



THE OKOMU OIL PALM COMPANY PLC

RC: 30894-

Lagos Office:

Tel: 01-84446337

E-mail: lagosoffice@okomunigeria.com

Okomu – Udo, Ovia South West L.G.A

P.M.B. 1449, Benin City.

Edo State, Nigeria.

E-Mail: okomuinfo@okomunigeria.com, compsec@okomunigeria.com

Web: www.okomunigeria.com

MANAGEMENT REPORTS (INTERIM)
FOR 9 MONTHS
ENDED SEPTEMBER 30, 2021

Directors: G. Oyeboye M.F.R (Chairman), G.D Hefer (South African) Managing, L.J.J Boedt (Belgian) P.A.E Eguasa JP, H. Fabri (Belgian), D.U. Edebiri ODN, Ph. De Traux De Wardin (Belgian), R. Helmoortel (Belgian), A. Arhainx (French) Exec. Director, A. Ighodalo, (Independent), S. Claeys (Belgian).

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.

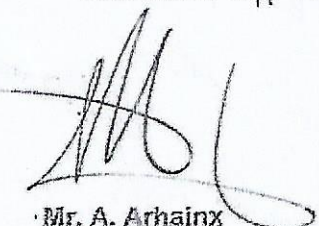
THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED (INTERIM) SEPTEMBER, 2021


		3 MONTHS ENDED		9 MONTHS ENDED	
	Note	Sep-21 N'000	Sep-20 N'000	Sep-21 N'000	Sep-20 N'000
Turnover	2	7,418,918	5,093,142	31,045,621	18,619,812
Cost of Sales	3	1,214,200	1,075,713	3,156,148	2,158,694
Gross Profit		6,204,718	4,017,429	27,889,473	16,461,118
Net Operating expenses	4	3,854,533	2,568,963	13,012,834	9,203,058
Profit from continuing operations before tax changes in fair value		2,350,185	1,448,466	14,876,639	7,258,060
Finance Income	5	50,453	5,281	54,117	10,809
		2,400,638	1,453,747	14,930,756	7,268,869
Finance Costs	6	30,336	139,658	111,138	450,307
Profit on continuing operation b4 tax		2,370,302	1,314,089	14,819,618	6,818,562
Taxation	8	302,560	322,398	3,216,086	1,819,949
Profit on continuing operation after tax		2,067,742	991,691	11,603,532	4,998,613
OTHER COMPREHENSIVE INCOME					
Actuarial gains		-	-	-	-
		-	-	-	-
Total comprehensive income		2,067,742	991,691	11,603,532	4,998,613
Earnings Per Share (EPS): Basic (N)		2.17	1.04	12.16	5.24

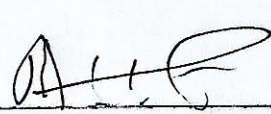
THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

	NOTE	Sep-21 N'000	Dec-20 N'000
FIXED ASSETS	9	41,020,993	38,912,116
		<u>41,020,993</u>	<u>38,912,116</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	10	9,698,434	4,811,443
Trade Receivables and others	11	1,520,895	6,720,922
Bank and Cash	12	8,259,019	4,567,367
		<u>19,478,348</u>	<u>16,099,732</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	13	<u>6,709,803</u>	<u>6,305,175</u>
NET CURRENT (LIABILITIES)/ ASSETS		12,768,545	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		1,587,030	1,421,027
Long Term Loans	15	<u>10,649,058</u>	<u>10,941,202</u>
		<u>12,236,088</u>	<u>12,362,229</u>
Total Net Assets		<u>39,901,938</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	37,557,887	32,631,725
Non-distributable reserves	19		-197,992
		<u>39,901,938</u>	<u>34,777,784</u>

Accounts approved for signing by the Board of Directors on 29th October, 2021.


 Mr. A. Arhainx
 Acting Managing Director
 FRC/2021/006/00000022972


 Mr. F. Odighizuwa
 For: Chief Finance Officer
 FRC/2012/ICAN/00000000341


 Mr. P.A.E. Eguasa
 Director
 FRC/2020/002/00000010321

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
Dividend paid	-	-		-	1,907,820
Interim Dividend paid	-	-		-	-
Statues barred dividend	-	-		-	-
Transaction with shareholders	-	-		-	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
Equity as at 31st December,2020	476,956	1,867,095	-	197,992	32,631,725
Equity as at 1st January,2021	476,956	1,867,095	-	197,992	32,631,725
Adjustment	-	-		197,992	197,992
Transaction with shareholders	-	-		197,992	197,992
Profit for the period	-	-		11,603,532	11,603,532
Dividend paid				-	6,677,370
Comprehensive Income for the year	-	-		4,926,162	4,926,162
Equity as at 30th September,2021	476,956	1,867,095	-	37,557,887	39,901,938

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

	Sep-21	Sep-20
receipts from customers	27,857,555	19,266,815
Payments to suppliers	- 7,741,527	- 6,852,638
Payment to employees	- 511,487	- 511,487
Payment of operating expenses	- 3,696,218	- 4,121,452
Payment of taxes:CIT	- 599,014	- 1,232,597
Value added tax	- 190,282	- 116,180
Withholding tax	- 611,780	- 444,719
Other receipts	<u>305,749</u>	<u>235,090</u>
Net cash inflow from operating activities	<u>14,812,996</u>	<u>6,222,832</u>
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 3,568,895	- 3,117,879
Proceeds from disposal of PPE	-	-
Finance income received	48,822	5,528
Pre cropping expenditure incurred(Biological assets)	<u>- 578,067</u>	<u>- 992,375</u>
Net cash outflow from investing activities	<u>- 4,098,140</u>	<u>- 4,104,726</u>
<u>Cash flow from financing activities</u>		
Interest paid	- 45,082	- 310,649
New Loans	-	3,115,816
Loans reimbursement	- 292,144	- 612,069
Dividend paid	<u>- 6,677,370</u>	<u>- 1,907,820</u>
Net cash inflow/(outflow) from financing activities	<u>- 7,014,596</u>	<u>285,278</u>
 Net cash inflow in the year	 3,700,260	 2,403,384
Cash and cash equivalent as at the 1/1/2021	<u>4,558,759</u>	<u>2,683,065</u>
Cash and cash equivalent as at 30/09/2021	<u><u>8,259,019</u></u>	<u><u>5,086,449</u></u>
<u>Cash and cash equivalent</u>		
Cash and bank balance	8,259,019	5,086,449
Fixed deposit		
	<u><u>8,259,019</u></u>	<u><u>5,086,449</u></u>

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

	Sep-21 N'000	Dec-20 N'000
Revenue from sale of products	31,045,621	23,410,680
Other Income	<u>883,816</u> 31,929,437	<u>2,328,980</u> 25,739,660
Bought in materials and services	<u>- 7,695,949</u>	<u>-13,345,762</u>
Value added	<u><u>24,233,488</u></u>	<u><u>12,393,898</u></u>
Distribution of value added		
To employee and directors:		
Employees, cost (including director's remuneration)	653,333	1,193,333
To government:		
Government as taxes	3,216,086	1,065,031
To providers of capital:		
Interest on Loan	45,082	52,064
Dividend	6,677,370	1,907,820
For replacement of property and equipments:		
Depreciation on property, plant and equipment	1,279,758	1,435,653
Depreciation on bearer biological asset	758,327	867,298
Retained earnings	<u>11,603,532</u>	<u>5,872,699</u>
	<u><u>24,233,488</u></u>	<u><u>12,393,898</u></u>
Other income comprises:		
Other work performed by the entity	578,067	2,061,655
Other income	<u>305,749</u> <u><u>883,816</u></u>	<u>267,325</u> <u><u>2,328,980</u></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 Luxembourg 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

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

Local sales

Export sales

3 MONTHS ENDED		9 MONTHS ENDED	
Sep-21	Sep-20	Sep-21	Sep-20
N'000	N'000	N'000	N'000
5,519,014	4,226,714	26,861,696	16,649,533
1,899,904	866,428	4,183,925	1,970,279
<u>7,418,918</u>	<u>5,093,142</u>	<u>31,045,621</u>	<u>18,619,812</u>

3 COST OF SALES

Oil Palm

Rubber

978,676	924,896	2,745,849	1,921,238
235,524	150,817	410,299	237,456
<u>1,214,200</u>	<u>1,075,713</u>	<u>3,156,148</u>	<u>2,158,694</u>

4 OPERATING EXPENSES

Total net operating expenses

3,854,533	2,568,963	13,012,834	9,203,058
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5 FINANCE INCOME

Interest on fixed Deposit A/C and others

Exchange gain

50,216	5,280	53,015	10,688
237	1	1,102	121
<u>50,453</u>	<u>5,281</u>	<u>54,117</u>	<u>10,809</u>

6 FINANCE COST

Bank charges

Exchange loss

Interest on Long Term Loans

6,514	4,679	24,660	17,574
9,889	437	41,396	17,629
13,933	134,542	45,082	415,104
<u>30,336</u>	<u>139,658</u>	<u>111,138</u>	<u>450,307</u>

7 Other comprehensive income

Fair value of non-current biological assets

-	-	-	-
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8 TAXATION

Profit and Loss Account

Provision for Edu. tax

Income Tax

Other taxes (investigations)

Deferred Tax

18,910	22,650	201,005	116,247
283,650	299,748	3,015,081	1,703,702
			0
<u>302,560</u>	<u>322,398</u>	<u>3,216,086</u>	<u>1,819,949</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	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	53,132,559
Additions	241,571	336,496	206,615	803,353		516,751	48,659	726,949	47,324	1,219,244	4,146,962
Disposal											-
Transfer											-
As at September 30, 2021	17,257,967	6,280,247	3,140,538	6,824,991	2,051,165	11,438,848	1,397,789	3,564,902	472,616	4,850,488	57,279,551
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	617,457	140,870	165,604	231,587		447,229	66,664	341,097	27,577		2,038,085
Adjustments											
Disposal	0	0	0								0
As at September 30, 2021	2,623,588	1,699,473	2,516,607	1,833,876	-	4,186,733	779,429	2,332,903	285,949	-	16,258,558
Net Book Value											
As at September 30, 2021	14,634,379	4,580,774	623,931	4,991,115	2,051,165	7,252,115	618,360	1,231,999	186,667	4,850,488	41,020,993
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	165,920	3,631,244	38,912,116

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

	Sep-21 N'000	Dec-20 N'000
10 STOCK		
Raw materials and consumables	204,858	390,501
General Stores and agricultural consumables	2,885,832	2,287,407
Finished Goods-Palm & Rubber Products	1,016,704	504,779
Goods-in-transit	5,591,040	1,628,756
	<u>9,698,434</u>	<u>4,811,443</u>
11 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	501,274	10,422
Advances paid to suppliers	843,209	5,716,858
Intercompany receivables	489	518,525
Other receivables and shortterm payments	175,923	475,117
	<u>1,520,895</u>	<u>6,720,922</u>
12 BANK AND CASH BALANCES		
Cash and Bank balances	8,259,019	4,567,367
	<u>8,259,019</u>	<u>4,567,367</u>
Amount falling due within one year		
13 Current Liabilities		
Trade Payables	725,671	1,152,874
Other current payables	131,408	60,455
Advances from customers	569,551	1,097,984
Taxation	3,702,597	979,913
Intercompany payables	106,277	161,517
Current provisions and accruals	1,084,836	2,423,027
Borrowings	389,463	429,405.00
	<u>6,709,803</u>	<u>6,305,175</u>
14 DEFERRED TAXATION		
At January 1	1,651,512	1,684,600
Net Charged for the period		
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

	Sep-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	649,058	941,202
	<u>10,649,058</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
	32,631,725	26,759,026
Retained Profit for the period	11,603,532	7,780,519
	44,235,257	34,539,545
Dividend paid	-6,677,370	-1,907,820
Interim dividend paid	0	0
Unclaimed dividend		
As at September 30 2021	<u>37,557,887</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	197,992	
As at 30th September	<u>0</u>	<u>-197,992</u>

18 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.