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MANAGEMENT REPORTS (INTERIM)

FOR 3 MONTHS

ENDED MARCH 31, 2020

THE OKOMU OIL PALM COMPANY PLC

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

2. TURNOVER

Turnover represents the invoice value of goods sold to third parties.

3. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

4. DEPRECIATION OF FIXED ASSETS

Depreciation is calculated at rates, consistent with previous years to write off the cost of the fixed assets over their estimated useful lives on the straight-line basis at the following rates.

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%

5. **STOCK**

Stocks were valued at the lower of cost and net realisable value. Cost includes all expenditure incurred in bringing goods and products to their present locations and conditions.

6. **DEBTORS**

Debtors are stated after deduction of specific provisions for the debts considered to be doubtful of collection.

7. **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated into Naira at the rates of exchange ruling at the transaction dates. Assets and liabilities denominated in currencies other than the Naira have been translated into Naira at the applicable rate of exchange ruling at the balance sheet date. Gains and losses on such transactions are included in the profit and loss account for the year.

8. **TAXATION**

Provision for tax in the accounts is based on the following components:

- Company income tax based on the company's assessable profit for the year.
- Education tax based on the company's adjusted profit for the year.

9. **DEFERRED TAXATION**

Deferred taxation (which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities) is calculated using the liability method. Deferred tax is provided on all timing differences at the rates of tax likely to be in force at the time of reversal. A deferred tax assets is recognised only to the extent that it is probable that future taxable will profits will be available against which the assets can be utilised.

10. **EMPLOYEES' RETIREMENT BENEFITS**

(a) **Gratuity Scheme:**

Lump-sum benefits payable upon retirement or resignation of employment are fully accrued over the service lives of the Nigerian employees. Independent actuarial valuations are performed periodically on a projected benefit obligation basis. Actuarial gains or losses arising from valuations are charged in full to the profit and loss account.

(b) Pension Scheme:

The company complied with the provisions of the Pension Reform Act of 2004. The company operates a contributory staff retirement benefit scheme for its Nigerian employees and is managed by Pension Administrator.

11. CASH AND CASH EQUIVALENTS

For the purpose of reporting cash flows, cash and cash equivalents include cash in hand, cash balances with banks, bank overdrafts and short-term deposits with banks.

12. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Nigeria Naira which is the companies' functional currency. All the financial information presented in Nigeria Naira has been rounded to the nearest thousand.

13. DISCLOSURE OF DEALINGS IN ISSUER'S SHARES:

In relation to securities transactions by directors, an issuer shall disclose in its interim reports (and summary interim reports, if any) and the Corporate Governance Report contained in its annual reports (and summary financial reports, if any):

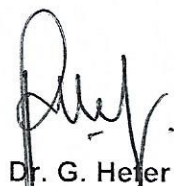
- (1) Whether the Company has adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in these Rules;
- (2) Having made specific enquiry of all directors, whether its directors have complied with, or whether there has been any non-compliance with, the required standard set out in the listings rules and in the Issuer's code of conduct regarding securities transactions by directors; and
- (3) In the event of any non-compliance with the required standard set out in the Listings Rules, the details of such non-compliance and an explanation of the remedial steps taken by the Company to address such non-compliance.

THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH, 2020

	Note	Mar-20 N'000	Mar-19 N'000
Turnover	2	6,985,052	4,220,458
Cost of Sales	3	<u>251,984</u>	<u>838,155</u>
Gross Profit		6,733,068	3,382,303
Net Operating expenses	4	<u>3,513,843</u>	<u>2,055,151</u>
Profit from continuing operations before tax changes in fair value		3,219,225	1,327,152
Finance Income	5	<u>2,610</u>	<u>21,943</u>
		3,221,835	1,349,095
Finance Costs	6	<u>192,759</u>	<u>75,994</u>
Profit on continuing operation b4 tax		3,029,076	1,273,101
Taxation	8	<u>1,000,882</u>	<u>266,200</u>
Profit on continuing operation after tax		2,028,194	1,006,901
OTHER COMPREHENSIVE INCOME			
Actuarial gains		-	-
		-	-
Total comprehensive income		<u><u>2,028,194</u></u>	<u><u>1,006,901</u></u>
Earnings Per Share (EPS): Basic (K)		<u><u>213</u></u>	<u><u>106</u></u>

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANACIAL POSITION AS AT MARCH 31, 2020

	NOTE	Mar-20 N'000	Dec-19 N'000
FIXED ASSETS	9	33,012,431	32,124,050
		<u>33,012,431</u>	<u>32,124,050</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	10	4,082,947	3,734,734
Trade Receivables and others	11	5,538,774	5,052,947
Bank and Cash	12	<u>5,851,453</u>	<u>2,684,061</u>
		<u>15,473,174</u>	<u>11,471,742</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	13	<u>5,124,494</u>	<u>3,531,097</u>
NET CURRENT (LIABILITIES)/ ASSETS		10,348,680	7,940,645
Deferred Taxation	14	<u>1,651,512</u>	<u>1,684,600</u>
Amount falling due after one year			
Retirement Benefits/Gratuity		976,513	935,379
Long Term Loans	15	<u>9,524,612</u>	<u>8,264,436</u>
		<u>10,501,125</u>	<u>9,199,815</u>
Total Net Assets		<u><u>31,208,474</u></u>	<u><u>29,180,280</u></u>
FINANCED BY			
CAPITAL AND RESERVES			
Share Capital	16	476,956	476,956
Share Premium Account	17	1,867,095	1,867,095
Revenue Reserves	18	<u>28,864,423</u>	<u>26,836,229</u>
		<u><u>31,208,474</u></u>	<u><u>29,180,280</u></u>



Dr. G. Heter
Managing Director

FRC/2013/IODN/00000002460



Mr. A. Arhairix
Chief Finance Officer

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CHANGES IN EQUITY

	Share Capital =N='000	Share Premium =N='000	Non- Distributabl e reserves =N='000	Revenue Reserves =N='000	Total =N='000
Balance as at 1st January,2019	476,956	1,867,095	- 241,508	26,411,611	28,514,154
Dividend paid	-	-	-	- 2,861,730	- 2,861,730
Interim Dividend paid				- 1,907,820	- 1,907,820
Statues barred dividend			-	67,328	67,328
Transaction with shareholders	-	-	-	- 4,702,222	- 4,702,222
Profit for the period				5,049,637	5,049,637
Actuarial gain			455,301		455,301
Deferred tax on actuarial gain			- 136,590		- 136,590
Comprehensive income for the year	-	-	318,711	5,049,637	5,368,348
Equity as at 31st December,2019	476,956	1,867,095	77,203	26,759,026	29,180,280
Equity as at 1st January,2020	476,956	1,867,095	77,203	26,759,026	29,180,280
Dividend paid	-	-	-	-	-
Transaction with shareholders	-	-	-	-	-
Profit for the period	-	-	-	2,028,194	2,028,194
Dividend paid				-	-
Comprehensive income for the year	-	-	-	2,028,194	2,028,194
Equity as at 31st March,2020	476,956	1,867,095	77,203	28,787,220	31,208,474

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2020

	Mar-20	Mar-19
receipts from customers	7,591,579	3,310,435
Payments to suppliers	- 1,847,222	- 1,293,099
Payment to employees	- 179,682	- 172,486
Payment of operating expenses	- 1,354,041	- 1,814,522
Payment of taxes:CIT	- 528,847	-
Value added tax	- 11,260	- 13,269
Withholding tax	- 129,300	- 103,652
Other receipts	60,947	93,764
Net cash inflow from operating activities	3,602,174	7,171
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 1,078,633	- 371,795
Proceeds from disposal of PPE	-	-
Finance income received	-	20,482
Pre cropping expenditure incurred(Biological assets)	- 370,038	- 359,185
Net cash outflow from investing activities	- 1,448,671	- 710,498
<u>Cash flow from financing activities</u>		
Interest paid	- 177,124	- 39,165
New Loans	1,407,129	-
Loans reimbursement	- 215,120	- 107,655
Dividend paid	-	-
Net cash inflow/(outflow) from financing activities	1,014,885	- 146,820
Net cash inflow in the year	3,168,388	- 850,147
Cash and cash equivalent as at the 1/1/2020	2,683,065	4,129,434
Cash and cash equivalent as at 31/03/2020	5,851,453	3,279,287
<u>Cash and cash equivalent</u>		
Cash and bank balance	5,851,453	2,279,287
Fixed deposit	-	1,000,000
	5,851,453	3,279,287

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED MARCH 31,2020

	Mar-20 N'000	Dec-19 N'000
Revenue from sale of products	6,985,052	18,867,271
Other Income	428,374	2,747,772
	<u>7,413,426</u>	<u>21,615,043</u>
Bought in materials and services	<u>(4,422,690)</u>	<u>(11,066,457)</u>
Value added	<u>2,990,736</u>	<u>10,548,586</u>
Distribution of value added		
To employee and directors:		
Employees, cost (including director's remuneration)	225,128	1,178,947
To government:		
Government as taxes	-	2,473,550
To providers of capital:		
Interest on Loan	177,124	151,899
Dividend	-	4,769,550
For replacement of property and equipments:		
Depreciation on property, plant and equipment	344,160	1,325,260
Depreciation on bearer biological asset	216,130	369,293
Retained earnings	<u>2,028,194</u>	<u>280,087</u>
	<u>2,990,736</u>	<u>10,548,586</u>
Other income comprises:		
Other work performed by the entity	370,038	2,552,986
Other income comprises:	58,336	194,786
	<u>428,374</u>	<u>2,747,772</u>

THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS

1 The Company

1.1 The Legal Form.

The Okomu Oil Palm Company PLC, was incorporated on December 3, 1979 as a private limited liability company. It was converted to a Public Limited Company (PLC) on September 19, 1997 under the Company and Allied Matters Act, 1990. It is a member of Socfinal group of Luxemborg which owns 62.6% the Company's shares with Nigerians owning the balance of 37.47%.

1.2 Principal Activities

The principal activities of the company are the development of oil palm plantation, palm, oil milling, palm kernel processing and the development of rubber plantation. The products are palm oil, palm kernel oil, palm kernel cake, banga (package) and rubber cup lumps.

2 TURNOVER	Mar-20 N'000	Mar-19 N'000
Turnover represents the invoice value of goods and services rendered to third parties during the year		
Local sales	6,354,242	3,499,807
Export sales	630,810	720,651
	<u>6,985,052</u>	<u>4,220,458</u>
3 COST OF SALES		
Oil Palm	229,230	695,038
Rubber	22,754	143,117
	<u>251,984</u>	<u>838,155</u>
4 OPERATING EXPENSES		
Total net operating expenses	3,513,843	2,055,151
5 FINANCE INCOME		
Interest on fixed Deposit A/C and others	2,604	21,937
Exchange gain	6	6
	<u>2,610</u>	<u>21,943</u>
6 FINANCE COST		
Exchange loss	6,585	3,338
Interest on Long Term Loans	186,174	72,656
	<u>192,759</u>	<u>75,994</u>
7 Other comprehensive income		
Actuarial gains	-	-
8 TAXATION		
Profit and Loss Account		
Provision for Edu. tax	58,875	29,200
Income Tax	942,007	237,000
	<u>1,000,882</u>	<u>266,200</u>

THE OKOMU OIL PALM COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

9 FIXED ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Machinery & Equip N'000	Land & Building N'000	Palm Mill N'000	Rubber Mill N'000	Vehicles N'000	Furniture & Equip N'000	Work In Progress N'000	Total N'000
Gross Book Value										
As at January 1, 2020	15,294,962	5,603,529	2,661,641	6,514,065	8,074,639	1,319,993	2,529,065	391,027	1,652,651	44,041,572
Additions	307,633	62,405	4,250	140,731	460,569	7,232	15,154	7,676	443,021	1,448,671
Disposal	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	15,602,595	5,665,934	2,665,891	6,654,796	8,535,208	1,327,225	2,544,219	398,703	2,095,672	45,490,243
Depreciation										
As at January 1, 2020	1,327,176	1,370,260	2,098,922	1,357,186	3,263,400	625,811	1,646,990	227,777	-	11,917,522
Charge for the period	169,173	46,957	68,002	55,694	112,776	21,408	79,037	7,243	-	560,290
Adjustments	-	-	-	-	-	-	-	-	-	-
Disposal	0	0	0	-	-	-	-	-	-	0
As at March 31, 2020	1,496,349	1,417,217	2,166,924	1,412,880	3,376,176	647,219	1,726,027	235,020	-	12,477,812
Net Book Value										
As at March 31, 2020	14,106,246	4,248,717	498,967	5,241,916	5,159,032	680,006	818,192	163,683	2,095,672	33,012,431
Net Book Value										
As at December 31, 2019	13,967,786	4,233,269	562,719	5,156,879	4,811,239	694,182	882,075	163,250	1,652,651	32,124,050

THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D

	Mar-20 N'000	Dec-19 N'000
10 STOCK		
Raw materials and consumables	200,773	97,863
General Stores and agricultural consumables	2,190,030	2,121,304
Finished Goods-Palm & Rubber Products	557,885	592,633
Goods-in-transit	1,134,259	922,934
	<u>4,082,947</u>	<u>3,734,734</u>
11 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	112,011	57,066
Advances paid to suppliers	5,190,408	4,177,038
Intercompany receivables	1,140	98,465
Other receivables and shortterm payments	235,215	720,378
	<u>5,538,774</u>	<u>5,052,947</u>
12 BANK AND CASH BALANCES		
Cash and Bank balances	5,851,453	2,684,061
	<u>5,851,453</u>	<u>2,684,061</u>
Amount falling due within one year		
13 Current Liabilities		
Trade Payables	777,768	890,721
Other current payables	110,174	51,680
Advances from customers	1,157,008	362,017
Taxation	1,721,953	1,147,570
Intercompany payables	28,592	16,055
Current provisions and accruals	737,318	353,619
Borrowings	591,681	709,435
	<u>5,124,494</u>	<u>3,531,097</u>
14 DEFERRED TAXATION		
At January 1	1,684,600	1,548,010
Net Charged for the period	0	0
Adjustments(other comp.income)	-33,088	136,590
As At the end of the period	<u>1,651,512</u>	<u>1,684,600</u>

THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D

	Mar-20 N'000	Dec-19 N'000
15 Term Loans		
Amount falling due after one year		
Zenith Bank CACS Loan	0	0
Zenith Bank DCRR Loan	8,291,313	6,884,184
Bank of Industry	1,233,299	1,380,252
	<u>9,524,612</u>	<u>8,264,436</u>
15.1 Long Term Loans		
Zenith Bank Plc Loan		
<p>The Zenith Bank Plc loan represents a =N= 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 rate of 8% per annum. The facility has a repayment period of 5 years in 60 consecutive monthly repayments of principal and interest ending in August 2020. This facility was obtained to finance the expansion of the 4 new vertical sterilizers at the current oil mill situated at Okomu-Udo, Ovia South West Local Government Area in Edo State. Its secured by a legal mortgage over the plant and machinery acquired.</p>		
Bank of Industry		
<p>The Bank of Industry loan represents a =N=1,947,314,434.50 loan received from the Bank of Industry(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 period 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 Sterly Bank Plc.</p>		
Zenith Bank Plc Loan		
<p>The Zenith Bank Plc loan represents a =N=10 billion loan received from Zenith bank Plc under the Central Bank of Nigeria Differentiated Cash Reserves Requirement (DCRR) to finance the development of Okomu Oil Palm Plantation. The sum of =N=6.884 billion was drawn down as at September at an interest rate of 8% per annum (subject to review in line with DCRR). The facility has a three year moratorium on its principle from date of first disbursement with a repayment of twelve (12) equal and consecutive quarterly repayments immediately after the moratorium period. It is secured with a legal mortgage over the 11,416 hectares of oil palm plantation situated at Uhiere, Ovia North East Local Government area in Edo State.</p>		
16 SHARE CAPITAL		
16.1 AUTHORISED	N'000	N'000
1,200,000,000 Ord. Shares of 50k each	<u>600,000</u>	<u>600,000</u>
16.2 ISSUED AND FULLY PAID		
Existing 953,910,000 Ord. Shares of 50k each	<u>476,956</u>	<u>476,956</u>
17 SHARE PREMIUM		
Share Premium	1,867,095	1,867,095
18 REVENUE RESERVES		
At 1st January	26,836,229	26,411,611
	26,836,229	26,411,611
Actuarial gains	0	77,203
Retained Profit for the period	2,028,194	5,049,637
	28,864,423	31,538,451
Dividend paid		-2,861,730
Interim dividend paid		-1,907,820
Unclaimed dividend		67,328
As at March 31 2020	<u>28,864,423</u>	<u>26,836,229</u>

19 COMPARATIVE FIGURES

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

NAME OF COMPANY: THE OKOMU OIL PALM COMPANY PLC

DATE: 31/3/2020

PERIOD: REPORTS FOR THE PERIOD ENDED MARCH 31, 2020.

Statement of Comprehensive Income

	March- 20	March- 19
	= N='000	=N='000
Revenue	6,985,052	4,220,458
Costs of sales	(251,984)	(838,155)
Gross Profit	6,733,068	3,382,303
Other Operating Income	58,337	64,483
Distribution, Sales & Marketing Expenses	(63,423)	(77,938)
Admin Expenses	(3,508,757)	(2,041,696)
Finance Income	2,610	21,943
Finance Costs	(192,759)	(75,994)
Profit before Tax	3,029,076	1,273,101
Earnings Per Share(K) Basic	213	106

	March- 20	March- 19
	= N='000	=N='000
Statement of Financial Position		
Property, Plant and Equipment	14,657,468	13,439,361
Biological Assets	18,354,963	16,298,787
Inventories	4,082,947	3,530,673
Trade & Other Receivables	5,538,774	2,218,204
Cash and Cash Equivalents	5,851,453	3,279,287
Total Assets	48,485,605	38,766,312

Trade & Other Payables	3,402,541	855,385
Current Tax Liabilities	1,721,953	2,899,379
Other liabilities	976,513	1,233,863
Long term Borrowings	9,524,612	2,605,117
Deferred Tax Liabilities	1,651,512	1,651,512
Total Liabilities	17,277,131	9,245,256
Working Capital	10,348,680	5,273,400
Net Assets	31,208,474	29,521,056

March- 19	March- 19
= N= `000	=N=`000

Statement of Cash Flows

Net cash Generated from Operating Activities	3,602,174	7,171
Cash Flow From Investing Activities	(1,448,671)	(710,498)
Cash Flow from Financing Activities	1,014,885	(146,820)
Net Increase/ Decrease cash and Cash Equivalent	3,168,388	(850,147)
Cash and Cash Equivalent Beginning of the Year	2,683,065	4,129,434
Cash and Cash Equivalent at End of the year	5,851,453	3,279,287

STATEMENT OF COMPREHENSIVE INCOME (For Other Companies)		
	31/3/2020.	Prior Period
	N'000	N'000
Revenue	6,985,052	4,220,458
Cost of Sales	(251,984)	(838,155)
Distribution/Admin and Other Expenses	(3,572,180)	(2,119,634)
Other Income	60,947	86,426
Financial Charges	(192,759)	(75,994)
Profit/Loss Before Tax	3,029,076	1,273,101
Taxation	(1,000,882)	(266,200)
Profit/Loss After Tax	2,028,194	1,006,901
Other Comprehensive Income	-	-
Total Comprehensive Income	-	-
Profit/Loss After Tax Attr. To Noncontrolling Int		
Profit/Loss After Tax Owners of the Company	2,028,194	1,006,901
Total Comp. Inc. Attr. to Non-Controlling Interest		
Attributable to Owners of the Company	2,028,194	1,006,901
Basis Earnings per Share(K)	213	106
Fully Diluted Earnings per Share		
STATEMENT OF FINANCIAL POSITION (For Other Companies)		
	31/3/2020	Prior Year End
	N'000	N'000
Property, plant and equipment	33,012,431	32,124,050
Deferred Tax Assets	-	-
Investment property	-	-
Intangible Assets	-	-
Investments accounted for using the equity method	-	-
Financial assets	-	-
Non-current asset held for sale and disposal groups	-	-
Total Non Current Assets	33,012,431	32,124,050
Inventories	4,082,947	3,734,734
Debtors and Other Receivables	5,538,774	5,052,947
Cash and cash equivalents	5,851,453	2,684,061
Total Current Assets	15,473,174	11,471,742
Trade and Other Payables	2,810,860	1,674,092
Current Financial liabilities	591,681	709,435
Current Tax Liabilities	1,721,953	1,147,570
Total Current Liabilities	5,124,494	3,531,097
Non-Current Financial liabilities	9,524,612	8,264,436
Provisions	976,513	935,379
Deferred Tax Liabilities	1,651,512	1,684,600
Liabilities included in disposal groups classified as held for sale (Where applicable)	-	-
Total Non-Current Liabilities	12,152,637	10,884,415
Working Capital	10,348,680	7,940,645
Net Assets	31,208,474	29,180,280
Non Controlling Interest		
Attributable to Owners of the Company		

MarketSummary

THE OKOMU OIL PALM COMPANY PLC MARCH.

2019 MGT ACCOUNTS

	March.2019	March.2018
	N'000	N'000
TURNOVER	4,220,458	7,342,209
PROFIT BEFORE TAX	1,273,101	3,980,767
PROVISION FOR TAX	266,200	507,440
PROFIT AFTER TAX	1,006,901	3,473,327
PROPOSED DIVIDEND	N-/share	N-/share