



THE OKOMU OIL PALM COMPANY PLC
(RC 30894)

Annual Report & ACCOUNTS 2018

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BUREAU VERITAS
Certification



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...creating wealth from the soil

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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 the year.
- **2018** - The company completed the planting of all arable areas in extension 2
- **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 IS HEREBY GIVEN that the 39th Annual General Meeting of The Okomu Oil Palm Company Plc will be held at the Transcorp Hilton, 1 Aguiyi Ironsi Street, Maitama Abuja, on Thursday, 13th June, 2019 at 10.00am to transact the following:

ORDINARY BUSINESS

1. To receive and consider the audited accounts for the year ended 31st December 2018, together with the reports of the Directors, Auditors and Audit committee thereon.
2. To declare a dividend
3. To elect/re-elect Directors
Pursuant to Section 256 of the Companies and Allied Matters Act, 2004, the company received a special notice
"That Chief D. U. Edebiri who is 90 years old be re-elected a Director of the Company"
4. To authorize the directors to fix the remuneration of the auditors
5. To elect members of the Audit Committee

SPECIAL BUSINESS

6. To fix the remuneration of the Directors

PROXY

A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. Executed proxy forms 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 13 May, 2019 shall be qualified for the dividend payment.

2. CLOSURE OF REGISTER AND TRANSFER BOOKS

Notice is hereby given that the register of members and transfer books of the company will be closed from Tuesday 14th May to Friday 17th May 2019 (both days inclusive) to enable the Registrar to prepare for the payment of any dividends.

3. PAYMENT OF DIVIDEND

If the dividend is approved at the meeting, payment will be made on Thursday, 20 June 2019 to shareholders' whose names appear on the register of members at the close of business on Monday 13th May, 2019

4. E-ANNUAL REPORT

The electronic version of the Annual report is available at www.cardinalstoneregistrars.com. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via email. Furthermore, Shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via email to adetoun.akingbojule@cardinalstone.com.

5. E-DIVIDEND

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to Shareholders to provide account for the purpose of e-dividend. The form on page 73 of this Annual Report & Accounts 2018, should be completed by all shareholders to furnish the particulars of their accounts to the Registrars (Cardinalstone Registrars Ltd, 358 Herbert Macaulay Way, Yaba, Lagos) or scan and email to: raymond.akokota@cardinalstone.com

6. 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.

7. 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 not less than 7 days to the date of the meeting.

BY ORDER OF THE BOARD



Mr. Christian J. Mariere
Company Secretary
FRC/2017/NBA/00000016477
Dated this 19th day of March, 2019.

REGISTERED OFFICE:

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



Mr. Christian J. Mariere
Company Secretary

	2018 N '000	2017 N '000
REVENUE	20,257,669 =====	20,261,918 =====
Profit on continuing operations Before taxation	10,337,171	11,140,142
Companies Income Tax Charge	<u>(1,835,322)</u>	<u>(1,825,820)</u>
Profit on continuing operations After taxation	8,501,849 =====	9,314,322 =====
Total Comprehensive Income	8,239,903 =====	9,092,186 =====
NET ASSETS'	28,514,154 =====	23,135,981 =====
Employees' expenses	973,127 =====	832,799 =====
	No.	No.
NUMBER OF EMPLOYEES	491 ===	510 ===
Basic earnings per 50 kobo share (naira)	8.91 ===	9.76 ===
Net asset per 50 kobo share (naira)	30 ===	24 ===

DIRECTORS

CHAIRMAN

Mr. G. Oyeboode 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, I welcome you to the 39th Annual General meeting of our Company. It is my pleasure to present the annual report and financial results for the year ended 31st December 2018 to you.

THE OPERATING & ECONOMIC ENVIRONMENT FOR 2018

During the year, commodity prices fell steeply as a result of the trade war between the world's two largest economies (USA and China). Additionally, the Indian government increased tax on the importation of crude palm oil (CPO) into India, the largest importer of CPO in the world. Whilst inflation rate eased towards year end, domestic inflation rate remained in double digits and interest rates on bank loans hovered around twenty-four percent per annum. Notably, Nigeria's economy exited a painful recession by the end of 2018. However, economic headwinds remain due to prevailing structural and policy issues in key sectors of the economy. With general elections that held in February 2019, heightened political risks dampened demand in the local market. Also, due to the recession, disposable incomes of the general populace shrank significantly. Consequently, there was a tightening of inventories amongst downstream users of our products during the year.

Unlike 2017, rubber and CPO prices dropped fifteen and sixteen percent (16%) year on year respectively in 2018. CPO production was eight percent (8%) higher than in 2017, and rubber production was stagnant over the same period, mainly due to losses attributed to excessive rains. Lower product prices and rubber volumes, together, led to a nine percent (9%) drop in consolidated net profit for the year, when compared to 2017. Operating expenses were tightly controlled, increasing by only (0.02%) on a year on year basis, despite a double digit inflation rate environment.

DIVIDENDS

As a result of the results delivered, and bearing in mind the current economic climate, the Board of Directors recommended for approval, a dividend payment of N3 per ordinary share, or a total dividend of nearly N2.862 billion for the year ended 31st December 2018.

OPERATIONAL PERFORMANCE

PALM

As at the end of 2018, total cultivated oil palm area was eighteen thousand, nine hundred and forty-six hectares (18,946ha), of which eight thousand, three hundred and twenty-two hectares (8,322ha) were immature and new plantings. Plantation costs for the year are one percent higher than 2017.



Production of crude palm oil from the oil mill was eight percent (8%) higher than 2017's production, with oil extraction rates averaging twenty-two percent. However, the oil mill costs for 2018 were eight percent higher than the previous year, a direct result of the increased costs of imported spares. Total book costs were up two percent, year on year.



Mr. G. Oyeboye M.F.R.
Chairman

RUBBER

A total of three hundred and fifty hectares (350ha) of new rubber plantings or replants were done in 2018, and four hundred and ten hectares (410ha) of immature area opened for tapping. Dry rubber production saw no increase from last year whilst rubber plantation costs were nearly seventeen percent higher than 2017.



The rubber factory processed approximately the same amount of dry rubber in 2018, compared with the previous year. The price of processed rubber also declined by fifteen percent, on a year on year basis whilst factory processing costs decreased by about one percent. The total rubber production cost was eight percent higher than that of 2017.

CONSOLIDATED FINANCIAL RESULTS

During the year under review, the results of the Company recorded combined net sales of ₦20,257,669,000.00 (Twenty Billion, Two Hundred and Fifty Seven Million Six Hundred and Sixty Nine Thousand Naira), one percent less than 2017's net sales.

Consolidated direct costs of sales were seven percent higher than 2017 at ₦5,023,000,000.00 (Five Billion, Twenty-Three Million Naira) (2017: ₦4,009,000,000.00 (Four Billion, Nine Million Naira)).

In 2018, the Company paid more than ₦3,000,000,000.00 (Three Billion Naira) in taxes to Federal and State Government agencies, fifty-two percent up on the over ₦2,000,000,000.00 (Two Billion Naira) paid in 2017. This translated into a total net profit of ₦8.5 billion (Eight Billion Five Hundred Million Naira after taxes for 2018 nine percent lower than the ₦9,300,000,000.00 (Nine Billion, Three Hundred Million Naira) net profit after tax realised in 2017.

ENVIRONMENT SUSTAINABILITY, HEALTH, EDUCATION & SAFETY FOR 2018

As is now becoming the norm, the company continues to actively ensure the sustainability on environmental conservation, health, education and safety issues amongst all of our stakeholders with the aim of ensuring the sustainability of the surrounding biodiversity within our jurisdiction.

The company successfully completed all statutory environmental audits in 2018 without any State or Federal sanctions, and achieved certification on three ISO certification schemes again, namely ISO9001:2015, OHSAS18001: 2007 and ISO14001:2015 for good quality products, environment and safety, respectively.

The company continued to protect more than ten percent of its total area as high conservation value (HCV) areas, a notable achievement for our conservation goals. In 2018, the company spent ₦4,003,000.00 (Four Million, Three Thousand Naira) on environmental impact assessments and audits (cf 2017: (₦8,003,000.00) The company also spent ₦48,500,000.00 (Forty-Eight Million, Five Hundred Thousand Naira) in 2018 (cf 2017: (₦48,000,000.00) on staff health, safety and welfare programmes.

Notwithstanding the strong efforts of the Health, Safety and Environment (HSE) department's to ensure that all staff and other stakeholders operate under the highest safety conditions, The Company sadly lost three (3) employees due to industrial accidents in 2018. The Board passed on the company's commiserations to the bereaved families.

EMPLOYEES

The number of directly employed staff decreased from five hundred and ten (510) to four hundred and ninety-one (491) in 2018 due to natural attrition and improved efficiency in operations. The company also increased its investment in employee skills training programmes by thirteen percent.

CORPORATE SOCIAL RESPONSIBILITY

The company continues to operate an excellent Corporate Social Responsibility (CSR) programme for its neighbouring communities. Disbursements for ongoing training, projects, bursaries, skills acquisition programmes and the like made to our local communities amounted to ₦257,000,000.00 (Two Hundred and Eighty-Seven Million Naira) (cf 2017: (₦82,000,000.00) in 2018, out of which projects worth ₦190,000,000.00 (One Hundred and Ninety Million Naira) were completed in 2018.

FUTURE EXPANSION & DEVELOPMENT PLANS FOR 2019

The foundations for the first of the two thirty tonne per hour (30t/hour) oil mills in Extension 2 are proceeding according to plan and the first sixty (60) of the more than two-hundred (200) containers will arrive in June 2019 in anticipation of the factory being erected by first quarter 2021.

The company has completely planted all arable areas on Extension 2, and no further land for palm is available on Okomu for any future expansions.

The company has purchased a five megawatts (5Mw) turbine which will be erected at the oil mill in Okomu. This turbine will be fully operational in 2020 and should be able to generate enough power for both Okomu and Extension 1.

Additionally, two (2) tilting sterilizers were installed in 2018 and this effectively created a separate sixty tonne-per hour (60t/hour) oil mill side by side with the original thirty tonne per hour (30t/hour) oil mill at Okomu, resulting in a "mega" mill capable of processing around seventy-five tonne-per hour (75t/hour) of fresh fruiting bunches (FFB) in 2019.

To lower costs, the rubber factory has erected a wood boiler which will run on old wood harvested from trees in the rubber plantation. The erection of this wood boiler not only lowers the company's carbon footprint but is expected to lower rubber processing costs by up to fifteen percent (15%) at the rubber factory in 2019.

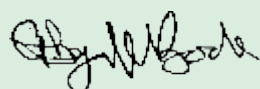
The company finalized a memorandum of understanding with the Okomu National Park (ONP) in connection with the joint management of the buffer zones and HCVs bordering the ONP. The Company has also initiated the park management plan strategy which will be progressed further in 2019.

A partnership with non-governmental organisations in 2019 will hopefully initiate smallholder programmes, together with the Edo State Government, in order to increase the company's CPO production through the purchasing of FFB from them, whilst also concurrently improving the lot of small-scale growers.

CONCLUSION

In closing, ladies and gentlemen, notwithstanding the severe adverse market conditions beyond the influence of any producer/market participant, the Board and Management continued to grow value for its shareholders. I would like to express my profound appreciation for the management, staff, contractors, communities and all other stakeholders who work tirelessly to sustain the dominance of our company in the market place. I also thank our members of the Board, Audit Committee and Shareholders, for their guidance and unwavering support through 2018. I welcome you to this Annual General Meeting and wish the company outstanding success in 2019.

Sincerely,



'Gbenga Oyeboade MFR
Chairman
FRC/2013/NBA/0000000254





Mr. G. Oyeode MFR
Chairman

Name: **Gbenga OYEBODE MFR**

Residence: Nigeria

Appointment: Non Executive Director

Qualification: LLB, BL, LLM

Work Experience & Occupation: Gbenga Oyeode is the Chairman of Aluko & Oyeode, (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) (FCI Arb) 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



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, Financière Moncey, Forestière Equatoriale, OKOMU, PT Socfin Indonesia (SOCFINDO), Safacam, Socapalm, Socfin Agricultural Company SL (SAC), Socfin KCD, Société Industrielle 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



Mr. P. A. E. Eguasa, JP

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.I.O.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.

Name : Philippe de Taux de WARDIN

Residence : Switzerland

Appointment: Non Executive Director

Qualification : BSc Applied Economic Science

Work Experience & Occupation : 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, Société Industrielle et Financière de l'Artois, SOGB, SudComoeCaoutchouc (SCC), Socfin, Socfinaf, Socfinasia, Socfinco FR, Socfin Green Energy



Mr. Ph. de Taux de Wardin



Name : Regis HELSMOORTEEL

Residence : Switzerland

Appointment: Non Executive Director

Qualification : BSc Industrial Management, MSc Agricultural Engineering

Work Experience & occupation:

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



Mr. R. Helsmoortel

Name: Asue IGHODALO

Residence: Nigeria

Appointment: Independent Director

Qualification: Bsc. Economics, LLB, BL

Work experience & Occupation

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



Name : Sven CLAEYS

Residence : Belgium

Appointment: Non Executive Director

Qualification : MSc Agricultural Engineering, M.A International Policy

Work experience & occupation

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



Mr. S. F. Claeys

The directors' present their annual report together with the audited financial statements report for the year ended 31st December, 2018.

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 financial statements.

4. DIVIDEND

The directors recommend, in respect of the year ended 31st December 2018, the declaration of a dividend of 2.862 billion (note 41) (2017: 2.862 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 requires 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 significant 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 for prevention and detection of 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 105 days on average during the year (2017: 42 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. PROPERTY, PLANT AND EQUIPMENT

These are set out in note 21 to the financial statements.

9. BEARER BIOLOGICAL ASSETS

These are set out in note 22 to the financial statements.

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 Oyeboode 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 retiring are: Mr G. Oyeboode, Chief D. U. Edebiri, OON and Mr. R. Helsmoortel.

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 shares of the company were 10k/share
1989	68,000,000	34,000,000	50,700,000	25,350,000	By Ord. Resolution passed on 27/04/1990, 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)*

Year	Authorised share capital		Issued & fully paid shares	Value	Remarks
	Number	Value			
		N		N	
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, 2018		31st December, 2017	
Name	Direct Number	Indirect Number	Direct Number	Indirect Number
Mr. G. Oyeboode MFR	35,938,136	5,345,978	35,938,136	5,345,978
Mr. P.A.E. Eguasa JP	9,165,000	-	9,165,000	-
Mr. A. Ighodalo	-	921,284	-	921,284
	=====	=====	=====	=====

NB: On the indirect shares shown above, Mr. G. Oyeboode is representing Coordinated Nigeria Limited, while Mr. Ighodalo is representing Moehi Nigeria Limited.

For the purpose of section 277 of the Companies and Allied Matters Act CAP C 20 LFN 2004, None of the Directors had any direct interest in the company's contract during the year

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

The company provides all of the appropriate training for its employees through the acquisition of the relevant experience that they obtain whilst working and training through their attendance at other relevant external courses. The company incurred ₦34.2 million (2017: ₦30.6 million) 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 49.6 million (2017: ₦47.6 million) during the year.

19. CORPORATE GOVERNANCE

The corporate governance report and the directors' 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 ₦257.2 million during the year (2017: ₦82.34 million). These comprised:

	2018 ₦'000	2017 ₦'000
Community projects	253,964	78,552
Scholarships given	3,240	3,791
	=====	=====
	257,204	82,343
	=====	=====

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 Matters 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, Mr. L. A Ohenhen, Mr. P.A.E. Eguasa, Mr. M. Igbrude, Mr. A. Imadu and Dr. Luc Boedt. Mr P.A.E. Eguasa acted as the Chairman of the Committee

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
19th March, 2019



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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 2018 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 the SEC Code which was the relevant code of Corporate Governance applicable to the company during the 2018 calendar year.

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 January 2019. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the board of directors.

Yours faithfully,

Ngozi Ogwo

FRC/2013/ICAN/00000004923

15th March, 2019

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

The Board considers that during the year the company was in full compliance with the code, which requires that the membership of the Board should not be less than 5 persons and should be a mix of executive and non-executive directors headed by a Chairman with at least one independent director.

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

FUNCTIONING OF BOARD

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

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

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

At its meetings during the year, the Board discharged the duties above and received updates on the following financial performance indicators; 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 Board Committees are outline on pages 21 to 25.

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. The summary of the report is as set out on page 19.

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. The costs of such training are borne by the company.

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 RESIGNATION

Changes in the composition of the Board is as set out in the Directors report on page 15.

BOARD APPOINTMENTS

The Board has a written policy in respect of the appointment of new members. The policy sets out the basis of selection, the process of examining and evaluating the curriculum vitae together with personal interviews by the Chairman and members of the Board. An induction process is held prior to the formal acceptance of the person on the Board. No new Board members were appointed during the year.

BOARD MEETINGS

During the year the Board held four scheduled meetings. The names of the Directors and the record of attendance at the scheduled Board committee meetings that were convened in the year ended 31 December 2018 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	3
1.	Mr. G. Oyebo	4 C	-	-	-
2.	Dr. G. Hefer	4 E	-	3	-
3.	Dr. L. J. J Boedt	4	4	-	-
4.	Mr. P. A. E Eguasa	4	4	3 C	3
5.	Mr. P. De Traux	4	-	-	3
6.	Mr. H Fabri	4	-	-	-
7.	Mr. R. Helsmoortel	4	-	-	3
8.	Chief D. U Edebiri	4	4	3	3
9.	Mr. A. Ighodalo	4 I	-	-	3 C
10.	Mr. A. Mary	4 E	-	3	-
11.	Mr. S F. Claey	4	-	3	-

- Non member

C Chairman

E Executive

I Independent

All Board members not separately designated are non executive.

In line with the provisions of Section 258(2) of the Companies and Allied Matters Act Cap C20 LFN 2004, the record of directors' attendance at board meetings shall be available for inspection at the Annual General Meeting.

BOARD / COMMITTEE MEETINGS HELD IN 2018

During 2018, the Board Meetings held four meetings. The record of Directors' attendance is presented below:

Name	Meeting Date	Meeting Date	Meeting Date	Meeting Date	Total Attendance
	15 March 2018	11 June 2018	9 Nov. 2018	11 Dec. 2018	
Mr. Gbenga Oyeboode	✓	✓	✓	✓	4 Meetings
Dr. Graham Hefer	✓	✓	✓	✓	4 Meetings
Dr. Luc Boedt	✓	✓	✓	✓	4 Meetings
Mr. Peter A. Eguasa	✓	✓	✓	✓	4 Meetings
Mr. Hubert Fabri	✓	✗	✓	✓	3 Meetings
Chief D. U. Edebiri	✓	✓	✓	✓	4 Meetings
Mr. Ph De Wardin	✓	✗	✓	✓	3 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 three meetings in 2018 the record of members attendance is presented below:

Name	Meeting Date	Meeting Date	Meeting Date	Total Attendance
	14 March 2018	11 June 2018	9 Nov. 2018	
Mr. Asue Ighodalo	✓	✓	✓	3 Meetings
Chief D. U. Edebiri	✓	✓	✓	3 Meetings
Mr. R. Helsmoortel	✓	✓	✓	3 Meetings
Mr. Ph De Wardin	✓	✓	✓	3 Meetings
Mr. Peter A. Eguasa	✓	✓	✓	3 Meetings

✓ - Present

The Risk Committee held three meetings in 2018 the record of members attendance is presented below:

Name	Meeting Date	Meeting Date	Meeting Date	Total Attendance
	14 March 2018	11 June 2018	9 Nov. 2018	
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 2018 the record of members attendance is presented below:

Name	Meeting Date	Meeting Date	Meeting Date	Meeting Date	Total Attendance
	13 March 2018	11 June 2018	9 Nov. 2018	11 Dec. 2018	
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

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 and the Company Secretary and through him, have access to independent professional advice in respect of their duties at the company's expense.

YEARS OF SERVICE

Board			Years
Chairman	-	Mr. G. Oyebo MFR	27
Managing Director	-	Dr. G. D. Hefer	12
Executive	-	Mr. A. Mary	8
Independent	-	Mr. A. Ighodalo	8

Non Executive

Chief D. U. Edebiri, OON	10
Mr. H. Fabri	29
Mr. R. Helsmoortel	10
Dr. L. J. J. Boedt	23
Mr. P. A. E. Eguasa JP	27
Mr. Ph. De Taux de warden	21
Mr. S. F. Claeys	6

External auditors

Messrs. Horwath Dafinone	8
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External Corporate Governance

Grant Thornton	5
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BOARD COMMITTEES

The Board has delegated certain authority to the committees each of whom has 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:

- Risk Management Committee
- Audit Committee
- Governance /Remuneration Committee

The Chairman is not a member of any Committee

RISK MANAGEMENT COMMITTEE

The Committee comprises of three non-executive directors are shown below:

Mr. P.A.E. Eguasa	Director	Chairman
Chief D.U Edebiri, OON	Director	Member
Mr. S. F. Claeys	Director	Member

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 2018.

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
Mr. 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 Mr. M. Igbrude from October, 2017 to October, 2018 and Mr. P.A.E Eguasa from October 2018 to October 2019. The committee met four times during the year. At the meetings, the Managing Director, Finance Director, representative of External Auditors(Attended twice), 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 as shown below:

Mr. Asue Ighodalo	Independent director	Chairman
Mr. Ph. De Taux de warden	Director	Member
Mr. R. Helsmoortel	Director	Member
Mr. P.A.E. Eguasa	Director	Member
Chief D.U Edebiri, OON	Director	Member

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. This programme is carried out through the office of the Company Secretary. The company intends to establish a web portal for its shareholders to ensure access to the relevant historical financial information.

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 and the relevant of the Code of Corporate Governance. 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 2018; 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.

Complaints management policy

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

GENDER DIVERSITY

The Board is aware of the need to ensure equal and fair opportunities to all persons regardless of gender or physical attributes. The Board is currently examining its policies to ensure a more focused approach in recruiting and promoting women within its organisation.

	No.
No. of women employed were:	
Management	1
Others	165
	<hr/>
	166
	=====

EMPLOYEES

The company continues to promote an equal opportunity, merit based environment for all of its employees. Details of specific issues are as set out in the Directors report on page 17.

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.

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 that the management has produced which are 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.



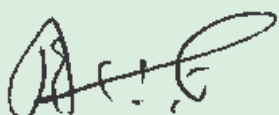
Mr. Christian J. Mariere
FRC/2017/NBA/00000016477
Company Secretary
By the Authority of the Board
Okomu-Udo
Edo State

19th March, 2019

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, 2018 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, 2018.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2018 were adequate and we confirm that the responses by the management to the external auditors findings on Management matters were satisfactory.



Mr. P. A. E. Eguasa
FRC/2014/CISN/00000010321
Chairman, Audit Committee
Dated this 18th March, 2019

MEMBERS OF THE AUDIT COMMITTEE:

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

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



Mr. P. A. E Eguasa (JP)



Dr. L. J. J. Boedt



Chief D. U. Edebiri OON



Rev. L. A. Ohenhen (JP)



Mr. M. Igbrude



Rev. A. Imadu

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 the financial reports for the year ended 31 December, 2018 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 the reporting date 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
19th March, 2019

MR. ALAIN MARY
FRC/2013/IODN/00000002461
Chief Finance Officer
19th March, 2019

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, 2018 which are set out on pages 32 to 66 and which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow 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, 2018 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 in the manner required by the Financial Reporting Council of Nigeria Act 2011.

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 20.26 billion (2017: 20.26 billion) (note 6). We also reviewed the impact of IFRS 15 on the revenue generated by the company.

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 receivables 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 arm's length and all revenue earned meet the requirement of the relevant standards.

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 tests 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 16 billion (2017: ₦12.9 billion).

During the year 2018, some part of rubber plantation was destroyed by storm arising in a net impairment of ₦49.20 million in the total value of biological asset.

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 obtained management's assessment of the impact arising from the destruction.

Checked the reasonableness of management's key assumptions and judgments exercised in performing the impact assessment.

- Economic life and useful life of the bearer plant
- Reliability of data collected

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 FOR THE FINANCIAL STATEMENTS

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 International Standards on Auditing (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 significant 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.
- Obtain 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
19th March, 2019

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

		2018 N' 000	2017 Restated N' 000
	Notes		
REVENUE	6	20,257,669	20,261,918
Other works performed by the entity capitalised	7	3,446,502	3,752,431
Changes in inventories of the finished goods and work in progress		185,360	721,028
Raw materials and consumables used	8	(4,415,829)	(4,841,153)
External charges	9	(3,988,470)	(3,701,166)
Employees' expenses	10	(973,127)	(832,799)
Depreciation on property, plant and equipment	21	(1,178,556)	(1,022,701)
Depreciation and impairment charges on bearer biological assets	22	(327,814)	(253,560)
Administrative expenses	11	(2,929,317)	(3,109,342)
Other income	12	183,506	153,530
OPERATING PROFIT BEFORE TAX, FINANCE AND OTHER RELATED COSTS		10,259,924	11,128,186
Finance income	15	353,685	490,894
Gain on disposal of assets	16	16,170	5,444
Finance costs	17	(292,608)	(484,382)
PROFIT FROM CONTINUING OPERATIONS BEFORE OTHER COMPREHENSIVE INCOME AND TAX	18	10,337,171	11,140,142
Companies income tax charge	19.1	(1,835,322)	(1,825,820)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		8,501,849	9,314,322
OTHER COMPREHENSIVE INCOME			
Actuarial loss	33	(374,209)	(317,336)
Deferred tax on actuarial loss	19.2	112,263	95,200
Total comprehensive income		8,239,903	9,092,186
Basic earnings per 50 kobo ordinary share (Naira)	20	8.91	9.76

The general information, critical information and the significant accounting policies that are set out on pages 36 to 46 and the notes on pages 36 to 64 form integral parts of the financial statements.

Statement of Financial Position

As at 31st December, 2018

	Notes	2018 N' 000	2017 Restated N' 000
ASSETS			
Non-current assets			
Property, plant and equipment	21	13,392,195	11,216,535
Bearer biological assets	22	16,017,362	12,898,674
		<hr/>	<hr/>
		29,409,557	24,115,209
CURRENT ASSETS			
Inventories	23	3,148,880	2,687,196
Trade receivables	24	744,313	465,222
Intercompany receivables	25	447,522	497,822
Other receivables	26	538,247	512,911
Cash and bank equivalents	27	4,129,434	2,995,345
		<hr/>	<hr/>
		9,008,396	7,158,496
		<hr/>	<hr/>
TOTAL ASSETS		38,417,953	31,273,705
		=====	=====
EQUITY AND LIABILITIES			
Share capital	29(b)	476,955	476,955
Share premium	30	1,867,096	1,867,096
Revenue reserves	31.1	26,411,611	20,771,492
Non-distributable reserves	31.2	(241,508)	20,438
		<hr/>	<hr/>
		28,514,154	23,135,981
NON-CURRENT LIABILITIES			
Deferred tax liabilities	19.4	1,548,010	1,660,273
Post-employment benefits obligations	33	1,165,774	671,133
Borrowings	34	2,267,286	765,458
		<hr/>	<hr/>
		4,981,070	3,096,864
CURRENT LIABILITIES			
Trade payables	35	1,548,070	487,695
Other payables	36	61,083	28,349
Provisions and accruals	37	319,924	439,679
Borrowings	34	464,433	486,047
Tax payable	19.3	2,529,219	3,599,090
		<hr/>	<hr/>
		4,922,729	5,040,860
		<hr/>	<hr/>
TOTAL LIABILITIES		9,903,799	8,137,724
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		38,417,953	31,273,705
		=====	=====

The general information, critical information and the significant accounting policies that are set out on pages 36 to 46 and the notes on pages 36 to 64 form integral parts of the financial statements.

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

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

Mr. A. Mary
Chief Finance Officer
FRC/2013/MULTI/00000002461

Approved by the Board of Directors on 19th March, 2019

Statement of changes in Equity

For the Year ended 31st December, 2018

	Note	Share Capital N' 000	Share premium N' 000	Non distributable reserves N' 000	Revenue reserves N' 000	Total N' 000
EQUITY AS AT 1ST JANUARY, 2017 AS PREVIOUSLY STATED		476,955	1,867,096	242,574	14,425,416	17,012,041
Prior year adjustment(note 31.1)		-	-	-	(1,537,381)	(1,537,381)
TRANSACTIONS WITH SHAREHOLDERS						
Dividends paid	32	-	-	-	(1,430,865)	(1,430,865)
As restated		476,955	1,867,096	242,574	11,457,170	14,043,795
Profit for the year		-	-	-	9,314,322	9,314,322
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)	9,314,322	9,092,186
EQUITY AS AT 31ST DECEMBER, 2017		476,955	1,867,096	20,438	20,771,492	23,135,981
EQUITY AS AT 1ST JANUARY, 2018 as restated		476,955	1,867,096	20,438	20,771,492	23,135,981
TRANSACTIONS WITH SHAREHOLDERS						
Dividends paid	32	-	-	-	(2,861,730)	(2,861,730)
		476,955	1,867,096	20,438	17,909,762	20,274,251
Profit for the year		-	-	-	8,501,849	8,501,849
Actuarial loss	33	-	-	(374,209)	-	(374,209)
Deferred tax on actuarial loss	19.2	-	-	112,263	-	112,263
COMPREHENSIVE INCOME FOR THE YEAR		-	-	(261,946)	8,501,849	8,239,903
EQUITY AS AT 31ST DECEMBER, 2018		476,955	1,867,096	(241,508)	26,411,611	28,514,154

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, critical information and the significant accounting policies that are set out on pages 36 to 46 and the notes on pages 36 to 64 form integral parts of the financial statements.

	Notes	2018 N' 000	2017 N' 000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit on continuing operations before tax	18	10,337,171	11,140,142
Adjustments for items not involving movement of cash			
Profit on disposal of fixed asset	16	(1,412)	(5,444)
Depreciation	21	1,178,556	1,022,701
Depreciation of bearer biological assets	22	327,814	253,560
		<hr/>	<hr/>
		11,842,129	12,410,959
Movement in working capital			
Increase in inventories	23	(461,684)	(968,116)
Increase in trade receivables	24	(279,091)	(344,136)
Inter-company receivables	25	50,300	(30,443)
Other receivables and prepayments	26	(25,336)	(128,268)
Increase/(decrease) in trade and other payables		1,093,109	(240,033)
(Decrease)/increase in provisions and accruals	37	(119,755)	9,869
Retirement benefits	33	120,432	37,832
		<hr/>	<hr/>
NET CASH GENERATED FROM OPERATING ACTIVITIES		12,220,104	10,747,664
Tax paid	19.3	(2,905,193)	(1,115,360)
		<hr/>	<hr/>
		9,314,911	9,632,304
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	21	(3,354,216)	(3,022,276)
Pre-cropping expenditure incurred	22	(3,446,502)	(3,752,431)
Proceeds from disposal of property, plant and equipment		1,412	5,907
		<hr/>	<hr/>
Net cash outflow from investing activities		(6,799,306)	(6,768,800)
Cash flow from financing activities			
Loans and borrowings		1,480,214	(1,537,098)
Dividends paid	32	(2,861,730)	(1,430,865)
		<hr/>	<hr/>
Net cash outflow from financing activities		(1,381,516)	(2,967,963)
Net cash inflow in the year		1,134,089	(104,459)
Cash and cash equivalent as at the beginning of the year		2,995,345	3,099,804
		<hr/>	<hr/>
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR*	27	4,129,434	2,995,345
		<hr/>	<hr/>

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

The general information, critical information and the significant accounting policies that are set out on pages 36 to 46 and the notes on pages 36 to 64 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.

1.1 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 its 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. SIGNIFICANT ACCOUNTING POLICIES

The significant 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 BASIS OF PREPARATION AND MEASUREMENT

The significant 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 19th March, 2019. 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.

2.1.1 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, 2019. 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 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 1 st January 2019
IFRS 17 Insurance Contracts	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 <i>Insurance Contracts</i>. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> discounted probability-weighted cash flows an explicit risk adjustment, and a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period. <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policy holders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features</p>	1 January 2021

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.

2.2.2 CHANGED ACCOUNTING POLICIES IN 2018

The following new standards have been adopted in 2018 and reflected in the financial statements.

IFRS 9 Financial instrument

With regards to the revised measurement principles IFRS 9 contains 3 classifications as stated in note 2.6.1.

- measured at amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

The standard eliminates the existing IAS 39 classification and measurement principle of loans and receivable, held to maturity and available for sale. The company has no investment classified as held to maturity, and other categories involve no change in measurement for the company.

With regards to the impact of "Expected loss model" on trade receivable and loan to customer, the company conclude that the impact is immaterial. The impact on the company's future income statement is expected to be immaterial as the standard requires provision to be recorded earlier and the initial impact of this timing differences is recorded in equity upon implementation.

IFRS 15 Revenue from contracts with customers

The company adopted IFRS 15 Revenue from contracts with customers as from 1st January, 2018 for implementaion, the full representative method is applied from 2017 financial information reinstated. The company conclude that IFRS 15 did not impact the timing of revenue recognition. However, the amount of revenue recognised will be impacted on the advertising and listing cost.

The adoption of IFRS 15 did not have any material impact on the company's revenue.

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.

(a) *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 less any 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 its 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) is stated at cost. When the asset is 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

The classification is based on both the company's business model for managing the financial assets and the characteristics of the financial assets contractual cash flow. 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, fair value through comprehensive income and amortised cost.

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) Financial assets at fair value through other comprehensive income

Fair value through other comprehensive income is the classification for instruments for which an entity has a dual business model i.e. the business model is achieved by both holding the financial assets to collect the contractual cash flows and through the sale of the financial assets. The characteristics of the contractual cash flows of instruments in this category must still be solely payments of principal and interest.

The changes in fair value of FVOCI debt instruments are recognised in other comprehensive income (OCI). Any interest income, foreign exchange gains/losses and impairments are recognised immediately in profit or loss. Fair value changes that have been recognised in OCI are recycled to profit or loss upon disposal of the debt instruments.

Amortised cost

Amortised cost applies to instruments for which an entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and the interest.

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) Financial assets at fair value through other comprehensive income

A financial asset is classified as subsequent measured at FVOCI if it:

- meet the SPPI criterion; and
- is held in a business model in which assets are managed both in order to collect contractual cash flow and for sale.

(c) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flow where those cash flow represent solely payments of principal and interest. After initial measurement, debts instruments in this category are carried at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any discount or premium on acquisition, transactions costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortised costs is calculated using the expected credit loss approach.

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.

(d) Amortised cost

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 INVENTORIES

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

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

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

2.8 FINANCE INCOME AND FINANCE COST

Finance income

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

Finance cost

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

Borrowing cost

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

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

2.9 PROVISIONS

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

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

2.10 INCOME TAX

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

2.11 EMPLOYEE BENEFITS

(a) Defined Contribution scheme

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

(b) Defined benefit gratuity scheme

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

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

2.12 REVENUE

Revenue from sales of agricultural produce and refined palm oil related products is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer; or upon delivery of the goods on board vessels or tankers for onward delivery to the customer.

Revenue is recognised when performance is complete, measurement is possible, and collection is assured. Performance would be regarded as being achieved when all of the following criteria have been met:

- Company's performance is complete; and significant risk and reward of ownership has been transferred to the buyer.
- The amount of revenue can be measured reliably.
- The benefit of the revenue will actually flow to the company.
- The company can reliably measure all costs relating to the transaction, past and future. The seller retains no continuing managerial involvement or control over the products sold. Collection is not an issue because of the advance payment. Advance payment establishes the presence of an arrangement. Performance criteria must be met for revenue to be recognised.

2.13 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.

2.14 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, 2018					
FINANCIAL ASSETS:					
Cash and cash equivalents	4,129,434	-	-	-	-
Trade receivables	744,313	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,873,747	-	-	-	-
	=====	=====	=====	=====	=====
31ST DECEMBER, 2017					
Financial assets:					
Cash and cash equivalents	2,995,345	-	-	-	-
Trade receivables	465,222	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,460,567	-	-	-	-
	=====	=====	=====	=====	=====

Impaired losses

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

	2018 N'000	2017 N'000
Balance as at 1 st January,	-	-
Impairment loss recognised	-	-
Amounts written off	-	-
	<hr/>	<hr/>
Balance as at 31 st 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 *Con'td*

	LESS THAN 1 YEAR N' 000	BETWEEN 1 AND 2 YEARS N' 000	OVER 2 YEARS N' 000	TOTAL N' 000
31st DECEMBER, 2018				
FINANCIAL LIABILITIES:				
Trade and other payables	1,609,153	-	-	1,609,153
Borrowings (principal and interest)	-	1,401,054	1,330,665	2,731,719
	<u>1,609,153</u>	<u>1,401,054</u>	<u>1,330,665</u>	<u>4,340,872</u>
	=====	=====	=====	=====
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
	<u>1,002,091</u>	<u>407,280</u>	<u>358,178</u>	<u>1,767,549</u>
	=====	=====	=====	=====

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:

	31 st December, 2018	31 st December, 2017
Total borrowings	2,731,719	1,251,505
Less cash and cash equivalents	(4,129,434)	(2,995,345)
	<u>(1,397,715)</u>	<u>(1,743,840)</u>
	=====	=====
Total equity	28,542,145	23,135,981
	<u>=====</u>	<u>=====</u>
Gearing ratio	(5%)	(8%)
	===	===

3.3. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value

	31 st December, 2018		31 st December, 2017	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS:				
Cash and bank balances	4,129,434	4,129,434	2,995,345	2,995,345
Trade receivables	744,313	744,313	465,222	465,222
Other receivables	538,747	538,747	512,911	512,911
Intercompany receivables	447,522	447,522	497,822	497,822
	<u>5,860,016</u>	<u>5,860,016</u>	<u>4,471,300</u>	<u>4,471,300</u>
	=====	=====	=====	=====
FINANCIAL LIABILITIES:				
Trade payables	1,548,070	1,548,070	487,695	487,695
Borrowings	2,731,719	2,731,719	1,251,505	1,251,505
Other payables	61,083	61,083	28,349	28,349
	<u>4,340,872</u>	<u>4,340,872</u>	<u>1,767,549</u>	<u>1,767,549</u>
	=====	=====	=====	=====

(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, 2018.

	Level 1 N' 000	Level 2 N' 000	Level 3 N' 000
Assets			
Cash and bank balances	4,129,434	-	-
Trade receivables	744,313	-	-
	<u>4,873,747</u>	<u>-</u>	<u>-</u>
	=====	=====	=====

(i) **Cash and bank balances (continued)**

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	2,995,345	-	-
Trade receivables	465,222	-	-
	<hr/>	<hr/>	<hr/>
	3,460,567	-	-
	=====	=====	=====

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

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:

	2018 N' 000	2017 N' 000
Palm oil products	17,148,945	17,014,400
Rubber products	2,921,459	3,196,297
Services	187,265	51,221
	<u>20,257,669</u>	<u>20,261,918</u>

(ii) Profitability by product

	Palm Oil		Rubber		Services	
	2018 N' 000	2017 N' 000	2018 N' 000	2017 N' 000	2018 N' 000	2017 N' 000
(i) Total revenue	17,148,945	17,014,400	2,921,459	3,196,297	187,265	51,221
Profit from continuing operations before tax, finance cost and other related cost	8,685,445	9,344,595	1,479,634	1,755,460	94,844	28,131
Finance income	302,202	413,260	51,483	77,634	-	-
Finance cost	(250,015)	(407,778)	(42,592)	(76,604)	-	-
Taxation/tax credit	(1,553,675)	(1,533,183)	(264,681)	(288,021)	(16,966)	(4,616)
Gain on disposal of assets	13,816	4,583	2,354	861	-	-
Profit on continuing operations	<u>7,197,773</u>	<u>7,821,477</u>	<u>1,226,198</u>	<u>1,469,330</u>	<u>77,878</u>	<u>23,515</u>

(ii) Profit summary by product

	2018 N' 000	2017 N' 000
Derived from palm oil	7,197,773	7,821,477
Derived from rubber services	1,226,198	1,469,330
	<u>77,878</u>	<u>23,515</u>
	<u>8,501,849</u>	<u>9,314,322</u>

	2018 N' 000	2017 N' 000
--	----------------	----------------

6. REVENUE

THE TURNOVER BY GEOGRAPHICAL DESTINATION AND OPERATIONS IS:

Local (sales and services)	17,336,210	17,065,621
Export (rubber)	2,921,459	3,196,297
	<u>20,257,669</u>	<u>20,261,918</u>

7. OTHER WORKS PERFORMED BY THE ENTITY CAPITALISED

	2018 N' 000	2017 N' 000
Palm immature	3,009,349	3,378,252
Rubber immature	437,153	374,179
	<u>3,446,502</u>	<u>3,752,431</u>
	=====	=====

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.

8. RAW MATERIALS AND CONSUMABLES USED

	2018 N' 000	2017 N' 000
Upkeep of matured plantation	556,294	328,865
Harvesting and collection	364,538	420,376
Tapping and purchases of rubber lump	123,981	182,916
General overheads	3,371,016	3,908,996
	<u>4,415,829</u>	<u>4,841,153</u>
	=====	=====

9. EXTERNAL CHARGES

	2018 N' 000	2017 N' 000
Transport	1,021,810	704,858
Wages	2,902,390	2,970,374
Technical assistance	64,270	25,934
	<u>3,988,470</u>	<u>3,701,166</u>
	=====	=====

10. EMPLOYEES' EXPENSES

	2018 N' 000	2017 N' 000
Staff salaries (Excluding directors' remuneration):	586,753	540,291
Staff welfare	38,495	38,168
Pension employer's contribution	22,387	20,361
Training	34,195	30,619
Gratuity	145,361	72,640
Production bonus	145,936	130,720
	<u>973,127</u>	<u>832,799</u>
	=====	=====

11. ADMINISTRATIVE EXPENSES

	2018 N' 000	2017 N' 000
Management fees*	1,073,194	1,122,754
Directors remuneration	59,867	55,218
Security and safety expenses	419,952	407,716
Repairs and maintenance	382,333	248,316
Rent and rates	11,234	19,131
Professional and legal fees	115,127	186,149
Auditors remuneration	23,000	23,000
Donations and subscriptions	260,409	84,095
Overseas travel	80,845	93,792
Third party taxes	3	418,466
Power & electricity	146,113	120,511
Others	357,240	330,194
	<u>2,929,317</u>	<u>3,109,342</u>
	=====	=====

*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

	2018 N' 000	2017 N' 000
Insurance claim compensation (note (i))	15,888	907
Sales of other products (note (ii))	104,781	101,641
Other revenues	62,837	50,460
Write back on provision	-	522
	<u>183,506</u>	<u>153,530</u>
	=====	=====

(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

	2018 N' 000	2017 N' 000
Oil Palm	4,094,616	3,274,887
Rubber	1,264,441	951,566
	<u>5,359,057</u>	<u>4,226,453</u>
	=====	=====

13.2 GROSS PROFIT

By products:		
Oil Palm	13,241,594	13,790,734
Rubber	1,657,018	2,244,731
	<u>14,898,612</u>	<u>16,035,465</u>
	=====	=====

14. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

a) Director's emoluments

Fees	59,867	55,218
Other emoluments and expenses	13,500	11,465
	<u>73,367</u>	<u>66,683</u>
	=====	=====

b) Emoluments:

Chairman	9,587	9,097
	=====	=====
Highest paid director	9,587	9,097
	=====	=====

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

	2018	2017
	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
500,001 – 1,000,000	315	408
1,080,001 and above	176	100
	—	—
	491	510
	===	===
e) Average number of persons employed	491	510
	===	===
	N' 000	N' 000
15. FINANCE INCOME		
Interest income on placement of funds	326,347	474,303
Foreign exchange gains	27,338	16,588
Other finance income	–	3
	—	—
	353,685	490,894
	=====	=====
	2018	2017
	N' 000	N' 000
16. GAIN ON DISPOSAL OF ASSETS		
Sale of scrap	14,758	–
Sale of property, plant and equipment	1,412	5,444
	—	—
	16,170	5,444
	=====	=====
17. FINANCE COSTS		
Interest on long term loans	105,430	195,814
Foreign exchange losses	187,178	288,568
	—	—
	292,608	484,382
	=====	=====
18. PROFIT FROM CONTINUING OPERATIONS BEFORE OTHER COMPREHENSIVE INCOME AND TAXATION		
	10,337,171	11,140,142
	=====	=====
Is stated after charging/crediting):		
Depreciation on property, plant and equipment	1,178,556	1,022,701
Depreciation on bearer biological assets	327,814	253,560
Auditors' remuneration	23,000	23,000
Directors' emoluments and expenses	73,367	66,683
Finance costs (note 17)	292,608	484,382
Finance income (note 15)	(353,685)	(490,894)
	=====	=====

19. TAXATION

Income taxes relating to continuing operations

19.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Current tax

Expense in respect of the current year	1,592,072	1,503,016
Education tax	243,250	253,000
Under provision in prior years	-	69,804

	1,835,322	1,825,820
--	-----------	-----------

DEFERRED TAXATION

Deferred tax (assets)/expense recognised in the current year	(112,263)	(95,200)
--------------------------------------------------------------	-----------	----------

Total income tax expense recognised in current year relating to current operations	1,723,059	1,730,620
------------------------------------------------------------------------------------	-----------	-----------

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	10,337,171	11,140,142
Expected income tax expense calculated at 30% (2017: 30%)	3,101,151	3,342,049
Education tax expense calculated at 2% (2017: 2%) of assessable profit	243,250	253,000
Effect of revenue/expenses that are not deductible or chargeable in determining the taxable profit	(1,509,079)	(1,839,033)
Write-off of tax credit	-	-
Deferred tax relating to actuarial (loss)/gains	(112,263)	(95,200)
Adjustment recognised in the current year in relation to prior years		69,804
	1,723,059	1,730,620
Effective tax rate	17%	16%

The tax rate used for 2018 and 2017 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

DEFERRED TAX

Arising on income and expenses recognised in other comprehensive income:		
Arising from actuarial losses on staff retirement benefit plan	(112,263)	(95,200)

	2018	2017
	N'000	Restated N'000

	-	-
	(112,263)	(95,200)

19.3 CURRENT TAX PAYABLE

	2018 N'000	2017 N'000
As at the beginning of the year	3,599,090	1,386,231
Income tax expense recognised in current year	1,835,322	1,756,016
Payments during the year	(2,905,193)	(948,888)
Under provision in prior years	-	1,405,731
	<u>2,529,219</u>	<u>3,599,090</u>
As at 31 st December	2,529,219	3,599,090

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:

	2018 N'000	2017 N'000
Deferred tax liabilities		
As at the beginning of the year	1,660,273	1,755,473
Recognition in other comprehensive income	(112,263)	(95,200)
	<u>1,548,010</u>	<u>1,660,273</u>
As at 31 st December,	1,548,010	1,660,273

20. BASIC EARNINGS PER SHARE

Basic earnings per 50kobo ordinary share	8.91	9.76
------------------------------------------	------	------

Basic earnings per share are calculated using the profit after tax and the 953,910,000 ordinary shares that were in issue 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 1 st January, 2018	2,219,949	5,283,963	5,532,802	1,045,375	1,938,941	271,637	1,644,600	17,937,267
Additions	123,106	9,531	530,240	60,272	483,418	24,130	2,123,519	3,354,216
Reclassification/ transfer	198,904	956,797	801,541	17,188	14,264	54,508	(2,043,202)	
Disposals	-	-	-	-	(2,152)	(225)	-	(2,377)
	<u>2,541,959</u>	<u>6,250,291</u>	<u>6,864,583</u>	<u>1,122,835</u>	<u>2,434,471</u>	<u>350,050</u>	<u>1,724,917</u>	<u>21,289,106</u>
As at 31 st December, 2018	2,541,959	6,250,291	6,864,583	1,122,835	2,434,471	350,050	1,724,917	21,289,106
As at 1 st January, 2018	1,597,066	950,692	2,477,666	481,684	1,031,498	182,126	-	6,720,732
Charge for the year	238,482	189,291	360,735	67,880	301,990	20,178	-	1,178,556
Eliminated on disposal	-	-	-	-	(2,152)	(225)	-	(2,377)
	<u>1,835,548</u>	<u>1,139,983</u>	<u>2,838,401</u>	<u>549,564</u>	<u>1,331,336</u>	<u>202,079</u>	<u>-</u>	<u>7,896,911</u>
As at 31 st December, 2018	1,835,548	1,139,983	2,838,401	549,564	1,331,336	202,079	-	7,896,911
Carrying amount								
As at 31 st December, 2018	706,411	5,110,308	4,026,182	573,271	1,103,135	147,971	1,724,917	13,392,195
As at 31 st December, 2017	622,883	4,333,271	3,055,136	563,691	907,443	89,511	1,644,600	11,216,535

22. BEARER BIOLOGICAL ASSETS

COST

	Oil palm Plantation N' 000	Rubber Plantation N' 000	Total N' 000
As at 1 st January, 2018	10,059,275	5,118,198	15,177,473
Additions	3,009,348	437,154	3,446,502
Disposals*	-	(121,829)	(121,829)
As at 31 st December, 2018	13,068,623	5,433,523	18,502,146
Depreciation			
As at 1 st January, 2018	1,045,408	1,233,391	2,278,799
Charge for the year	136,957	141,702	278,659
Impairment	-	49,155	49,155
Disposals*	-	(121,829)	(121,829)
As at 31 st December, 2018	1,182,365	1,302,419	2,484,784
Carrying amount			
As at 31 st December, 2018	11,886,258	4,131,104	16,017,362
As at 31 st December, 2017	9,013,867	3,884,807	12,898,674

(ii) Analysis by maturity

	Palm Plantation N' 000	Rubber Plantation N' 000	Total N' 000
Matured plantation	1,753,044	2,137,902	3,890,946
Immature plantation	10,133,214	1,993,202	12,126,416
	11,886,258	4,131,104	16,017,362

* This represents the cost, depreciation and impairment of the portion of rubber plantation that was destroyed due to the storm.

23. INVENTORIES

	2018 N' 000	2017 N' 000
Raw materials and consumables	111,042	314,358
General stores and agricultural consumables	2,113,670	1,401,903
Finished goods	875,814	798,391
Goods-in-transit	48,354	172,544
	3,148,880	2,687,196

24. TRADE RECEIVABLES

	2018 N' 000	2017 N' 000
Trade receivables	40,021	89,651
Advances to suppliers	704,292	375,571
	<u>744,313</u>	<u>465,222</u>
	=====	=====

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.

25. INTERCOMPANY RECEIVABLES

	2018 N' 000	2017 N' 000
Sogescol (note 39(i))	321,713	343,593
Socfinco (note 39(ii))	-	(16,096)
Sodimex (note 39(iii))	118,503	171,235
Induservices Fribourg		(2,213)
Socfinaf	1,606	1,084
SCOB	1,140	159
Brabanta	651	60
Socapalm	1,955	-
Safacam	977	-
AMD Agro	488	-
Sud comoe	489	-
	<u>447,522</u>	<u>497,822</u>
	=====	=====

26. OTHER RECEIVABLES

Staff loans and advances	141,495	132,197
Government grants(a)	157,630	157,630
Other receivables	238,982	208,621
Prepaid rent	140	144
Deferred income	-	14,319
	<u>538,247</u>	<u>512,911</u>
	=====	=====

(a) Government grants

Export Expansion Grant as at 1 st January	1,050,883	1,050,883
Utilised in the year	-	-
	<u>1,050,883</u>	<u>1,050,883</u>
Export Expansion Grant as at 31 st December	(893,253)	(893,253)
Less: Impairment		
	<u>157,630</u>	<u>157,630</u>
	=====	=====

27. CASH AND CASH EQUIVALENTS

	2018 N' 000	2017 N' 000
Cash and bank balances	4,129,434	1,395,443
Fixed deposits with local banks	-	1,599,902
	<u>4,129,434</u>	<u>2,995,345</u>
	=====	=====

28. FINANCIAL STATISTICS

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

Deposit with licensed banks In Nigeria	Weighted average interest rate			Average maturity period	
	[15% ===	-	17%] ===	[31 days - 90 days] =====	=====
				2018 N' 000	2017 N' 000

29. SHARE CAPITAL

(a) Authorised:

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

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

As at 31 st December	1,867,096 =====	1,867,096 =====
---------------------------------	--------------------	--------------------

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

31.1 REVENUE RESERVES

Retained earnings as previously stated	20,771,492	14,425,416
Prior year adjustment (a)	-	(1,537,381)
As currently restated	20,771,492	12,888,035
Dividend paid (32)	(2,861,730)	(1,430,865)
Retained profit for the year	17,909,762 8,501,849	11,457,170 9,314,322
	26,411,611 =====	20,771,492 =====
(a) The prior period adjustment is analysed as follows:		
Recognition of prior year tax liabilities paid (i)	1,502,399	
Reversal of income on investment with IBTC (ii)	34,982	
	1,537,381 =====	

- (i) This relates to payments made in respect of the tax audit carried out by the Federal Inland Revenue Service (FIRS) for the years ended 2013 to 2016 in respect of Companies Income Tax, Education Tax, Withholding Tax and Value Added Tax liabilities that were omitted in the company's records. The corresponding entries were passed through the liability's accounts in the statement of financial position. The effect of these transactions has been stated as follows:

	Company income tax N' 000	Education tax N' 000	VAT N' 000	WHT N' 000	Total N' 000
2013	-	2,854	-	-	2,854
2014	551,680	11,965	24,066	8,150	595,860
2015	-	10,261	2,604	126,817	139,683
2016	759,341	4,661	-	-	764,002
	<u>1,311,021</u>	<u>29,741</u>	<u>26,670</u>	<u>134,967</u>	<u>1,502,399</u>

- (ii) This represents interest on the investment with Stanbic IBTC in respect of unclaimed dividend that was erroneously recognised as income in prior year.

31.2 NON-DISTRIBUTABLE RESERVES

	2018 N' 000	2017 N' 000
As at 1 st January	20,438	242,574
Addition during the year:		
Actuarial loss	(374,209)	(317,336)
Deferred tax on actuarial loss	112,263	95,200
As at 31 st December	<u>(241,508)</u>	<u>20,438</u>

The non-distributable reserves relate to the net actuarial (losses)/gains on the employee retirement benefit obligation.

32. DIVIDEND PAID

Dividends paid during the year comprises:

	2018 N' 000	2017 N' 000
Final dividend 2016 (1.50 per share)	-	1,430,865
Final dividend 2017 (3.00 per share)	2,861,730	-
	<u>2,861,730</u>	<u>1,430,865</u>
Paid during the year to 31 st December,	=====	=====

33. POST EMPLOYMENT BENEFIT OBLIGATIONS

Present value of unfunded obligation

Liability in the balance sheet

	2018 N' 000	2017 N' 000
	791,565	353,777
	=====	=====

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

	2018 N' 000	2017 N' 000
Defined benefit obligation as at the beginning of the year	671,133	315,965
Current service cost	32,663	14,175
Interest cost	112,699	58,465
Remeasurement losses arising from past service cost including curtailment gains	374,209	317,336
Benefits paid	<u>(24,930)</u>	<u>(34,808)</u>
Defined benefit obligation as at the end of the year	<u>1,165,774</u>	<u>671,133</u>
	=====	=====

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

	2018 N' 000	2017 N' 000
Current service costs	32,663	14,175
Net interest expense	112,699	58,465
Amounts recognised in the income statements	145,362	72,640
Remeasurement of the defined benefit obligation actuarial losses arising	374,209	317,336
Amounts recognised in other comprehensive income	374,209	317,336
Total	519,571 =====	389,976 =====
Actuarial loss	(374,209) =====	(317,336) =====

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:

	2018 N' 000	2017 N' 000
Average discount rate (p.a.)	16.40% =====	16.26% =====
Average salary increase rate (p.a.)	13% =====	10% =====

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

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease to ₦649.3 million (increase to ₦694.1 million).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase to ₦694.4 million (decrease to ₦648.84 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 31st December, 2018.

34. BORROWINGS

Foreign loan SOCFINAF (i)
Zenith Bank Plc (ii)
Bank of Industry (iii)

As at 31st December

The financial liability is disclosed as follows:

Current
Non-current

2018 N' 000	2017 N' 000
-	78,767
765,458	1,172,738
1,966,261	-
2,731,719	1,251,505
=====	=====
464,433	486,047
2,267,286	765,458
2,731,719	1,251,505
=====	=====

(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.

(iii) Bank of Industry loan

The Bank of Industry loan represents ₦1,947,314,434.50 loan received from the BOI to finance the procurement of items of plant and machinery towards the expansion of Okomu Oil Palm processing plant in Okomu-Udo, Edo State. The total amount was drawn down in May, 2018 and bears interest at the rate of 10% per annum payable monthly. The facility has a one (01) year moratorium period beginning from the date of first disbursement. It has a repayment of sixty (60) equal and consecutive monthly instalments commencing immediately after the moratorium period. It is secured with a bank guarantee of the loan and accruing interest on a continuous basis by Sterling Bank Plc.

	2018 N' 000	2017 N' 000
35. TRADE PAYABLES		
Trade payables	1,128,156	320,205
Advances from customers	419,914	167,490
	<u>1,548,070</u>	<u>487,695</u>
	=====	=====
36. OTHER PAYABLES		
Value Added Tax	10,018	254
Withholding tax	51,065	28,095
	<u>61,083</u>	<u>28,349</u>
	=====	=====
	2018 N' 000	2017 N' 000
37. PROVISIONS AND ACCRUALS		
Provision for management fees payable	52,559	222,804
Provision for audit and professional fees	48,300	44,650
Accruals	202,486	155,385
Pension liabilities	16,579	16,840
	<u>319,924</u>	<u>439,679</u>
	=====	=====
38. DIVIDEND PAYABLE		
Dividend bank account (a)	596,950	487,372
Unclaimed dividend (b)	(596,950)	(487,372)
	<u>-</u>	<u>-</u>
	=====	=====

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

(b) The amount represents unclaimed dividends declared up to and including the 2017 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 ₦2.921 billion (2017: ₦3.196 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 ₦323 million (2017: ₦344 million).

(ii) SOCFINCO FR

SOCFINCO FR SA has exclusive rights to know-how and manages the affairs of the company. In consideration of the provision to the company of this technical know-how, management fees and other support charges are paid to SOCFINCO FR SA. The 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 ₦933 million (2017: ₦976 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 nil million (2017: ₦16 million).

(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 688 million (2017: ₦1.16 billion) 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 ₦118 million (2017 due from: ₦171 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 ₦20.3 million (2017: ₦119 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 (2017 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 (2017 due from: nil).

(vi) INDUSERVICES FRIBOURG

Induservices Fribourg provides internet services for the company. The company incurred ₦9 million (2017: ₦16.9 million) to procure internet services. The amount due to the company as at the end of the year was nil million (2017 due to: ₦2.21 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 50 kobo ordinary share (2017: 3.00 per 50 kobo ordinary share) held, subject to the payment of withholding tax at the appropriate rate.

42. CAPITAL COMMITMENTS

As at 31st December

2018 ₦' 000	2017 ₦' 000
831,503 =====	1,083,309 =====

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.

	2018 N' 000	%	2017 N' 000	%
Revenue from sales of products	20,257,669		20,261,918	
Other income	3,630,009		3,905,961	
	<hr/>		<hr/>	
Bought in materials and service	23,887,678 (10,892,213)		24,167,879 (10,656,180)	
	<hr/>		<hr/>	
Value added	12,995,465	100	13,511,699	100
	=====	===	=====	===
Distribution of value added				
To employees and directors:				
Employees, costs (including director's remuneration)	1,046,494	8	899,482	7
To government:				
Government as taxes	1,835,322	14	1,825,820	13
To providers of capital:				
Interest on loan	105,430	1	195,814	1
Dividend	2,861,730	22	2,861,730	21
For replacement of property and Equipment				
Depreciation on property, plant and Equipment	1,178,556	9	1,022,701	8
Depreciation on bearer biological asset	327,814	3	253,560	2
Retained earnings	5,640,119	43	6,452,592	48
	<hr/>		<hr/>	
	12,995,465	100	13,511,699	100
	=====	===	=====	===
*Other income comprises				
Other work performed by the entity	3,446,502		3,752,431	
Other income	183,506		153,530	
	<hr/>		<hr/>	
	3,630,008		3,905,961	
	=====		=====	

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	2018 N' 000	2017 N' 000	2016 N' 000	2015 N' 000	2014 N' 000
Profit or loss account					
Revenue	20,257,669 =====	20,261,918 =====	14,364,736 =====	9,738,015 =====	8,655,718 =====
Profit before continuing operations before gain/loss in fair value taxation	10,259,924	11,128,186	6,951,562	3,278,181	1,951,837
Profit before taxation	10,337,171	11,140,142	5,906,453	2,898,645	1,904,496
Tax charge	(1,835,322)	(1,825,820)	(996,180)	(239,038)	(344,541)
Deferred tax	-	-	-	-	(230,000)
Profit on continuing Operations	8,501,849	9,314,322	4,910,273	2,659,607	1,329,955
Other comprehensive income					
Actuarial (loss)/gains	(374,209)	(317,336)	73,999	94,872	177,664
Deferred tax on actuarial loss/(gains)	112,263	95,200	(22,200)	(28,462)	(53,299)
Profit after tax	8,239,903	9,092,186	4,962,072	2,726,017	1,454,320
Statement of financial position					
Property plant & Equipment	13,392,195	11,216,535	9,217,423	9,848,681	10,255,455
bearer biological assets	16,017,362	12,898,674	9,399,803	7,395,989	5,111,060
Current assets	9,008,396	7,158,496	5,890,439	2,755,570	2,505,813
Total assets	38,417,953 =====	31,273,705 =====	24,507,665 =====	20,000,240 =====	17,872,328 =====
Non current liabilities	4,981,070	3,096,864	4,487,690	5,472,091	3,678,372
Current liabilities	4,922,729	5,040,860	3,007,934	2,382,789	4,589,434
Total liabilities	9,903,799	8,137,724	7,495,624	7,854,880	8,267,806
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	26,170,103	20,791,930	14,667,990	9,801,309	7,260,471
Total equity and reserves	28,514,154	23,135,981	17,012,041	12,145,360	9,604,522
Total equity and liabilities	38,417,953 =====	31,273,705 =====	24,507,665 =====	20,000,240 =====	17,872,328 =====
Basic earnings per 50 kobo ordinary Share (Naira)	8.91 =====	9.76 =====	5.15 =====	2.79 =====	1.39 =====
Net assets per share (Naira)	30 ==	24 ==	18 ==	13 ==	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 13th of June, 2019 and at any adjournment
thereof. Unless otherwise instructed, the proxy will
vote or abstain from voting as he thinks fit.

Dated this _____ Day of _____ 2019

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 notorially 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 (39TH ANNUAL GENERAL MEETING) TO BE HELD AT TRANSCORP HILTON HOTEL, ABUJA ON THURSDAY 13TH JUNE, 2019.

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. G. Oyeboade To re-elect Chief D. U. Edebiri To re-elect Mr. R. Helsmoortel		
To authorise the Directors to determine the remuneration of the auditors		
To elect members of the Audit Committee		
Special Business		
To fix the remuneration of Directors		
Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.		

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

ADMISSION CARD

THE OKOMU OIL PALM COMPANY PLC. RC. 30894

Number of Shares held _____

Please admit the shareholder named on this form or his duly appointed proxy to the Company's 39th Annual General Meeting to be held at TRANSCORP HILTON HOTEL, ABUJA, on Thursday June 13th, 2019 at 10:00am.

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**)



Agbanikaka town hall



Borehole project at Agbede Camp



Block of 3 class room at Gbele Uba



Borehole project at Oke Community



Corpers lodge at Oke community



Gbelegbu Town Hall



Market stall at Irhue community



Madagbayo town hall



Ofunama Guest House



Owan Police Station



Renovated maternity at Uhiere



**Renovated teachers quarter
at Uhiere Community**



Town hall at Ekpan Community



Town hall at Irhue Community



Bursary award recipients for 2018



**Presentation of learning materials
to representatives of Okomu Schools**



**Group photograph of industrial
conference Participants**



Participants at the lecture conference



**Wealth Momoh of Rubber factory making
an explanation on the weighbridge**



**Omokaro explaining issues in the oil mill
to the participants**



Mercy Ikediashi of Oil Mill explaining an operation



**Conference caterers in their well kitted
uniform ready to serve**



Conference secretariate team displays their pack



Some of the awardees displaying their medals



Mr Alan Mary Poses with some of the award recipients



Refrigerators given out during the 2018 Long Service Award Ceremony



Uyi Adodo (Award Recipient) Poses with Billy Ghansah and Glory Ohwevwo



Dr Hefer rejoice with an award recipient



Sets of Chairs given out to the Award Recipients



Cross section of the long service Awards Recipients



Maria Gorotti Students on excursion visit to Okomu



Affix
Current
Passport

(To be stamped by Bankers)

Write your name at the back of
your passport photograph



E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

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

The Registrar,

Cardinal Stone Registrars, Limited

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

Only Clearing Banks are acceptable

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. CAPPALC	
	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 Macaulay Way,
Yaba, Lagos

Tel: +234 1 4405107,
+234 1 7924462



RUBBER BAIL READY FOR EXPORT



4LITRES



2LITRES



OKOMU BANGA RED PALM OIL



THE OKOMU OIL PALM COMPANY PLC

(RC 30894)

WHISTLE BLOWING 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