the external auditors findings on Management matters were satisfactory.

Mr. M. Igbrude
FRC/2013/IMN/00000005585
Chairman, Audit Committee
Dated this 15th March, 2018

MEMBERS OF THE AUDIT COMMITTEE:

Mr. M. Igbrude	-	Chairman	
Rev. A. Imadu	-	Member	
Mr. P. A. E. Eguasa (JP) MBA (Finance and Accountant)	-	Member	(Director)
Chief D. U. Edebiri OON	-	Member	(Director)
Rev. 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.


Mr. M. Igbrude


Dr. L. J. J. Boedt


Chief D. U. Edebiri OON


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


Rev. A. Imadu


Rev. L. A. Ohenhen (JP)

CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007

We the undersigned hereby certify the following with regards to our financial reports for the year ended 31 December, 2017 that:-

a) We have reviewed the report
b) To the best of our knowledge, the report does not contain;

   i. Any untrue statement of material effect, or
   ii. Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;

c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the period presented in the report.

d) We:-

   i. Are responsible for establishing and maintaining internal controls;
   ii. Have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within entities particularly during the period in which the periodic reports are being prepared;
   iii. Have evaluated the effectiveness of the Company's internal controls as the date within 90 days prior to the report;
   iv. Have presented in the report our conclusions about the effectiveness of the company's internal control based on our evaluation as of that date;

e) We have disclosed to the Auditors and Audit Committee:-

   i. Significant deficiencies in the design and operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the company's auditors any material weakness in internal controls, and
   ii. Any fraud whether or not material, that involved management or other employees who have significant role in the company's internal controls.

f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

DR. GRAHAM D. HEFER
FRC/2013/IODN/00000002460
Managing Director/CEO
15th March, 2018

MR. ALAIN MARY
FRC/2013/IODN/00000002461
Chief Finance Officer
15th March, 2018

Horwath Dafinone

Horwath Dafinone,
Chartered Accountants,
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OKOMU OIL PALM COMPANY PLC

OPINION

We have audited the financial statements of Okomu Oil Palm Company Plc for the year ended 31st December, 2017 which are set out on pages 32 to 65 and which comprise the statement of profit or loss and 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, statement of value added and five year financial summary.

In our opinion, the financial statements give a true and fair view of the financial position of Okomu Oil Palm Company Plc as at 31st December, 2017 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 applicable International Financial Reporting Standards as adopted, the Financial Reporting Council Act No. 6 of 2011, the listing requirements of the Nigerian Stock Exchange.

BASIS OF OPINION

An audit involves performing appropriate procedures so as 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.

KEY AUDIT MATTERS

Key audit matters are those matters that in our professional judgment, were of significant importance in the performance of our audit of the financial statements. These matters were fully addressed during the audit of the financial statements as a whole and in forming our opinion. We do not provide a separate opinion on these matters.

REVENUE

The primary determinant and key performance indicator of both the financial position and performance is the revenue generated given the nature of its business. The Revenue this year was **N20.3 billion** (2016: **N14.3billion) (notes 6).**

OUR AUDIT PERFORMED AND RESPONSES THEREON

We have tested the accounting systems and internal controls pertaining to the processing, delivery, receipt and recording of income in respect of such revenue. The results of the tests provided sufficient evidence that reliance could be placed on such systems. We have accordingly placed reliance on these systems.

We have also obtained written representation from management particularly in confirming that override of the systems by management did not occur.

The substantive tests in respect of revenue and the trade debts existing as at the reporting date were carried out and we obtained written confirmation from the related parties of amounts sold through the related parties. We also confirmed that the sales to related parties are at arms length.

We reviewed the sectoral analysis of the income and the basis of their allocation to determine if it was appropriate and had been properly applied. Appropriate test were made to ensure compliance with the sectoral policy.

No evidence of any error in respect of the amounts disclosed as revenue or the related debts came to our attention.

BIOLOGICAL ASSETS IMPAIRMENT REVIEW

BEARER BIOLOGICAL ASSETS

The company's biological assets comprise the natural production assets in the form of rubber and oil palm trees. The summary of the costs incurred up to the reporting date is set out in note 22.

The value of these assets as at the reporting date was **N12.9 billion (2016: N9.4 billion).**

OUR AUDIT PERFORMED AND RESPONSES THEREON

We carried out tests on the current bearer biological assets to obtain assurance as to their cost. The amounts incurred in creation of the immature parts of the plantation were subject to tests of accuracy and authenticity.

We examined the current economic pricing of the output of the plantation and have reached the conclusion that no provision for impairment of these assets, given the overall market conditions required as at the date of our opinion.

OTHER INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT

The Directors report, Chairman's statement, and other information contained therein are the responsibility of management. Our opinion does not cover these reports and accordingly we do not express any form of assurance or conclusion thereon.

It is our responsibility under the Companies and Allied Matters Act CAP C20 LFN 2004, to read the other information issued in conjunction with these financial statements and in doing so, consider whether the information is materially inconsistent with the financial statements or with the knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work, we conclude that there is a material misstatement of the other information, we are required to report the fact in our audit report. We have nothing to report in this regard.

DIRECTORS AND MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors and the 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic discussions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to such in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Our sufficient appropriate audit evidence regarding the financial information of the business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit and remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of key significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulation preclude public disclosure or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

COMPLIANCE WITH THE RELEVANT LEGISLATION AND REGULATIONS

In accordance with Sections 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) 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
15th March, 2018

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

	Notes	2017 N'000	2016 N'000
REVENUE	6	20,261,918	14,364,736
Other works performed by the entity capitalised	7	3,752,431	2,293,062
Changes in inventories of the finished goods and work in progress		721,028	145,543
Raw materials and consumables used	8	(4,841,153)	(3,305,572)
External charges	9	(3,701,166)	(2,658,798)
Employees' expenses	10	(832,799)	(816,933)
Depreciation on property, plant and equipment	21	(1,022,701)	(960,333)
Depreciation on bearer biological assets	22	(253,560)	(234,786)
Administrative expenses	11	(3,109,342)	(1,990,091)
Other income	12	153,530	114,734
OPERATING PROFIT BEFORE TAX, FINANCE AND OTHER RELATED COSTS		**11,128,186**	**6,951,562**
Finance income	15	490,894	291,273
Gain on disposal of assets	16	5,444	4,206
Finance costs	17	(484,382)	(1,340,588)
PROFIT FROM CONTINUING OPERATIONS BEFORE OTHER COMPREHENSIVE INCOME AND TAX	18	**11,140,142**	**5,906,453**
Companies income tax charge	19.1	(1,992,292)	(996,180)
Deferred tax charge	19.2	-	-
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		**9,147,850**	**4,910,273**
OTHER COMPREHENSIVE INCOME			
Actuarial (loss)/gains	33	(317,336)	73,999
Deferred tax on actuarial loss/(gains)	19.2	95,200	(22,200)
Total comprehensive income		8,925,714	4,962,072
Basic earnings per share (Naira)	20	9.59	5.15

The general information and significant accounting policies that are set out on pages 36 to 45 and the notes on pages 36 to 63 form integral parts of the financial statements.

Statement of Financial Position

As at 31st December, 2017

	Notes	2017 N'000	2016 N'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	21	11,216,535	9,217,423
Bearer biological assets	22	12,898,674	9,399,803
		24,115,209	18,617,226
CURRENT ASSETS			
Inventories	23	2,687,196	1,719,080
Trade receivables	24	465,222	121,086
Intercompany receivables	25	497,822	467,379
Other receivables	26	512,911	384,643
Cash and bank equivalents	27	3,093,792	3,198,251
		7,256,943	5,890,439
TOTAL ASSETS		**31,372,152**	**24,507,665**
EQUITY AND LIABILITIES			
Share capital	29(b)	476,955	476,955
Share premium	30	1,867,096	1,867,096
Revenue reserves	31	22,162,839	14,667,990
		24,506,890	17,012,041
NON-CURRENT LIABILITIES			
Deferred tax liabilities	19.4	1,660,273	1,755,473
Post-employment benefits obligations	33	671,133	315,965
Borrowings	34	765,458	2,416,252
		3,096,864	4,487,690
CURRENT LIABILITIES			
Trade payables	35	487,695	641,148
Other payables	36	28,349	114,929
Provisions and accruals	37	439,679	429,810
Borrowings	34	486,047	372,351
Tax payable	19.3	2,263,163	1,386,231
Dividend payable	38	63,465	63,465
		3,768,398	3,007,934
TOTAL LIABILITIES		**6,865,262**	**7,495,624**
TOTAL EQUITY AND LIABILITIES		**31,372,152**	**24,507,665**

The general information and significant accounting policies that are set out on pages 36 to 45 and the notes on pages 36 to 63 form integral parts of the financial statements.

Mr. G. Oyebode MFR	Dr. G. D. Hefer	Mr. A. Mary
Chairman	Managing Director	Chief Finance Officer
FRC/2013/NBA/00000002546	FRC/2013/IODN/00000002460	FRC/2013/IODN/00000002461

Approved by the Board of Directors on 15th March, 2018

	Note	Share Capital N'000	Share premium N'000	Non distributable reserves N'000	Distributable Revenue reserves N'000	Total N'000
EQUITY AS AT 1ST JANUARY, 2016		476,955	1,867,096	190,775	9,610,534	12,145,360
TRANSACTIONS WITH SHAREHOLDERS						
Dividends paid	32	-	-	-	(95,391)	(95,391)
		-	-	-	(95,391)	(95,391)
Profit for the year		-	-	-	4,910,273	4,910,273
Actuarial gains	33	-	-	73,999	-	73,999
Deferred tax on actuarial gains	19.2	-	-	(22,200)	-	(22,200)
COMPREHENSIVE INCOME FOR THE YEAR		-	-	51,799	4,910,273	4,962,072
EQUITY AS AT 31ST DECEMBER, 2016		476,955	1,867,096	242,574	14,425,416	17,012,041
EQUITY AS AT 1ST JANUARY, 2017		476,955	1,867,096	242,574	14,425,416	17,012,041
TRANSACTIONS WITH SHAREHOLDERS						
Dividends paid	32	-	-	-	(1,430,865)	(1,430,865)
		476,955	1,867,096	242,574	12,994,551	15,581,176
Profit for the year		-	-	-	9,147,850	9,147,850
Actuarial loss	33	-	-	(317,336)	-	(317,336)
Deferred tax on actuarial loss	19.2	-	-	95,200	-	95,200
COMPREHENSIVE INCOME FOR THE YEAR		-	-	(222,136)	9,147,850	8,925,714
EQUITY AS AT 31ST DECEMBER, 2017		476,955	1,867,096	20,438	22,142,401	24,506,890

The movement from distributable revenue profits to non distributable profits arises from the requirements of Section 380 of the Companies and Allied Matters Act, CAP C20, LFN 2004 which do not allow the distribution of dividends from gains arising from the revaluations of non-current assets and actuarial gains on post-employment benefits.

The general information and significant accounting policies that are set out on pages 36 to 45 and the notes on pages 36 to 63 form integral parts of the financial statements.

	Notes	2017 N'000	2016 N'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit on continuing operations before tax	18	11,140,142	5,906,453
Adjustments for items not involving movement of cash			
Depreciation	21	1,022,701	960,333
Profit on disposal of fixed asset	16	(5,444)	(4,206)
Depreciation of bearer biological assets	22	253,560	234,786
Write-off-infected rubber plantation		-	58,180
		12,410,959	7,155,546
Movement in working capital			
Increase in inventories	23	(968,116)	(228,485)
Increase in trade receivables	24	(344,136)	(58,230)
Inter-company receivables	25	(30,443)	(476,887)
Other receivables and prepayments	26	(128,268)	(88,051)
Decrease in trade and other payables		(240,033)	(200,036)
Increase/(decrease) in provisions and accruals	37	9,869	(53,275)
Retirement benefits	33	37,832	37,314
NET CASH GENERATED FROM OPERATING ACTIVITIES		10,747,664	6,087,896
Tax paid	19.3	(1,115,360)	(140,150)
		9,632,304	5,947,746
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	21	(3,022,276)	(333,469)
Pre-cropping expenditure incurred	22	(3,752,431)	(2,293,062)
Proceeds from disposal of property, plant and equipment		5,907	4,882
Net cash outflow from investing activities		(6,768,800)	(2,621,649)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans and borrowings		(1,537,098)	(937,982)
Dividends paid	32	(1,430,865)	(95,391)
Net cash generated from financing activities		(2,967,963)	(1,033,373)
Net cash inflow in the year		(104,459)	2,292,724
Cash and cash equivalent as at the beginning of the year		3,198,251	905,527
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR*	27	**3,093,792**	**3,198,251**

* Cash and cash equivalents as at the end of the year comprise cash and bank balances only.

The general information and significant accounting policies that are set out on pages 36 to 45 and the notes on pages 36 to 63 form integral parts of the 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 and 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 been 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 substantially reduce its business operations. The management believes that the going concern assumption is appropriate for the company due to sufficient capital adequacy and projected liquidity, based on historical experience that it's shortterm 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 impediments to the operations of the company.

2.1.1 BASIS OF PREPARATION AND MEASUREMENT

The principal accounting policies adopted in the preparation of the financial statement are as 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 it 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 15th March , 2018. 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

New standards, interpretations and amendments issued but not yet effective

A number of new standards, interpretations and amendments were issued in respect of par for the first time for periods beginning on (or after) 1st January, 2017. The company has elected not to adopt them in these financial statements. The nature and effect of each new standard, interpretation and amendment yet to be adopted by the company are as detailed below.

Pronouncement	Nature of change	Effective date
IFRS 9 *Financial Instruments*	The final version incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. The amendments include; financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. Also an expected credit loss model is introduced for the measurement of impairment on financial assets. So it is no longer necessary for a credit event to have occurred before a credit loss is recognised.	Annual periods beginning on or after 1st January 2018
IFRS 15 *Revenue on contract with customers*	The Standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.	Annual periods beginning on or after 1st January 2018
IFRS 16, 'Leases'	The standard requires lessees in a finance lease to recognise a right to use an asset and a corresponding liability.	Annual periods beginning on or after 1st January 2019

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.

Bearer plants are 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 prior 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.

(c) 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.

(d) 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 n 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 NVENTORIES

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.

2.13 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 Euro.

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, 2017					
FINANCIAL ASSETS:					
Cash and cash equivalents	3,093,792	-	-	-	-
Trade receivables	465,222	-	-	-	-
	3,559,014	-	-	-	-
31ST DECEMBER, 2016					
FINANCIAL ASSETS:					
Cash and cash equivalents	3,198,251	-	-	-	-
Trade receivables	121,086	-	-	-	-
	3,319,337	-	-	-	-

Impaired losses

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

	2017 N '000	2016 N'000
Balance as at 1st January,		
Impairment loss recognised	-	-
Amounts written off	-	-
Balance as at 31st December,	-	-

(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.

Liquidity risk *Cont'd*

	LESS THAN 1 YEAR N'000	BETWEEN 1 AND 2 YEARS N'000	OVER 2 YEARS N'000	TOTAL N'000
31ST DECEMBER, 2017				
FINANCIAL LIABILITIES:				
Trade and other payables	516,044	-	-	516,044
Borrowings (principal and interest)	486,047	407,280	358,178	1,251,505
	1,002,091	407,280	358,178	1,767,549
31ST DECEMBER, 2016				
FINANCIAL LIABILITIES:				
Trade and other payables	756,077	-	-	756,077
Borrowings (principal and interest)	372,351	372,351	2,043,901	2,788,603
	1,128,428	372,351	2,043,901	3,544,680

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, 2017	31st December, 2016
Total debts	1,251,505	2,788,603
Less cash and cash equivalent	(3,093,792)	(3,198,251)
	(1,842,287)	(409,648)
Total equity	24,506,890	17,012,041
Gearing ratio	(7%)	(2%)

3.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value

	31st December, 2017		31st December, 2016	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS:				
Cash and bank balances	3,093,792	3,093,792	3,198,251	3,198,251
Trade receivables	465,222	465,222	121,086	121,086
Other receivables	512,911	512,911	384,643	384,643
Intercompany receivables	497,822	497,822	467,379	467,379
	4,569,747	4,569,747	4,171,359	4,171,359
FINANCIAL LIABILITIES:				
Trade payables	487,695	487,695	641,148	641,148
Borrowings	1,251,505	1,251,505	2,788,603	2,788,603
Other payables	28,349	28,349	114,929	114,929
Dividend payables	63,465	63,465	63,465	63,465
	1,831,014	1,831,014	3,608,145	3,608,145

(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, 2017.

	Level 1 N'000	Level 2 N'000	Level 3 N'000
Assets			
Cash and bank balances	3,093,792	-	-
Trade receivables	465,222	-	-
	3,559,014	-	-

(ii) Cash and bank balances *(Continued)*

The following table presents the Company's assets that are measured at fair value at 31st December, 2016.

	Level 1 N'000	Level 2 N'000	Level 3 N'000
Assets			
Cash and bank balances	3,198,251	-	-
Trade receivables	121,086	-	-
	3,319,337	-	-

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.

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

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) Analysis of the revenue by product:

	2017 N'000	2016 N'000
Palm oil products	17,014,400	12,164,748
Rubber products	3,196,297	2,199,988
Services	51,221	-
	20,261,918	14,364,736

(ii) Profitability by product

	Palm Oil 2017 N'000	Palm Oil 2016 N'000	Rubber 2017 N'000	Rubber 2016 N'000	Services 2017 N'000	Services 2016 N'000
(i) **Total revenue**	17,014,400	12,164,748	3,196,297	2,199,988	51,221	-
Profit from continuing operations before tax, finance cost and other related cost	9,344,594	5,886,916	1,755,460	1,064,646	28,132	-
Finance income	413,260	246,663	77,634	44,610		
Finance cost	(407,778)	(1,135,274)	(76,604)	(205,314)	-	-
Taxation/tax credit	(1,947,446)	(978,050)	(39,910)	(18,130)	(4,936)	-
Gain on disposal of assets	4,583	3,562	861	644	-	
Profit on continuing operations	7,407,213	4,023,817	1,717,441	886,456	23,196	-

(ii) Profit summary by product

	2017 N'000	2016 N'000
Derived from palm oil	7,407,213	4,023,817
Derived from rubber	1,717,441	886,456
services	23,196	-
	9,147,850	4,910,273

6. REVENUE

THE TURNOVER BY GEOGRAPHICAL DESTINATION AND OPERATIONS IS:

	2017 N'000	2016 N'000
Local (sales and services)	17,065,621	12,164,748
Export (rubber)	3,196,297	2,199,988
	20,261,918	14,364,736

7. OTHER WORKS PERFORMED BY THE ENTITY CAPITALISED

	2017 N'000	2016 N'000
Palm immature	3,378,252	1,928,785
Rubber immature	374,179	364,277
	3,752,431	2,293,062

Other work capitalised relates to overhead cost incurred on Immature biological assets during the year that was earlier expensed and capitalised in line with the relevant standard.

	2017 N'000	2016 N'000

8. RAW MATERIALS AND CONSUMABLES USED

	2017 N'000	2016 N'000
Upkeep of matured plantation	328,865	220,153
Harvesting and collection	420,376	368,742
Tapping and purchases of rubber lump	182,916	17,872
General overheads	3,908,996	2,698,805
	4,841,153	3,305,572

9. EXTERNAL CHARGES

	2017 N'000	2016 N'000
Transport	704,858	622,137
Wages	2,970,374	1,900,653
Technical assistance	25,934	25,282
Export expansion grant impairment (i)	-	52,546
Provision for exceptional risk (ii)	-	58,180
	3,701,166	2,658,798

(i) Export Expansion Grants represent the 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 5% provision on the principal amount due that was made in the year, the extent to which they can be utilized, and the delay in recovery have impeded the recoverability of these amounts.

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

10. EMPLOYEES' EXPENSES

	2017 N'000	2016 N'000
(Excluding directors' remuneration):		
Staff salaries	540,291	516,989
Staff welfare	38,168	20,861
Medical	-	-
Pension employer's contribution	20,361	45,180
Training	30,619	29,172
Gratuity	72,640	72,069
Production bonus	130,720	132,662
	832,799	816,933

11. ADMINISTRATIVE EXPENSES

	2017 N'000	2016 N'000
Management fees*	1,122,754	723,264
Directors fees and expenses	55,218	36,391
Security and safety expenses	407,716	399,844
Repairs and maintenance	248,316	115,486
Rent and rates	19,131	29,032
Professional and legal fees	186,149	138,091
Auditors remuneration	23,000	23,000
Donations and subscriptions	84,095	129,873
Overseas travel	93,792	64,986
Third party taxes	418,466	39,425
Power & electricity	120,511	11,723
Others	330,194	278,976
	3,109,342	1,990,091

*Management fees comprises of management and technical fees for the year. The management fees is 3% of the profit before tax of the company while the technical fees is 3% of net sales of the company.

12. OTHER INCOME

	2017 N'000	2016 N'000
Insurance claim compensation (note (i))	907	8,278
Sales of other products (note (ii))	101,641	80,931
Other revenues	50,460	25,525
Write back on provision	522	-
	153,530	114,734

(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 other products

This represents what 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

	2017 N'000	2016 N'000
Oil Palm	3,274,887	2,734,859
Rubber	951,566	854,631
	4,226,453	**3,589,490**

13.2 GROSS PROFIT

	2017 N'000	2016 N'000
By products:		
Oil Palm	13,790,734	9,429,889
Rubber	2,244,731	1,345,357
	16,035,465	**10,775,246**

14. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

		2017	2016
a)	**Director's emoluments**	**N'000**	**N'000**
	Fees	21,227	15,336
	Other emoluments and expenses	33,991	21,055
		55,218	36,391
b)	Emoluments:		
	Chairman	9,097	5,160
	Highest paid director	9,097	5,160
c)	Scale of other directors' remuneration (excluding the chairman)		
		Number	**Number**
	150,000 - 700,000	-	-
	3,000,001 - 7,550,000	8	8
d)	Employees remunerated at higher rate:		
	200,000 - 500,000	2	403
	500,001 - 1,000,000	408	60
	1,080,001 and above	100	58
		510	521
e)	Average number of persons employed	510	521

15. FINANCE INCOME

	N'000	**N'000**
Interest income on placement	474,303	177,434
Foreign exchange gains	16,588	113,839
Other finance income	3	-
	490,894	291,273

16. GAIN ON DISPOSAL OF ASSETS

	2017 N'000	**2016 N'000**
Sale of scrap	5,444	4,206

17. FINANCE COSTS

Interest on long term loans	195,814	300,284
Foreign exchange losses	288,568	1,040,304
	484,382	1,340,588

(i) The interest on long term loans received during the year to 31st December, 2016 has been capitalised as the loan was granted to purchase the extension to the oil mill.

	2017 N'000	**2016 N'000**
18. PROFIT FROM CONTINUING OPERATIONS BEFORE OTHER COMPREHENSIVE INCOME AND TAX	**11,140,142**	**5,906,453**

	2017 N'000	2016 N'000
Is stated after charging/crediting):		
Depreciation on property, plant and equipment	1,022,701	960,333
Depreciation on bearer biological assets	253,560	234,786
Auditors' remuneration	23,000	23,000
Directors' emoluments and expenses	55,218	36,391
Finance cost (note 17)	484,382	1,340,588
Finance income (note 15)	(490,894)	(291,273)
	=======	=======

19. TAXATION

Income taxes relating to continuing operations

19.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2017 N'000	2016 N'000
CURRENT TAX		
Expense in respect of the current year	1,669,488	807,800
Education tax	253,000	118,380
Under provision in prior years	69,804	70,000
	1,992,292	996,180
DEFERRED TAXATION		
Deferred tax (assets)/expense recognised in the current year	(95,200)	22,200
Total income tax expense recognised in current year relating to current operations	1,897,092	1,018,380
	=========	=========
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	11,140,142	5,906,453
Expected income tax expense calculated at 30% (2016: 30%)	3,342,049	1,771,936
Education tax expense calculated at 2% (2016: 2%) of assessable profit	253,000	118,380
Effect of revenue/expenses that are not deductible or chargeable in determining the taxable profit	(1,672,561)	(964,136)
Write-off of tax credit	-	-
Deferred tax relating to actuarial (loss)/gains	(95,200)	22,200
Adjustment recognised in the current year in relation to prior years	69,804	70,000
	1,897,092	1,018,380
	=========	=========
Effective tax rate	17%	17%
	===	===

The tax rate used for 2017 and 2016 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

	2017 N '000	2016 N'000
DEFERRED TAX		
Arising on income and expenses recognised in other comprehensive income:	-	-
Arising from actuarial (losses)/gains on staff retirement benefit plan	(95,200)	22,200
	======	======

19.3 CURRENT TAX PAYABLE

	2017 N'000	2016 N'000
As at the beginning of the year	1,386,231	530,201
Income tax expense recognised in current year	1,922,488	926,180
Payments during the year	(1,115,360)	(140,150)
Under provision in prior years	69,804	70,000
As at 31st December	2,263,163	1,386,231

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:

	2017 N'000	2016 N'000
DEFERRED TAX LIABILITIES		
As at the beginning of the year	1,755,473	1,733,273
Recognition in other comprehensive income	(95,200)	22,200
As at 31st December,	1,660,273	1,755,473

20. BASIC EARNINGS PER SHARE

	2017	2016
Basic earnings per 50kobo ordinary share	9.59	5.15

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

21. PROPERTY, PLANT AND EQUIPMENT

	Machinery & equipment N'000	Land & building N'000	Palm mill N'000	Rubber mill N'000	Vehicle N'000	Furniture & equipment N'000	Work-in-progress N'000	Total N'000
COST								
As at 1st January, 2017	2,063,309	4,977,002	5,400,841	986,164	1,089,516	227,175	177,245	14,921,252
Additions	101,234	4,445	57,168	57,324	852,351	6,902	1,942,852	3,022,276
Reclassification/ transfer	58,741	302,516	74,793	1,887	-	37,560	(475,497)	-
Disposals	(3,335)	-	-	-	(2,926)	-	-	(6,261)
As at 31st December, 2017	2,219,949	5,283,963	5,532,802	1,045,375	1,938,941	271,637	1,644,600	17,937,267
As at 1st January, 2017	1,350,668	801,307	2,141,479	421,491	822,391	166,493	-	5,703,829
Charge for the year	249,628	149,385	336,187	60,193	211,675	15,633	-	1,022,701
Eliminated on disposal	(3,230)	-	-	-	(2,568)	-	-	(5,798)
As at 31st December, 2017	1,597,066	950,692	2,477,666	481,684	1,031,498	182,126	-	6,720,732
Net Book Value								
As at 31st December, 2017	622,883	4,333,271	3,055,136	563,691	907,443	89,511	1,644,600	11,216,535
As at 31st December, 2016	712,641	4,175,695	3,259,362	564,673	267,125	60,682	177,245	9,217,423

22. BEARER BIOLOGICAL ASSETS

	Oil palm Plantation N'000	Rubber Plantation N'000	Total N'000
COST			
As at 1st January, 2017	6,681,023	4,744,019	11,425,042
Additions	3,378,252	374,179	3,752,431
As at 31st December, 2017	10,059,275	5,118,198	15,177,473
Depreciation			
As at 1st January, 2017	933,449	1,091,790	2,025,239
Charge for the year	111,959	141,601	253,560
As at 31st December, 2017	1,045,408	1,233,391	2,278,799
Net Book Value			
As at 31st December, 2017	9,013,867	3,884,807	12,898,674
As at 31st December, 2016	5,747,574	3,652,229	9,399,803

(ii) Analysis by maturity

	Palm Plantation N'000	Rubber Plantation N'000	Total N'000
Matured plantation	1,254,688	1,598,646	2,853,334
Immature plantation	7,759,179	2,286,161	10,045,340
	9,013,867	3,884,807	12,898,674

23. INVENTORIES

	2017 N'000	2016 N'000
Raw materials and consumables	314,358	183,394
General stores and agricultural consumables	1,401 903	1,263,347
Finished goods	798,391	232,746
Goods-in-transit	172,544	39,593
	2,687,196	1,719,080

24. TRADE RECEIVABLES

	2017 N'000	2016 N'000
Trade receivables	89,651	61,200
Advances to suppliers	375,571	59,886
	465,222	121,086

TRADE RECEIVABLES *cont'd*

Trade receivables represent the amounts due from the trade customers as at the end of the year. The company's operational policy is not to give credit, but those with a significant volume of business are given and they 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.

	2017 N'000	2016 N'000

25. INTERCOMPANY RECEIVABLES

	2017 N'000	2016 N'000
Sogescol (note 39(i))	343,593	315,350
Socfinco (note 39(ii))	(16,096)	(110,293)
Sodimex (note 39(iii))	171,235	265,963
Socfindo (note 39(iv))	-	-
Socfin Agricultural Company	-	434
Induservices Fribourg	(2,213)	(4,075)
Socfinaf	1,084	-
SCOB	159	-
Brabanta	60	-
	497,822	467,379

26. OTHER RECEIVABLES

	2017 N'000	2016 N'000
Staff loans and advances	132,197	91,570
Government grants(a)	157,630	157,630
Other receivables	208,621	114,869
Prepaid rent	144	135
Deferred income	14,319	20,439
	512,911	384,643

(a) **Government grants**

	2017 N'000	2016 N'000
Export Expansion Grant as at 1st January	1,050,883	1,050,883
Utilised in the year	-	-
Export Expansion Grant as at 31st December	1,050,883	1,050,883
Less: Impairment	(893,253)	(893,253)
	157,630	157,630

27. CASH AND CASH EQUIVALENTS

	2017 N'000	2016 N'000
Cash and bank balances	1,395,443	649,903
Dividend bank account(a)	98,447	98,447
Fixed deposits with local banks	1,599,902	2,449,901
	3,093,792	3,198,251

(a) Dividend bank balance represents the returns on the company's portfolio with Stanbic IBTC in respect of unclaimed dividend

28. FINANCIAL STATISTICS

Deposits with licensed banks are placed at the following rate for the following maturities.

	Weighted average Interest rate	Average maturity period
Deposit with licensed banks in Nigeria	[15% - 17%]	[31 days - 90 days]
	=== ===	======= =======

29. SHARE CAPITAL

(a) Authorised:

	2017 N'000	2016 N'000
1.2 billion ordinary shares of 50kobo each	600,000	600,000
	=======	=======

The members, by an ordinary resolution which was 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 notification shares with Corporate Affairs Commission was completed on 4th February, 2013.

(b) Issued called up share capital

	2017 N'000	2016 N'000
953,910,000 ordinary shares of 50 kobo each	476,955	476,955
	=======	=======

At the Annual General Meeting of the company, which was held on 5th of June 2013, the shareholders approved the amount 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

	2017 N'000	2016 N'000
As at 31st December	1,867,096	1,867,096
	=========	=========

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

31. REVENUE RESERVES

	2017 N'000	2016 N'000
At the beginning	14,667,990	9,801,309
Dividend paid (32)	(1,430,865)	(95,391)
	13,237,125	9,705,918
Retained profit for the year	9,147,850	4,910,273
Actuarial gains	(222,136)	51,799
	22,162,839	14,667,990
	==========	=========

32. DIVIDEND PAID

	2017 N'000	2016 N'000
Dividends paid during the year comprises:		
Final dividend 2015 (0.10 per share)	-	95,391
Final dividend 2016 (1.50 per share)	1,430,865	-
Paid during the year to 31st December,	1,430,865	95,391
	=========	======

33. POST EMPLOYMENT BENEFIT OBLIGATIONS

	2017 N'000	2016 N'000
Present value of unfunded obligation		
Liability in the balance sheet	**353,777**	**315,965**
	=======	=======

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

	2017 N'000	2016 N'000
Defined benefit obligation as at the beginning of the year	315,965	352,650
Current service cost	14,175	14,155
Interest cost	58,465	57,914
Remeasurement losses/(gains) arising from past service cost including curtailment gains	317,336	(73,999)
Benefits paid	(34,808)	(34,755)
Defined benefit obligation as at the end of the year	671,133	315,965
	=======	=======

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

	2017	2016
Current service costs	14,175	14,155
Net interest expense	58,465	57,914
Amounts recognised in the income statements	72,640	72,069
Remeasurement of the defined benefit obligation actuarial losses/(gains) arising	317,336	(73,999)
Amounts recognised in other comprehensive income	317,336	(73,999)
Total	389,976	(1,930)
	======	======
Actuarial (loss)/gains	**(317,336)**	**73,999**
	=======	======

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. The actuarial valuation was carried out by Messrs. Pension Architects.

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:

	2017 N'000	2016 N'000
Average discount rate (p.a.)	16.26%	18.16%
	======	======
Average salary increase rate (p.a.)	10%	5.25%
	===	=====

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 N649.3 million (increase to N694.1 million).

- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase to N694.4 million (decrease to N648.84 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, 2017.

34. BORROWINGS

	2017 N'000	2016 N'000
Foreign loan SOCFINAF	**78,767**	**1,243,514**
Zenith Bank Plc (ii)	1,172,738	1,545,089
As at 31st December	**1,251,505**	**2,788,603**
The financial liability is disclosed as follows:		
Current	486,047	372,351
Non-current	**765,458**	**2,416,252**
	1,251,505	2,788,603

(i) SOCFINAF S. A

The company entered into a 10 million Euro term loan agreement with SOCFINAF S.A in 2015 to finance capital investment in a new plantation (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, 2016 and the repayment commenced in February, 2016 in five equal instalments of 2 million Euros. The company will pay its final instalment in 2018.

(ii) Zenith Bank Plc loan

The Zenith Bank Plc loan represents 2 billion commercial agricultural credit loan received under a scheme of the Federal Government intervention which was obtained by the company through Zenith Bank Plc. The total amount was drawn down in August 2016 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 acquired.

35. TRADE PAYABLES

	2017 N'000	2016 N'000
Trade payables	320,205	318,735
Advances from customers	167,490	322,413
	487,695	641,148

36. OTHER PAYABLES

	2017 N'000	2016 N'000
Value Added Tax	254	5,191
Withholding tax	28,095	29,431
Third parties taxes (a)	-	80,307
	28,349	114,929

(a) The amount represents provision made on tax investigation on PAYE and WHT for the period 2007-2012.

	2017 N'000	2016 N'000

37. PROVISIONS AND ACCRUALS

	2017 N'000	2016 N'000
Provision for management fees payable	222,804	78,272
Provision for audit and professional fees	44,650	39,000
Accruals	155,385	117,445
Pension liabilities	16,840	15,912
Accrued interest	-	179,181
	439,679	429,810

38. DIVIDEND PAYABLE

	2017 N'000	2016 N'000
Unclaimed dividend	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.

39. 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 year amounted to N3.196 billion (2016: N2.200 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 N344 million (2016: N315 million).

(ii) SOCFINCO FR S.A

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 technical fees are calculated at an aggregate rate equal to 3% of the company's net sales and management fees is 3% 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 976 million (2016:723 million) on management and technical fees during the year. These fees were incurred on an arm's length basis. The amount due from the company to SOCFINCO FR SA at the year end was 16 million (2016: 110million).

(iii) SODIMEX FR

The company purchases a large amount of its equipment and spare parts from SODIMEX S.A/BXL (a related company). During the year under review, the company incurred N1.16 billion (2016:N76 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/BXL from the company as at the end of the year was N171 million (2016 due from: N265 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 N119 million (2016: N170.8 million) 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 Nil (2016 due from: Nil).

(v) SOCFIN AGRICULTURAL COMPANY

The company purchases mucuna seeds from Socfin Agricultural Company. The amount due from Socfin Agricultural Company as at the end of the year was nil (2016 due from: N0.434 Million).

(vi) INDUSERVICES FRIBOURG

Induservices Fribourg provides internet services for the company. The company incurred 16.9 million (2016: 10.9 million) to procure internet services. The amount due to the company as at the end of the year was 2.21 million (2016 due to: 4.08 million).

40. ULTIMATE HOLDING COMPANY

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

41. PROPOSED DIVIDEND TO BE DECLARED

The Board of Directors recommend a dividend of 3.00 per ordinary share (2016: 1.50 per ordinary share) held, subject to the payment of withholding tax at the appropriate rate.

42. CAPITAL COMMITMENTS

	2017 N'000	2016 N'000
As at 31st December	1,083,309 =========	1,607,219 =========

43. 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.

	2017 N'000	%	2016 N'000	%
Revenue from sales of products	20,261,918		14,364,736	
Other income	3,905,961		2,407,796	
	24,167,879		16,772,532	
Bought in materials and service	(10,667,645)		(8,482,574)	
Value added	13,500,234	100	8,289,958	100
Distribution of value added				
To employees and directors:				
Employees, costs (including director's remuneration)	888,017	6	853,324	10
To government:				
Government as taxes	1,992,292	15	996,180	12
To providers of capital:				
Interest on loan	195,814	1	335,062	4
Dividend	2,861,730	21	1,430,865	17
For replacement of property and Equipment				
Depreciation on property, plant and Equipment	1,022,701	8	960,333	12
Depreciation on bearer biological asset	253,560	2	234,786	3
Retained earnings	6,286,120	47	3,479,408	42
	13,500,234	100	8,289,958	100
***Other income comprises**				
Other work performed by the entity	3,752,431		2,293,062	
Other income	153,530		114,734	
	3,905,961		2,407,796	

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

Year ended 31st December	2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000
Profit or loss account					
Revenue	20,261,918	14,364,736	9,738,015	8,655,718	8,860,425
Profit before continuing operations before gain/loss in fair value taxation	11,128,186	6,951,562	3,278,181	1,951,837	2,595,663
Profit before taxation	11,140,142	5,906,453	2,898,645	1,904,496	2,687,301
Tax charge	(1,992,292)	(996,180)	(239,038)	(344,541)	(324,381)
Deferred tax	-	-	-	(230,000)	(277,000)
Profit on continuing Operations	9,147,850	4,910,273	2,659,607	1,329,955	2,085,920
Other comprehensive income					
Actuarial (loss)/gains	(317,336)	73,999	94,872	177,664	-
Deferred tax on actuarial loss/(gains)	95,200	(22,200)	(28,462)	(53,299)	-
Profit after tax	8,925,714	4,962,072	2,726,017	1,454,320	2,085,920
Statement of financial position					
Property plant & Equipment	11,216,535	9,217,423	9,848,681	10,255,455	6,507,126
bearer biological assets	12,898,674	9,399,803	7,395,989	5,111,060	4,677,285
Current assets	7,256,943	5,890,439	2,755,570	2,505,813	3,850,611
Total assets	31,372,152	24,507,665	20,000,240	17,872,328	15,035,022
Non current liabilities	3,096,864	4,487,690	5,472,091	3,678,372	3,348,178
Current liabilities	3,768,398	3,007,934	2,382,789	4,589,434	2,582,732
Total liabilities	6,865,262	7,495,624	7,854,880	8,267,806	5,930,910
Share capital	476,955	476,955	476,955	476,955	476,955
Share premium	1,867,096	1,867,096	1,867,096	1,867,096	1,867,096
Revenues	22,162,839	14,667,990	9,801,309	7,260,471	6,760,061
Total equity and reserves	24,506,890	17,012,041	12,145,360	9,604,522	9,104,112
Total equity and liabilities	31,372,152	24,507,665	20,000,240	17,872,328	15,035,022
Basic earnings per share (Naira)	9.59	5.15	2.79	1.39	2.19
Net assets per share (Naira)	26	18	13	10	10

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 12th of June, 2018 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

Dated this __________ Day of __________ 2018

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 (38TH ANNUAL GENERAL MEETING) TO BE HELD AT PROTEA HOTEL, BENIN CITY, EDO STATE. ON TUESDAY 12TH JUNE, 2018.

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 Mr. H. Fabri To re-elect Mr. S. F. Claeys To re-elect Mr. Ph.de Traux de Wardin		
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 38th Annual General Meeting to be held at PROTEA HOTEL, BENIN CITY, EDO STATE, on Tuesday June 12th, 2018 at 1200Noon.

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**)

Arrival of the Executive Governor of Edo State, Mr Godwin Obaseki to the Extension 2 Plantation

Executive Governor Mr. Godwin Obaseki arrives at the venue of the commissioning of the Ext 2 Plantation

Mr Gbenga Oyebode (Chairman of the Board) Mr Hubert Fabri and Chief Edebiri welcome Governor Obaseki to the Commissioning Ceremony

Exterior view of the tent used for the commissioning ceremony

Guest House at Ext 2 and some of the cars of the VVIP's

Dr Hefer ushering in the Commissioner of Police for Edo State

NDLEA Commander in a handshake with Brigadier Alegbe

Pleasantries exchanged between the Commissioner of Police and a senior Immigration Officer

The Commissioner of Police being introduced to Mr Fabri

The Esogban of Benin Kingdom and Board member, Chief Edebiri and Mr Hubert Fabri

Representatives from Neighbouring Communities

Ext 2 CLO, Dr Isi Aletor, receiving community representatives at the commissioning Ceremony

Agricultural Coordinator, Billy Ghansah, welcomes the MD of Notore Chemicals

Officers of the Okomu National Park, headed by the Conservator of the Park, arriving at the commissioning

Mr Charles Imonwa and other representatives from Owan Community

Board member, Mr Regis Helsmoortel, together with some Okomu Managers

HSE Manager, Mikle George, together with the company's FD, Mr Alain Mary and Mr Francois Fabri

Exchange of pleasantries between the Okomu Sales Manager, Mr Chris Amedu, representatives of the Oba, the Bridage Commander and Senior Immigration Officers

The MD, Dr Graham Hefer, and Board member, Mr Asue Ighodalo, putting heads together

Princess Akenzua, wife of the Enogie of Odighi (in red) with Mrs Amedu, wife of the Sales Manager

Managing Director, Dr Hefer, welcomes a Guest

Dr Graham Hefer giving his welcome address at the commissioning ceremony

Mr F. Fabri greets Kunle Salami, Estate Superintendant for Okomu. Rev Ohenhen of the Audit Committee looks on.

Sales Manager Chris Amedu ushers in MD of Presco, Mr Felix Nwabuko to the commissioning ceremony

Members of the Board of Directors in a group photograph with Governor Obaseki on his arrival at the Commissioning ceremony

Group photograph of the 2017 bursary award recipients with the MD

Commissioning of electricity project at Madagbayo

Borehole At Owan Donated By Okomu

Grading of Road At Oke By Okomu

Second Borehole at Umokpe

Borehole At Umokpe Constructed By Okomu

Group photograph of participants from Extension 1 communities during Community training on "Community Development- a New Perspective, Past Present and Future" organised by the Okomu Oil Palm Company Plc.

Community Hall At Irhue Built By Okomu

Okomu Management Team

Okomu Contractor's Team

The MD congratulates Cliford Oseji on receiving a complete household furniture for 25 yrs of service

Ojo Beauty (Plantation) welcomes the Agricultural Co-Ordinator her new set of furniture

Cultural dance by pupils of Okomu Staff School

HSE Awareness Day

Okomu Govt. Primary School pupils during the Safety talk organised by Okomu

Some of the Long Service Award Items

Mandate for E-Dividend Payment

OKOMU
Responsible tropical agriculture

CARDINALSTONE REGISTRARS

Affix Current Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
Cardinal tone Registrars, imited
358, Herbert Macaulay Way, Yaba,
P.O. Box 9117, Marina, Lagos
Nigeria.

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name   First Name   Other Names

Address :

City   State   Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1   Mobile Telephone 2

Email Address

Signature(s)

Company Seal (If applicable)

Joint\Company's Signatories

TICK	NAME OF COMPANY	SHAREHOLDER'S ACCOUNT NO.
	ACORN PET. PLC	
	AFRIK PHARMACEUTICALS PLC	
	AG HOMES SAVINGS & LOANS	
	AG LEVENTIS	
	ARBICO PLC	
	ASHAKACEM PLC	
	BANKERS WAREHOUSE	
	BETA GLASS	
	CAPITAL HOTEL 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 PALM PLC	
	PREMIER PAINT PLC	
	REAN PLC	
	SKYE BANK PLC	
	TOTAL NIG. PLC	
	TRANEX PLC	
	WOMEN INVESTMENT FUND	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-7120090

CARDINALSTONE REGISTRARS
website:www.cardinalstone.com; E-mail: registrars@cardinalstone.com

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

RUBBER BAIL READY FOR EXPORT

4LITRES 2LITRES

OKOMU BANGA RED PALM OIL

OKOMU

Responsible tropical agriculture

THE OKOMU OIL PALM COMPANY PLC

(RC 30894)

WHISTLE BLOWNG POLICY

BACKGROUND

The Securities and Exchange Commission of Nigeria has recommended that companies formulate and implement a whistle blowing policy as a matter of high priority. While our company expects all our employees and stakeholders to abide by our core values of honesty, service and recognition, the possibility of some employees and members of the public committing fraud or sabotage of any nature against the company, is not ruled out.

POLICY STATEMENT

IF ANY EMPLOYEE DISCOVERS ANY ACT OF FRAUD, EXTORTION OR SABOTAGE COMMITTED BY ANY PERSON WHOSOEVER AND PROMPTLY REPORTS THIS DISCOVERY TO MANAGEMENT, THE WHISTLE BLOWER WILL BE REWARDED WITH 10% OF THE ANTICIPATED VALUE OF THE FRAUD RECOVERED. (Value to be determined by the company)

THE COMPANY PLEDGES TO PROTECT THE IDENTITY OF THE WHISTLE BLOWER