



THE OKOMU OIL PALM COMPANY PLC

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MANAGEMENT REPORTS (INTERIM)

FOR 6 MONTHS

ENDED JUNE 30, 2021

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) The company has adopted a code of conduct that requires its directors to abide with the standard set by the rules of the exchange and issuer's code of conduct, in line with the approved Security Trading Policy of the company in their security transactions dealing;
- (2) The directors of the company have been abiding by these rules in their dealings with their securities transactions as set out in the listings rules and issuer's code of conduct regarding securities transactions by directors; and
- (3) There is no case of non compliance by the directors on their securities transactions with regards to the rules.

THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED (INTERIM) JUNE, 2021

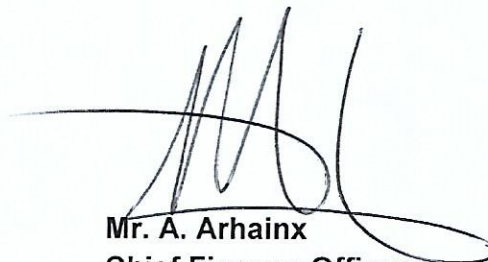
		3 MONTHS ENDED		6 MONTHS ENDED	
	Note	Jun-21 N'000	Jun-20 N'000	Jun-21 N'000	Jun-20 N'000
Turnover	2	11,072,567	6,541,618	23,626,703	13,526,670
Cost of Sales	3	1,463,042	830,997	1,941,948	1,082,981
Gross Profit		9,609,525	5,710,621	21,684,755	12,443,689
Net Operating expenses	4	4,075,930	3,120,252	9,158,301	6,634,095
Profit from continuing operations before tax changes in fair value		5,533,595	2,590,369	12,526,454	5,809,594
Finance Income	5	2,253	2,918	3,664	5,528
		5,535,848	2,593,287	12,530,118	5,815,122
Finance Costs	6	57,147	117,890	80,802	310,649
Profit on continuing operation b4 tax		5,478,701	2,475,397	12,449,316	5,504,473
Taxation	8	1,214,181	496,669	2,913,526	1,497,551
Profit on continuing operation after tax		4,264,520	1,978,728	9,535,790	4,006,922
OTHER COMPREHENSIVE INCOME					
Actuarial gains		-	-	-	-
		-	-	-	-
Total comprehensive income		4,264,520	1,978,728	9,535,790	4,006,922
Earnings Per Share (EPS): Basic (N)		4.47	2.07	10.00	4.20

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

	NOTE	Jun-21 N'000	Dec-20 N'000
FIXED ASSETS	9	40,840,168	38,912,116
		<u>40,840,168</u>	<u>38,912,116</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	10	9,803,947	4,811,443
Trade Receivables and others	11	1,512,995	6,720,922
Bank and Cash	12	8,040,088	4,567,367
		<u>19,357,030</u>	<u>16,099,732</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	13	<u>8,391,798</u>	<u>6,305,175</u>
NET CURRENT (LIABILITIES)/ ASSETS		10,965,232	9,794,557
Deferred Taxation	14	<u>1,651,512</u>	<u>1,566,660</u>
Amount falling due after one year			
Retirement Benefits/Gratuity		1,540,811	1,421,027
Long Term Loans	15	<u>10,778,881</u>	<u>10,941,202</u>
		<u>12,319,692</u>	<u>12,362,229</u>
Total Net Assets		<u>37,834,196</u>	<u>34,777,784</u>
FINANCED BY			
CAPITAL AND RESERVES			
Share Capital	16	476,955	476,955
Share Premium Account	17	1,867,096	1,867,096
Revenue Reserves	18	35,490,145	32,631,725
Non-distributable reserves	19	<u>-197,992</u>	<u>-197,992</u>
		<u>37,834,196</u>	<u>34,777,784</u>



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



Mr. A. Arhainx
Chief Finance Officer
FRC/2021/006/00000022972

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,2020	476,956	1,867,095		77,203	26,759,026	29,180,280
Dividend paid	-	-		-	1,907,820	- 1,907,820
Interim Dividend paid						-
Statues barred dividend						-
Transaction with shareholders	-	-		-	1,907,820	- 1,907,820
Profit for the period					7,780,519	7,780,519
Actuarial gain				- 393,135		- 393,135
Deferred tax on actuarial gain				117,940		117,940
Comprehensive income for the year	-	-	-	275,195	7,780,519	7,505,324
Equity as at 31st December,2020	476,956	1,867,095	-	197,992	32,631,725	34,777,784
Equity as at 1st January,2021	476,956	1,867,095	-	197,992	32,631,725	34,777,784
Adjustment	-	-		197,992	-	197,992
Transaction with shareholders	-	-		197,992	-	197,992
Profit for the period	-	-		-	9,535,790	9,535,790
Dividend paid				-	6,677,370	- 6,677,370
Comprehensive income for the year	-	-		-	2,858,420	2,858,420
Equity as at 30th June,2021	476,956	1,867,095	-	-	35,490,145	37,834,196

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30,2021

	Jun-21	Jun-20
receipts from customers	23,703,842	15,435,604
Payments to suppliers	- 5,195,390	- 4,654,825
Payment to employees	- 373,782	- 353,710
Payment of operating expenses	- 4,065,374	- 3,524,809
Payment of taxes:CIT	-	- 1,232,597
Value added tax	- 136,074	- 63,567
Withholding tax	- 464,980	- 297,376
Other receipts	228,448	104,063
Net cash inflow from operating activities	13,696,690	5,412,783
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 2,816,921	- 1,972,185
Proceeds from disposal of PPE	-	-
Finanace income receieved	3,664	5,528
Pre cropping expenditure incurred(Biological assets)	- 449,156	- 643,628
Net cash outflow from investing activities	- 3,262,413	- 2,610,285
<u>Cash flow from financing activities</u>		
Interest paid	- 80,802	- 310,649
New Loans	-	2,632,965
Loans reimbursement	- 194,776	- 433,311
Dividend paid	- 6,677,370	- 1,907,820
Net cash inflow/(outflow) from financing activities	- 6,952,948	- 18,815
Net cash inflow in the year	3,481,329	2,783,683
Cash and cash equivalent as at the 1/1/2020	4,558,759	2,683,065
Cash and cash equivalent as at 30/06/2020	8,040,088	5,466,748
<u>Cash and casn equivalent</u>		
Cash and bank balance	8,040,088	5,466,748
	8,040,088	5,466,748

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED JUNE 30,2021

	Jun-21 N'000	Dec-20 N'000
Revenue from sale of products	23,626,703	23,410,680
Other Income	677,604	2,328,980
	<u>24,304,307</u>	<u>25,739,660</u>
Bought in materials and services	- 3,338,018	-13,345,762
Value added	<u>20,966,289</u>	<u>12,393,898</u>
Distribution of value added		
To employee and directors:		
Employees, cost (including director's remuneration)	470,429	1,193,333
To government:		
Government as taxes	2,913,526	1,065,031
To providers of capital:		
Interest on Loan	31,149	52,064
Dividend	6,677,370	1,907,820
For replacement of property and equipments:		
Depreciation on property, plant and equipment	835,252	1,435,653
Depreciation on bearer biological asset	502,773	867,298
Retained earnings	9,535,790	5,872,699
	<u>20,966,289</u>	<u>12,393,898</u>
Other income comprises:		
Other work performed by the entity	449,156	2,061,655
Other income	228,448	267,325
	<u>677,604</u>	<u>2,328,980</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 62.94% the Company's shares with Nigerians owning the balance of 37.06%.

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

Turnover represents the invoice value of goods and services rendered to third parties during the year

Local sales

Export sales

3 MONTHS ENDED

Jun-21
N'000

Jun-20
N'000

6 MONTHS ENDED

Jun-21
N'000

Jun-20
N'000

10,010,322 6,068,577 21,342,682 12,422,819

1,062,245 473,041 2,284,021 1,103,851

11,072,567 6,541,618 23,626,703 13,526,670

3 COST OF SALES

Oil Palm

Rubber

1,334,874 767,112 1,767,173 996,342

128,168 63,885 174,775 86,639

1,463,042 830,997 1,941,948 1,082,981

4 OPERATING EXPENSES

Total net operating expenses

4,075,930 3,120,252 9,158,301 6,634,095

5 FINANCE INCOME

Interest on fixed Deposit A/C and others

Exchange gain

1,388 2,804 2,799 5,408

865 114 865 120

2,253 2,918 3,664 5,528

6 FINANCE COST

Bank charges

Exchange loss

Interest on Long Term Loans

13,802 6,310 18,146 12,895

28,306 17,192 31,507 17,192

15,039 94,388 31,149 280,562

57,147 117,890 80,802 310,649

7 Other comprehensive income

Fair value of non-current biological assets

- - - -

8 TAXATION

Profit and Loss Account

Provision for Edu. tax

Income Tax

Other taxes (investigations)

Deferred Tax

75,886 34,722 182,095 93,597

1,138,295 461,947 2,731,431 1,403,954

- - - -

- - - 0

1,214,181 496,669 2,913,526 1,497,551

FIXED ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Machinery & Equip N'000	Building N'000	Land 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, 2021	17,016,396	5,943,751	2,933,923	6,021,638	2,051,165	10,922,097	1,349,130	2,837,953	425,292	3,631,244	53,132,589
Additions	222,722	226,434	163,691	275,463		429,595	40,668	499,585	44,678	1,363,241	3,266,077
Disposal											-
Transfer											-
As at June 30, 2021	17,239,118	6,170,185	3,097,614	6,297,101	2,051,165	11,351,692	1,389,798	3,337,538	469,970	4,994,485	56,398,666
Depreciation											
As at January 1, 2021	2,006,131	1,558,603	2,351,003	1,602,289		3,739,504	712,765	1,991,806	258,372	-	14,220,473
Charge for the period	409,376	93,397	108,894	149,538		293,557	43,858	221,542	17,863		1,338,025
Adjustments											
Disposal	0	0	0								
As at June 30, 2021	2,415,507	1,652,000	2,459,897	1,751,827	-	4,033,061	756,623	2,213,348	276,235	-	15,558,498
Net Book Value											
As at June 30, 2021	14,823,611	4,518,185	637,717	4,545,274	2,051,165	7,318,631	633,175	1,124,190	193,735	4,994,485	40,840,168
Net Book Value											
As at December 31, 2020	15,010,265	4,385,148	582,920	4,419,349	2,051,165	7,182,593	636,365	846,147	166,920	3,631,244	38,912,116

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

	Jun-21 N'000	Dec-20 N'000
10 STOCK		
Raw materials and consumables	204,365	390,501
General Stores and agricultural consumables	2,752,886	2,287,407
Finished Goods-Palm & Rubber Products	1,196,734	504,779
Goods-in-transit	5,649,962	1,628,756
	<u>9,803,947</u>	<u>4,811,443</u>
11 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	512,205	10,422
Advances paid to suppliers	814,485	5,716,858
Intercompany receivables	1,049	518,525
Other receivables and shortterm payments	185,256	475,117
	<u>1,512,995</u>	<u>6,720,922</u>
12 BANK AND CASH BALANCES		
Cash and Bank balances	8,040,088	4,567,367
	<u>8,040,088</u>	<u>4,567,367</u>
Amount falling due within one year		
13 Current Liabilities		
Trade Payables	1,133,451	1,152,874
Other current payables	131,907	60,455
Advances from customers	1,379,550	1,097,984
Taxation	3,999,051	979,913
Intercompany payables	80,168	161,517
Current provisions and accruals	1,310,663	2,423,027
Borrowings	357,008	429,405
	<u>8,391,798</u>	<u>6,305,175</u>
14 DEFERRED TAXATION		
At January 1	1,651,512	1,684,600
Adjustments(other comp.income)	0	-117,940
As At the end of the period	<u>1,651,512</u>	<u>1,566,660</u>

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

	Jun-21 N'000	Dec-20 N'000
15 Term Loans		
Amount falling due after one year		
Zenith Bank CACS Loan	0	0
Zenith Bank DCRR Loan	10,000,000	10,000,000
Bank of Industry	778,881	941,202
	<u>10,778,881</u>	<u>10,941,202</u>
15.1 Long Term Loans		
Zenith Bank Plc Loan		
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.		
Bank of Industry		
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.		
Zenith Bank Plc Loan		
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 principal 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.		
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>476,955</u>	<u>476,955</u>
17 SHARE PREMIUM		
Share Premium	1,867,096	1,867,096
18 REVENUE RESERVES		
At 1st January	32,631,725	26,759,026
	<u>32,631,725</u>	<u>26,759,026</u>
Retained Profit for the period	9,535,790	7,780,519
	<u>42,167,515</u>	<u>34,539,545</u>
Dividend paid	-6,677,370	-1,907,820
Interim dividend paid	0	0
Unclaimed dividend		-
As at June 30 2020	<u>35,490,145</u>	<u>32,631,725</u>
19 Non-distributable reserves		
As at 1st January	-197,992	77,203
Addition during the year:		
Actuarial (Loss) / gain		-393,135
Deferred tax on actuarial loss / gain		117,940
Adjustment	<u>197,992</u>	
As at 30th June	<u>0</u>	<u>-197,992</u>

20 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.