OKOMU

Responsible tropical agriculture

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

EMPLOYEES WITH VITAL INFORMATION OF FRAUD, EXTORTION OR SABOTAGE SHOULD SEND SUCH INFORMATION IN CONFIDENCE TO OKOMUINFO@OKOMUNIGERIA.COM OR SEND TEXT TO 08060361068, 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

Designed & Printed By:
Decof Digital Marketing: 01-3424712, +234 803 053 9095

OKOMU

Responsible tropical agriculture

THE OKOMU OIL PALM COMPANY PLC (RC 30894)

ANNUAL REPORT & ACCOUNTS 2021

ISO 14001:2015 BUREAU VERITAS Certification UKAS 0008

ISO 9001:2015 BUREAU VERITAS Certification UKAS 0008

ISO 45001:2018 BUREAU VERITAS Certification UKAS 0008

RSPO MIXED 1-0269-19-100-00

HALAL

...creating wealth from the soil

CONTENT

Banga
Red Palm Oil
200ML
Banga Mini Pack
Same TASTE Same VALUE

REGISTRARS
Cardinalstone (Registrars) Ltd,
335/337Herbert Macualay Way,
Yaba, Lagos
Email: registrars@cardinalstone.com
Tel: +234 1 4405107,
+234 1 7924462

MISSION STATEMENT

To be Nigeria's leading agro-business, through the efficient and effective management of our various plantations by a highly motivated workforce, working in harmony with our other stakeholders, and continuously returning favourable results to our shareholders.

COMPANY PROFILE

- **1976** - Okomu oil Palm was established as a Federal Government pilot project aimed at rehabilitating oil palm production in Nigeria. At inception, the pilot project covered a surveyed area of 15,580 hectares of Government de-reserved forest reserve, out of which a net arable area of 12,500 hectares could be planted.
- **1979** - Okomu was officially incorporated as a limited liability company by the Federal Government.
- **1985** - the company acquired and installed a 1.5-ton Fresh fruit Bunch (FFB)/hr oil mill.
- **1989** - 5,500ha was planted to oil palm while other critical infrastructure such as staff quarters, schools and clinics were built.
- **1990** - the Technical Committee on Privatisation and Commercialisation (TCPC) privatized The Okomu Oil Palm Company on behalf of the Federal Government of Nigeria and, through an initial public offering (IPO), shares were sold to the public and the company was duly registered on the Nigerian Stock Exchange. Besides the opportunity for more than 14,000 Nigerian shareholders to own a part of this company, the success of the company has been further exemplified by the strong increase of its net income which has resulted in a 4 fold increase in the company's share price since 2012 and the payout of annual dividends to its many shareholders.
- **2001** - the company obtained another 6,116 ha now known as Extension 1 and as the end of 2017 there was 1,969 ha of palm and 1,811 ha rubber planted on it.
- **2008** -2.5 t/hr rubber processing plant was commissioned and compliments the company's rubber plantations and allows it to generate vital foreign exchange for Nigeria since all of the company's rubber is exported annually.
- **2013**-the company expands its current 30t/hr oil mill to a 60t/hr oil mill and produces around 40,000t of CPO/annum.
- **2014** - Responding to the Government's change in policy from a solely crude oil based economy to an agro based one, the company further expanded its operations which culminated in the acquisition of 11,416 ha of land in the Ovia NE LGA/Uhunmwonde LGA, including 664 ha of cultivated oil palm.
- **2016**-the company erects a 50ha palm nursery in Extension 2, the biggest in Africa, and plants more than 4,000ha of palm in one year, also a record.
- **2017** - the company's total concessions in Edo state expands to 33,112 ha, with palms covering 17,177ha and 7,335 ha under rubber as at the end of this year.
- **2018** - Another 2,300 ha of oil palm is planned to be planted in Ext 2 in 2018 which will complete the area to be planted on Extension 2, the net arable area totaling approximately 9,500ha in extent.
- **2018** - the company begins the erection of the first of its 2 new 30t/hr oil mills in Extension 2.
- **2019** - Total area under palm was 19,060ha and total are under rubber was 7.335ha.
- **2020** - Another 1,500 ha of rubber is planned in Extension 1.
- **2020** - Okomu became the First Oil Palm Company in Edo State to obtain its RSPO certification, alongside its earlier ISO 9001 : 2015, ISO 14001 : 2015 and ISO 18001 : 2007 certification
- **2021** - Okomu plans to commission the first of its two 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.
- **2021** - The company will commence the erection of its second 30 t/hr oil mill at Extension 2.
- 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 in the top 10 among listed companies with the largest turnovers quoted on the Nigerian Stock Exchange (NSE).
- According to the June/July 2016 issue of the Bottomline magazine, the Okomu Oil Palm Company Plc is ranked as the ninth largest company with the highest profits before tax among companies quoted on the NSE, and the only agro-business on the Exchange's top 16, earning it a number of accolades at both State and Federal levels.
- Just as the company is expanding in size, its corporate social environment is also expanding. Currently, the company employs nearly 2,000 workers, directly, and 5 times that, indirectly, together with several hundred independent sub-contractors who provide essential support services to the company.
- The company is the largest private sector employer in Edo State, second only to that of the Edo State Government.
- The company provides free health care, housing, power, water, schooling and other benefits to its workers and has a social corporate responsibility (CSR) programme that assists 29 neighbouring communities surrounding the company's three plantations.
- CSR includes boreholes, road grading, school and clinic refurbishment, town halls, scholarships, and the like. Okomu also provides assistance to parastatal organisations such as the Nigerian Police Force, the Nigerian Army, Nigerian Immigration Service, Ministries of Justice and Education and Local Governments to enable them to boost their zones of influence and to benefit all concerned within these areas.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of the members of Okomu Oil Palm Company Plc will be held at the Harbour Point Event Centre, 4 Wilmot Point Road, Victoria Island, Lagos State on Wednesday, May 25 2022, at 11:00 a.m. to transact the following:

ORDINARY BUSINESS:

1. To lay before the members the Audited Financial Statements for the year ended 31st December 2021, together with the Reports of the Directors, Independent Auditors and Audit Committee thereon;
2. To declare a dividend;
3. To re-elect the following Directors who are retiring by rotation and being eligible have offered themselves for re-election:
   (i) Mr. Gbenga Oyebode, MFR as a Non-Executive Director
   (ii) Chief David Edebiri, OON as a Non-Executive Director
   (iii) Mr. Regis Helsmoortel, as a Non-Executive Director
4. To approve the appointment of the following Directors:
   (i) Mr. Philippe Fabri, as a Non-Executive Director
   (ii) Dr. Isabelle Chevalley, as an Independent Non Executive Director

   The profiles of the above Directors are in the Annual Report and on the company's website.
5. To authorize the Directors to fix the remuneration of Auditors
6. To elect members of the Audit Committee.
7. To disclose the remuneration of Managers.

SPECIAL BUSINESS:

8. To fix the remuneration of the Directors
9. To consider and if thought fit pass the following as Ordinary Resolutions:
   a. That pursuant to section 124 of the Companies and Allied Matters Act 2020, and Regulation 13 of the Companies Regulations 2021, as it relates to unissued shares of the Company, that the Company's unissued shares of 246,090,000 be and are hereby cancelled, thus bringing the Company's issued share capital to be N476, 955,000 divided into 953, 910,000 ordinary shares of 50k each.
   b. That the Directors be and are hereby authorized to enter into and execute agreements, deeds, notices or any other documents and to perform all acts and to do all such other things necessary for or incidental to giving effect to Resolution 9(a) above, including without limitation, appointing such professional bodies, consultants and advisers to comply with the directives of the regulatory authorities.
10. To consider and if thought fit pass the following resolution as a Special Resolution:
    a. That Clause 6 of the Memorandum of Association of the Company be altered to comply with resolution 9(a) above, and replace the provision stating 'share capital' with 'issued share capital'
11. To consider and if thought fit pass the following resolutions as Special Resolutions:
    a. To increase the maximum number of Directors permitted on the Board of Directors of the Company from 12 to 15
    b. To amend the Articles of Association of the Company to reflect the increase in resolution 11(a) above.

PROXY

To ensure the safe conduct of the 42nd Annual General Meeting in accordance with the health advisory of the Nigeria Centre for Disease Control on physical distancing and the restriction on mass gatherings due to the Covid-19 pandemic and in line with guidelines issued by the Corporate Affairs Commission (CAC) on the conduct of the Annual General Meeting (AGM) of Public Companies by proxies, Okomu Oil Palm Company Plc has obtained the approval of CAC to hold the AGM with attendance by proxies. Members of the Company are hereby notified that attendance shall only be by proxy. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the Company. Consequently, members are advised to select from the under listed proxies to attend and vote in their stead at the meeting:

a. Mr. Gbenga Oyebode, MFR
b. Mr. Asue Ighodalo
c. Dr. Graham Hefer
d. Mr. Arnaud Arhainx
e. Mr. Moses Igbrude
f. Sir. Sunday Nwosu
g. Mr. Bright Nwabughogu
h. Chief Akinsanya Adeolu
i. Mrs. Bakare Adebisi
j. Mrs. Ganiat Siyonbola
k. Mr. Olugbosun Ariyo

Proxy Form

THE OKOMU OIL PALM COMPANY PLC

I/We*________________________________

the undersigned being member/members of the OKOMU OIL PALM COMPANY PLC hereby appoint* ____________________________ 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 25th May, 2022 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

Dated this ____________ day of______________2022

Signature__________________________________

NOTES

1. This form of proxy together with the power of attorney of other authority, if any, under which it is signed or a notarially certified copy thereof must reach the Registrars Cardinalstone Limited, 335/337, 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 authorized.
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.
5. The company shall bear the costs of the stamp duty for this proxy.

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 (42nd ANNUAL GENERAL MEETING) TO BE HELD AT HARBOUR POINT EVENT CENTRE, 4 WILMOT POINT ROAD, VICTORIA ISLAND, LAGOS ON WEDNESDAY 25TH MAY 2022.

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I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside. Strike out whichever is not desired.

ORDINARY BUSINESS		
RESOLUTION	**FOR**	**AGAINST**
To declare a dividend		
To re-elect Mr. Gbenga Oyebode		
To re-elect Chief David Edebiri		
To re-elect Mr. Regis Helsmoortel		
To approve the appointment of Mr. Philippe Fabri		
To approve the appointment of Dr. Isabelle Chevalley		
To authorize the Directors to fix the Auditors' remuneration		
To elect shareholder's representatives on the Audit Committee		
SPECIAL BUSINESS		
To fix the remuneration of Directors		
To pass the sub-joined ordinary resolutions authorizing the Directors to cancel 246,090,000 unissued ordinary shares which comprise the total number of unissued shares in the share capital of the Company		
To pass the special resolution amending the Memorandum of Association of the Company, by modifying clause 6 of the memorandum of association to state 'The issued share capital of the company is N476,955,000 divided into 953,910,000 ordinary shares of 50 Kobo each…'		
To pass the special resolution increasing the maximum number of Directors permitted on the Board of Directors by the Articles of Association from 12 to 15		
To pass the special resolution amending the Articles of Association of the Company to reflect the maximum number of Directors permitted on the board as 15		

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.

In view of the above, members should appoint a proxy of their choice from the following proposed proxies to represent them at the meeting and to vote in their stead:

(a) Mr. Gbenga Oyebode, MFR
(b) Mr. Asue Ighodalo
(c) Dr. Graham Hefer
(d) Mr. Arnaud Arhainx
(e) Mr. Moses Igbrude
(f) Sir Sunday Nwosu
(g) Mr. Bright Nwabughogu
(h) Chief Akinsanya Adeolu
(i) Mrs. Bakare Adebisi
(j) Mrs. Ganiat Siyonbola
(k) Mr. Olugbosun Ariyo

Before posting the above form, please tear off this part and retain it.

ADMISSION CARD

THE OKOMU OIL PALM COMPANY PLC , RC. 30894

Number of Shares held________________________________

Please admit the duly appointed proxy to the Company's 42nd Annual General Meeting to be held at HARBOUR POINT EVENT CENTRE, VICTORIA ISLAND, LAGOS on Wednesday 25th May 2022 at 11.00 am

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 in his stead. The Proxy Card has been prepared to enable you to exercise your right to vote.

IMPORTANT: Please insert your name in block capitals on this proxy form (marked*). Insert the name of any one of the above stated persons who will attend the meeting and vote on your behalf in the blank space (Marked).**

Affix Current Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

CARDINALSTONE REGISTRARS

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

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

The Registrar,
Cardinal Stone Registrars, Limited
335/337Herbert Macualay Way, Yaba,
P.O. Box 9117, Marina, Lagos
Nigeria.

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

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name | First Name | Other Names

Address :

City | State | Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 | Mobile Telephone 2

Email Address

Signature(s) | Company Seal (If applicable)

Joint\Company's Signatories

TICK	NAME OF COMPANY	SHAREHOLDER'S ACCOUNT NO.
	ACORN PET. PLC	
	AFRIK PHARMACEUTICALS PLC	
	AG HOMES SAVINGS & LOANS	
	AG LEVENTIS	
	ARBICO PLC	
	ASHAKACEM PLC	
	BANKERS WAREHOUSE	
	BETA GLASS	
	CAPITAL HOTEL PLC	
	ELLAH LAKES	
	EVANS MED PLC	
	FCMB BOND	
	FCMB GROUP PLC	
	FIDSON BOND	
	G. CAPPA PLC	
	GUINEA PLC	
	IMB ENERGY MASTER FUND	
	JOS INT. BREWERIES PLC	
	KOGI SAVINGS & LOAN LTD	
	LAFARGE AFRICA PLC	
	LAFARGE BOND	
	LAW UNION & ROCK PLC	
	LEGACY FUND	
	LIVESTOCK FEEDS PLC	
	MORISON PLC	
	MRS OIL PLC	
	NAHCO BOND	
	NAHCO PLC	
	NEWPAK PLC	
	N.G.C PLC	
	NGC STERILE	
	NPF MICROFINANCE BANK	
	NULEC INDUSTRIES PLC	
	OKOMU OIL PALM PLC	
	PREMIER PAINT PLC	
	REAN PLC	
	SKYE BANK PLC	
	TOTAL NIG. PLC	
	TRANEX PLC	
	WOMEN INVESTMENT FUND	

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

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

A proxy form is attached to the Annual Report or can be found on the company's website at www.okomunigeria.com. All executed proxy forms should be emailed to registrars@cardinalstone.com or deposited at the office of the Registrars, Cardinalstone Registrars Ltd, 335/337, Herbert Macaulay Road, Yaba, Lagos, not later than 48 hours before the time of the meeting. For the appointment of a proxy to be valid for the purposes of the meeting, the Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

DIVIDEND QUALIFICATION DATE

Members, whose names appear in the Register of Members at the close of business on Friday, 22nd April 2022 shall qualify for the dividend payment.

CLOSURE OF REGISTER AND TRANSFER BOOKS

In accordance with Section 114 of the Companies and Allied Matters Act, 2020 (CAMA), Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Monday 25th April to Friday 29th April 2022(both days inclusive) to enable the Registrar to prepare for the payment of any dividends.

PAYMENT OF DIVIDEND

If the proposed dividend of N8.00 per 50K Ordinary Share is approved at the meeting, the dividend will be paid on Wednesday, 25th May 2022, to shareholders whose names appear on the register of members at the close of business on Friday 22nd April 2022.

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 for it via email to adetoun.akingbojule@cardinalstone.com.

E-DIVIDEND

Notice is hereby given to all Shareholders who are yet to mandate their dividends to their bank accounts to kindly update their records by completing the e-dividend mandate form and submitting same to the Registrar, as the dividend will be credited electronically to shareholders' accounts pursuant to the directive of the Securities and Exchange Commission.

A detachable application Mandate form for e-dividend payment is inserted into this Annual Report & Accounts 2021 for completion by all Shareholders to furnish the particulars of their accounts to the Registrars (Cardinalstone Registrars Ltd, 335/337 Herbert Macaulay Way, Yaba, Lagos).

NOMINATION FOR THE AUDIT COMMITTEE

In accordance with section 404 (6) of the Companies and Allied Matters Act, 2020 (CAMA), 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 (together with a short bio-data of the nominee), at least 21 days before the Annual General Meeting. A list of the prospective candidates shall be posted on the Company's website before the date of the meeting.

RIGHTS OF SECURITIES HOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12 (c) of the Nigerian Exchange Limited Rulebook 2015, every shareholder has the right to ask questions, not only at the Annual General Meeting but may also submit written questions to the Company prior to the meeting. Such questions should be sent by electronic mail to eomerole@okomunigeria.com, or addressed to the Company Secretary and delivered to the Company not less than 7 days to the date of the meeting.

WEBSITE

A copy of this Notice and other information relating to the meeting (with a link for all Shareholders to join the meeting on the 25th of May 2022) can be found at www.okomunigeria.com.

By Order of the Board

Chukwuebuk A. Omerole
P.C. Obi & CO.
Company Secretary
FRC/2022/PRO/NBA/002/00000024073
Dated this 28th day of March 2022.

REGISTERED OFFICE

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

Chukwuebuka A. Omerole
Company Secretary

DIRECTORS' PROFILE

Mr. G. Oyebode MFR
Chairman

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

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

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

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

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

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

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

Name: **Graham HEFER**
Residence: Nigeria
Appointment: Managing Director
Qualification: Msc. Agric, PHD. Agric
Work experience & occupation
Lecturer/Research fellow: University of Natal
Agricultural director: Tongaat Cotton Ltd
Executive director: Noordelike Sentrale katoen(PTY)
Managing Director: Okomu Oil Palm Company Plc

Dr. G. D. Hefer

Mr. A. Arhainx

Name: **Arnaud ARHAINX**
Residence: Nigeria
Appointment: Finance Director
Qualification: MBA, Corporate Strategy, MBA, Financial markets, MSC, Company Economics & Business Administration
Work Experience & Occupation
CFO: Global Gold Trade Group A.G. Decovar. London
Finance Director Group: Premier logistics UK LTD
Finance Director/CEO: 3T Logistics Holdings LTD
Finance Director: Okomu Oil Palm Company Plc

Employees Relations PHOTO SPEAKS

RECIPIENT OF THE 2021 LONG SERVICE AWARDS

REFRIGIRATORS RECEIVED BY SOME OF THE LONG SERVICE AWARD RECIPIENTS.

ISEGHOHIMEN AINA RECEIVING HER LONG SERVICE AWARD CERTIFICATE FROM THE FINANCE DIRECTOR, ARNAUD ARHAINX

CROSS SETION OF SOME HOUSE HOLD ITEM RECEIVED BY THE LONG SERVICE AWARD RECIPIENTS.

CROSS SETION OF SOME DINNING SETTEES RECEIVED BY THE LONG SERVICE AWARD RECIPIENTS.

MATTHEW MACAULAY RECEIVING HIS LONG SERVICE AWARD CERTIFICATE FROM THE CHIEF ACCOUNTANT, FELIX ODIGIZUWA

REFRIGIRATORS AND TELEVISIONS RECEIVED BY SOME OF THE LONG SERVICE AWARD RECIPIENTS.

MARTYNS JUSTINA RECEIVING HER LONG SERVICE AWARD CERTIFICATE FROM THE IT MANAGER, KHALIL KORIM

ELECTRICITY TRANSFORMER
AT IRHUE COMMUNITY

COMPLETED CORPERS' LODGE
AT EKPAN COMMUNITY

BLOCK OF CLASSROOMS
AT GBELEBU COMMUNITY

PLASTIC CHAIRS AND TABLES
AT MADAGBAYO TOWN HALL

ONGOING BLOCK OF CLASSROOMS
AT UHIERE COMMUNITY

DOMESTIC BOREHOLE
AT OFUNAMA COMMUNITY

INDUSTRIAL BOREHOLE, GENERATOR HOUSE
AND A GENERATING SET AT ODIGUETUE COMMUNITY

DOMESTIC BOREHOLE
AT GBOLE-UBA COMMUNITY

Mr. H. Fabri

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

Name: **David U. EDEBIRI OON**
Residence: Nigeria
Appointment: Non Executive Director
Qualification: Dip. Journalism
Work experience & occupation
Public relations/information officer in the Civil Service, Chairman of various committees including Palace Committee on Benin traditional sports and games. Author of a number of books on Benin kingdom, General business and fish farming.
Director: Okomu Oil Palm Company Plc

Chief D. U. Edebiri OON

Dr. L. J. J. Boedt

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

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

Mr. P. A. E. Eguasa, JP

Name : Philippe de Traux de WARDIN
Residence : Switzerland
Appointment: Non Executive Director
Qualification : BSc Applied Economic Science
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, SociétéIndustrielle et Financière de l'Artois, SOGB, SudComoeCaoutchouc (SCC), Socfin,Socfinaf, Socfinasia, Socfinco FR, Socfin Green Energy

Mr. Ph.de Traux de Wardin

Mr. R. Helsmoortel

Name : Regis HELSMOORTEL
Residence : Switzerland
Appointment: Non Executive Director
Qualification : BSc Industrial Management, MSc Agricultural Engineering
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

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,
FATE Foundation, Nigerian Economic Summit Group (Vice Chairman)
Okomu Oil Palm Company Plc, Sterling Bank Plc (Chairman)

Mr. A. Ighodalo

Mr. S. F. Claeys

Name : Sven CLAEYS
Residence : Belgium
Appointment: Non Executive Director
Qualification : MSc Agricultural Engineering, M.A International Policy
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

ELDERS OF UMOKPE COMMUNITY IN A GROUP PHOTOGRAPH WITH DR. HEFER.

PRESENTATION OF THE APPRECIATION CARD TO DR. GRAHAM HEFER AT OWAN COMMUNITY

ELDER OF GBELEBU COMMUNITY POSING FOR A GROUP PHOTOGRAPH WITH OKOMU MANAGEMENT TEAM DURING A RECENT VISIT TO THE COMMUNITY

AN ELDER IN IRHUE COMMUNITY APPRECIATING DR. HEFER FOR DRILLING THE FIRST EVER BOREHOLE IN THEIR COMMUNITY

PRESENTATION OF COMMUNITY INFORMATION PACK TO THE ODIONWERE OF AGBADO COMMUNITY.

WOMEN OF UMOKPE COMMUNITY IN A GROUP PHOTOGRAPH WITH DR. HEFER AND THE ENOGIE OF THE COMMUNITY.

OKOMU COMMUNITY RELATION TEAM WITH MEN AT AGBADO COMMUNITY.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021	2020	1-Jan-20	2018	2017
		*Restated	*Restated		
	N'000	N'000	N'000	N'000	N'000
Revenue	37,394,507	23,410,680	18,867,271	20,257,669	20,261,918
Profit before taxation	16,114,778	8,694,913	7,523,187	10,337,171	11,140,142
Profit for the year	11,538,968	2,942,468	5,049,637	8,501,849	9,314,322
Total comprehensive income for the year	12,099,655	2,054,076	5,368,348	8,219,903	9,314,322

Statement of financial position

	2021	2020	1-Jan-20	2018	2017
		*Restated	*Restated		
Employment of funds	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	30,549,557	19,516,703	13,922,995	13,392,195	11,216,535
Bearers Plant	19,109,312	19,395,413	18,201,055	16,017,362	12,898,674
Biological Assets	289,523	162,051	112,109		
Right-of-use asset	126,830	190,244	253,659	-	-
Current asset	15,697,223	16,099,268	11,471,742	9,008,396	7,158,496
Current liability	8,844,843	7,398,513	4,230,517	4,922,729	5,040,860
Net current assets	6,852,380	8,700,755	7,241,225	4,085,667	2,117,636
Non Current liabilities	(22,875,645)	(19,335,496)	(11,247,628)	(4,981,070)	(3,096,864)
Net assets	34,051,956	28,629,671	28,483,415	28,514,154	23,135,981
Funds Employed					
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
Retained earnings	31,958,408	27,096,809	26,062,161	26,170,103	20,791,930
Revaluation reserve	(250,502)	(811,189)	77,203	-	-
	34,051,956	28,629,671	28,483,415	28,514,154	23,135,981

Name: **VIVIEN SHOBO**
Residence: Nigeria
Appointment: Independent Director
Qualification: Bsc. Accounting, MBA Finance.
Work Experience & Occupation
Director: InfraCredit Nigeria, CEO - FVS Advisory Partners, FMDQ Clear Limited, Transport Service Limited (TSL), SqueakyClean Services Limited.

Mrs. V. Shobo

Dr Isabelle Chevalley

PROFESSIONAL QUALIFICATIONS AND BACKGROUND

Politics

- Deputy of the Swiss National Parliament since 2011.
- Very active with STSA against a Swiss initiative that targeted the activities of Swiss companies abroad (November 2020)

Business

- Member of the Board of Directors of Cremo from 2012 to 2021

Africa

Regular traveler to Africa, having travelled to 16 African countries in more than 40 trips. I met with several African heads of state and many ambassadors, and I have been the President of the Swiss-African Parliamentary Intergroup since 2014.

Waste recycling

- Tangible successes with the creation of several waste recycling centers in Africa (Comoros and Burkina Faso). The Liberian Government mandated me to write a report on waste management for their country and I wrote a book on waste recycling in Africa (see books). **Renawable energy**
- Very extensive experience and knowledge in the field of renewable energies built up over the last two decades. I have been the president of the Swiss Wind Energy Association Suisse Eole since 2012. In this context, I wrote book about the benefits of wind energy (see books). Between 2006 and 2012, I was Member of the organizing committee of the Swiss renewable energy fair Energissima and Greentech in Fribourg, in charge of the conferences. From 2006 to 2010, I was the Coordinator of the 'Agence pour les énergies renouvelables et l'efficacité énergétique'. From 2002 to 2008, I was the Coordinator of 'Sortir du nucléaire'.

EDUCATION

PhD in Science with a Specialisation in Phytochemistry and Alimentary Chemistry University of Lausanne, 1990 - 2000
1996-2000 Academic doctorate (PhD), Pharmacy School, University of Lausanne
1995 Diploma in Organic Chemistry, University of Lausanne
1993-1995 Specialisation in alimentary Chemistry, Nestlé, cantonal laboratory
1990-1995 Master in Chemistry, University of Lausanne
1988-1990 Gymnase de la Cité, general scientific section, Lausanne

Dr Isabelle Chevalley

PHILIPPE FABRI

Date of birth: February 1st 1988

EDUCATION AND MEMBERSHIPS

BOSTON UNIVERSITY, School of Management — Boston, Massachusetts
Bachelor of Science in Business Administration — 2006 – 2010
Specialisation in Finance

ST. JOHN'S INT'L SCHOOL, International Baccalaureate — Waterloo, Belgium
Higher Level Maths, Chemistry, Physics, English A2 — May 2002 – July 2006

Fédération of Oil Seeds and. Fats Associations, Member and Graduate

PROFESSIONAL EXPERIENCE

May – July 2009 — **Mondial Telecom – Telecom Provider**
Brussels, Belgium
Internship

2010 – 2011 — **Petercam**
Brussels, Belgium
Equity Analyst

2011 – 2013 — **Ecologis**
Brussels, Belgium
Passive Housing Contrsuction Project Manager

2013 –2017 — **Bolloré Group**
London, United Kingdom
Project Manager, London Electric Vehicle Development

2017-2020 — **Socfin Group**
Fribourg, Switzerland
Palm Oil & Rubber Trader

2020 — **Socfin Group**
Fribourg, Switzerland
Financial Controller

2020 – Present — **Socfin Group**
Fribourg, Switzerland
Chief Executive

DIRECTORSHIPS

2020 – Present	Socfin Agricultural Company (SL) Limited "SAC", Director
2021 – Present	Liberian Agricultural Company "LAC", Director
2021 – Present	Salala Rubber Corporation "SRC", Director
2020 – Present	Plantations Socfinaf Ghana Limited "PSG", Director
2021 – Present	Brabanta SA, Director
2021 – Present	Socfin KCD Co., Ltd, Chairman
2021 – Present	Coviphama Co., Ltd, Director
2021 – Present	PT Socfin Indonesia (Socfindo), Commissioner
2020 – Present	Socfinaf SA, Director
2018 – Present	Socfinasia SA, Director
2020 – Present	Socfinco FR SA, Director
2020 - Present	Société Financière des Caoutchoucs "SOCFIN", Director


Philippe Fabri

	2021 N'000	%	*Restated 2020 N'000	%
Revenue	37,394,507		23,410,680	
Bought in materials and services:				
-Local	(16,384,182)		(10,295,335)	
-Foreign			-	
	21,010,325		13,115,345	
Finance Income	48,915	0%	7,127	0%
Value added	21,059,240	100	13,122,472	100
Applied as follows:				
To Employees:				
- as salaries, wages and other staff costs	1,294,000	6%	1,104,709	8%
- Directors remuneration	109,971	1%	87,942	1%
To Providers of finance:				
- Finance cost and similar charges	671,586	3%	868,542	5%
To Government as:				
- Income tax expense	1,836,770	9%	1,016,827	8%
- Deferred tax expense	2,739,040	13%	4,735,618	36%
Retained in the business:				
To maintain and replace				
- Depreciation and amortisation	2,868,905	14%	2,366,366	18%
- To augment reserves	11,538,968	55%	2,942,468	22%
Value added	21,059,240	100	13,122,472	100

37.5 INDUSERVICES FR S.A
Provide internet services for the company. The Company incurred N239million (2020: N21million) in cost to procure internet services. The amount due to the Company as at the end of the year was N8.8million (2020: N11.3million).

37.6 SOGB
The Company engages in the purchase of seedlings from its related party. However, during the year, there were no transactions. The amount due to the Company as at year end was Nil (2020: 4,261million).

37.7 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL.

I The Company engaged Peter Eguasa (JP) and Chief David Edebiri (OON), who are Directors of the Company for the construction of staff quarters at a contract sum of N42.38 million and N4.29 million respectively. The transactions were carried out at arms length.

ii The Company engaged Leonard Ohenhen an Audit Committee member, for the construction of staff quarters for a contract sum of N19.38 million. The transaction was carried out at arms length.

38 COVID-19
There have been no impact of COVID-19 on the Company's business operations. There is no knowledge of COVID -19 affecting customer orders due to the pandemic.

39 EVENTS AFTER REPORTING DATE
The Directors are of the opinion that there were no events after the reporting date that could have material effect on the financial statements of the Company that had not been adequately provided for or disclosed in these financial statements.

CORPORATE INFORMATION

Registered Company number	30894	
Directors	Mr. Gbenga Oyebode MFR	Chairman
	Dr. Graham Hefer (South African)	Managing Director
	Mr. Arnaud Arhainx (French)	Finance Director/CFO
	Dr. Luc Boedt (Belgian)	Non Executive Director
	Chief David Edebiri OON	Non Executive Director
	Mr. Peter Eguasa JP	Non Executive Director
	Mr. Hubert Fabri (Belgian)	Non Executive Director
	Mr. Regis Helsmoortel (Belgian)	Non Executive Director
	Mr. Philippe De Traux De Wardin (Belgian)	Non Executive Director
	Mr. Sven Claeys (Belgian)	Non Executive Director
	Mr. Asue Ighodalo	Non Executive Director
	Mrs. Vivien Shobo	Independent Director
Registered Office	Okomu Oil Palm Estate Okomu-Udo Edo State	
Principal Place of Business	Okomu Oil Palm Estate Okomu-Udo Edo State	
Company Secretary	P.C. Obi & Co. represented by Chukwuebuka Omerole 37 Norman Williams Street South-West Ikoyi Lagos	
Independent Auditors	Messrs. Ernst & Young 10th & 13th Floors, UBA House 57 Marina Lagos	
Bankers	Access Bank Plc Polaris Bank Limited Zenith Bank Plc	
Foreign Bankers	Banque Cantonale de Fribourg Freiburger Kantonal 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 Squares des Places 3 1700 Fribourg Switzerland	

	2021	2020	% change
	₦'000	₦'000 *Restated	
REVENUE	37,394,507	23,410,680	60%
Profit before taxation	16,114,778	8,694,913	85%
Income tax expense	(4,575,810)	(5,752,445)	-20%
Profit for the year	11,538,968	2,942,468	292%
Other comprehensive income/(Loss)	560,687	(888,392)	-163%
Total comprehensive income	12,099,655	2,054,076	489%
NET ASSET	34,051,956	28,629,671	19%
Employee's expenses	1,294,000	1,104,709	17%
NUMBER OF EMPLOYEES	426	455	
Basic earnings per share	12.10	3.08	
Net asset per share	35.70	30.01	

* Certain amounts shown here do not correspond to the 2020 audited financial statements and reflect adjustments made, refer to Note 4.19.

36 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no known contingent liabilities and capital commitments as at 31 December 2021. (2020: Nil).

37 RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties for the year ended 31 December 2021.

Details of transactions between the Company and its related parties are disclosed below.

	Note	2021 ₦ 000	2020 ₦ 000
Amounts due from related parties			
Sogescol	37.1	383,870	518,037
AMD Agro Services	37.2	489	489
		384,359	518,526
Amounts due to related parties			
Sodimex	37.3	(74,829)	(145,936)
Socfinco	37.4	(323,049)	-
Induservices	37.5	(8,845)	(11,320)
SOGB	37.6	-	(4,261)
		(406,723)	(161,517)

Nature of transaction

37.1 SOGESCOL

The Company exports its rubber to SOGESCOL FR S.A . Sales during the year amounted to N5,563billion (2020: 2,908 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 NGN 384million (2020: NGN 518million).

37.2 AMD AGRO SERVICES

Provides services to the Company. No transaction occurred during the year. Amounts due at year end was NGN489 thousand (2020: NGN489 thousand).

37.3 SODIMEX FR S.A

The Company purchases a large amount of its equipment and spare parts from SODIMEX FR S.A . During the year under review, the company incurred N156million (2020: N223million) in cost to procure capital assets and spare parts and these were carried out on arm's length basis. The amount due to the Company from SODIMEX FR S.A has at the end of the year was N74million (2020: N146million).

37.4 SOCFINCO FR S.A

SOCFINCO FR S.Ahas exclusive right to know how and manages the affairs of the company. In consideration of the provision to the company of this technical know how, management fee and other support charges are paid to SOCFINCO FR S.A.The technical fees are calculated at aggregate rate equal to 3%of the company's net sales and management fees are 3% of profit before tax. The technical know how and management services agreement are made with the approval of the national office for technology acquisition and promotion (NOTAP). The Company incurred N1,436billion (2020: N1,035billion) which did not include withholding tax and value added tax of N329million (2020: N157million) separately paid on management and technical fees during the year. The amount due from the company to SOCFINCO FR S.A at the year end was N323million (2020: Nil)

34 TRADE AND OTHER PAYABLES

	Note	2021 ₦'000	2020 ₦'000
Trade payables		1,214,700	1,152,874
Advances from customers		747,951	1,097,984
Other payables	34.1	1,376,382	6,154
Statutory liability	34.2	220,689	72,768
Accruals	34.3	850,560	2,400,016
Related parties	34.4	406,722	161,517
		4,817,004	4,891,312

34.1 * Other payables are non-interest bearing and have an average term of six months.
34.2 * Statutory liabilities includes withholding tax, VAT withheld, and others.
34.3 * Accruals relates to management fees and accruals others.
34.4 * For terms and conditions with related parties, refer to note 37

35 GOVERNMENT GRANTS

	Note	2021 ₦'000	2020 ₦'000
At 1 January		4,205,059	1,521,831
Received during the year		536,703	3,269,394
Released to the statement of profit or loss	10	(646,848)	(586,165)
At 31 December		4,094,915	4,205,059
Current		791,718	617,992
Non-current		3,303,197	3,587,067
		4,094,915	4,205,059

Government grants arose as a result of benefits received from below-market interest rate government assisted loans (See note 32) granted to date. The benefit of the below-market rate is measured as the difference between the initial carrying value of the loan determined in accordance with IAS 20.10a and the proceeds received. There are no conditions attached to the grant and it is released to profit or loss over the loan term.

Mr G. Oyebode MFR
Chairman

Distinguished Shareholders, Guests of Honour, Ladies and Gentlemen, welcome to the 42nd Annual General Meeting of our Company. It is my pleasure to present to you the annual report and financial results for the year ended 31st December 2021.

THE OPERATING & ECONOMIC ENVIRONMENT FOR 2021

Following the global economic crisis in the year 2020, as a result of Covid-19, it was expected that the global economy would begin to show signs of recovery in 2021. However, several countries continued to grapple with Covid19 lockdowns and travel bans, which left many companies reeling from logjams in supply chains worldwide.

In Nigeria, notwithstanding her exit from a recession in the 4th quarter of 2020, triggered by the lockdown, its rippling effect still lingered on in 2021 as the nation witnessed a devastating surge in inflation, reaching the highest levels in four years, amid skyrocketing food prices and poor purchasing power. Worsening insecurity issues in the country, a persistent drop in crude oil prices, and a lack of forex also continued to hinder growth for most businesses on the verge of recuperating from the after-effects of Covid-19.

Commodity prices for both of our company's products increased during 2021. However, the lack of foreign exchange also assisted the company to sell our crude palm oil (CPO) into the local market without having to compete with illegal imports in the past year.

OPERATING RESULTS

The past year saw a 53% increase in CPO prices year on year (YoY) whilst rubber prices increased by 39% (YoY). CPO production was nearly 3% higher than for the same period 2020, whilst rubber production was 26% higher (YoY). Consolidated turnover for the year increased YoY by 60%. Direct costs increased by 45% YoY.

The Company paid 20% lower Company income tax YoY.

In spite of the difficult 2021 business environment, I am pleased to announce that our company registered a total comprehensive income for 2021 of N12.0 billion, this being 489% higher than in 2020.

DIVIDENDS

The Board of Directors have therefore, recommended a dividend of N8:00 per ordinary share of 50 kobo each (2020: N7.00 per ordinary share of 50 kobo each) held, subject to the payment of withholding tax at the appropriate rate.

OPERATIONAL PERFORMANCE BY SECTOR

Palm

As at the end of 2021, the total oil palm area was 19,060ha. No immature plantings or re-plantings were recorded.

Total agricultural palm plantation costs for the year were 56% higher YoY.

CONSOLIDATED FINANCIAL RESULTS

During the year under review, the results of the Company recorded a combined revenue totaling N37.39 billion, 60% higher than 2020's consolidated revenues.

Earnings before tax (EBT) were 85% higher YoY and taxes were 20% lower YoY leading to a consolidated total comprehensive income for 2021, as stated earlier, of N12.0billion, this being 489% higher than 2020, mainly as a result of higher product prices.

ENVIRONMENTAL SUSTAINABILITY, HEALTH, EDUCATION & SAFETY FOR 2021

The Company has, for the second year in a row been successfully re-certified under the internationally recognized Roundtable on Sustainable Palm Oil (RSPO) certification scheme, a momentous achievement for our Company that confirms that our practices at Okomu main estate are first world standard in the fields of sustainable environmental conservation, health, education, community, worker rights, legal and safety practices.

The Company also once again successfully completed all other statutory Federal and State environmental audits in 2021, as well as the re-certification of our ISO9001:2015, ISO14001:2015 and ISO45001 (previously ISO18001:2007) for product quality, environmental sustainability and health and safety, respectively.

Furthermore, the company attained another milestone in 2021 after obtaining Halal certification that allowed the company to provide products that will be accessible to the Muslim community.

The 5Mw turbine has also been completed and is working seamlessly. The turbine will generate enough power for both Okomu and Extension 1, together, at a minimal cost seen as production of the power is through steam, which is produced through palm biomass, helping us to lower our carbon footprint.

EMPLOYEES

Due mainly to natural attrition, the number of staff as at the end of 2021 decreased from 426 to 455.\

The Company spent N101.3 million in 2021 (2020: N66.6 million) on staff health, safety and welfare programmes.

The Company was also very proud that it did not lose any employees due to industrial accidents in 2021.

The Company, even under Covid-19 restrictions, managed to train her staff and invested N38.56 million in employee skills training programmes in 2021 (2020: N31.5 million).

CORPORATE SOCIAL RESPONSIBILITY

The company continued with her auspicious corporate social responsibility (CSR) programme for her neighboring communities (please feel free to check the programmes out on our Company homepage at www.okomunigeria.com and our Face Book page) in 2021. Annual disbursements for training, the erection of building projects, bursaries, recipients for the skills acquisition programme, and the like, were made to our local communities and/or Government departments amounting to N283.86 million (2020: N255.4 million) in 2021.

33.2 DEFINED BENEFIT OBLIGATION - CONTINUED

	Present value of the obligation ₦'000
1 January 2020	935,379
Service cost	41,475
Interest cost	129,769
Remeasurement recognised in other comprehensive income:	
Remeasurement gain:	
Change in economic assumptions	49,084
Salary increases	1,220,047
Demographic experience	
Remeasurement loss as at 31 December 2020	1,269,131
Benefits paid	(79,413)
31 December 2020	2,296,341
Service cost	102,784
Interest cost	153,617
Remeasurement recognised in other comprehensive income:	
Remeasurement loss:	
Change in economic assumptions	(183)
Change in financial assumptions	(981,937)
Demographic experience	181,138
Remeasurement gain as at 31 December 2021	(800,982)
Benefits paid	(73,693)
31 December 2021	1,678,069

The actuarial valuation of the gratuity scheme as at 31 December 2021 and the comparative periods were done by NEXYAN Actuaries & Benefit Consultants . The projected unit credit (PUC) method was used in determining the actuarial valuation arising from the defined benefit pension plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

The principal assumptions used in determining the defined benefit obligations are shown below:

	2021	2020
Discount rate	13%	6%
Salary increase rate	11%	11%

Mortality

Pre-retirement:

	No of deaths per 10,000 lives 2021	2020
Sample age		

Sensitivity analysis		31/12/2021	31/12/2020
Sensitivity: Increase of DBO			
Discount rate + 0.5%		(47,869,701)	(84,376,578)
Discount rate - 0.5%		50,100,366	89,118,100
Salary increase + 0.5%		48,120,277	81,880,355
Salary increase - 0.5%		(46,389,665)	(78,455,255)

33 POST-EMPLOYMENT BENEFITS OBLIGATIONS

		2021	2020
		₦'000	₦'000
Other Post-employment benefit	33.1	4,330	4,081
Defined benefit obligation	33.2	1,678,068	2,296,341
		1,682,398	2,300,422

33.1 AT 1 JANUARY 2021

	2021	2020
Contributions during the period:		
Company	29,439	27,656
Employees	23,125	22,856
Remittance to Pension Funds Administrator	(48,234)	(46,431)
At 31 December	4,330	4,081

The Company has a defined contribution plan for employees post employment benefits. In accordance with the Pension Reform Act 2014, the Company and its employees make a joint contribution of 18% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

33.2 DEFINED BENEFIT OBLIGATION

The Company also operates a defined benefit scheme for employees based on the number of years of service before retirement or death. An employee must have spent over three (3) years in service before he or she is qualified for the gratuity. The table below contains the amount of the monthly gross salary in function of the number of service years.

The Company shall pay gratuity benefits as follows

Completed years of service	Gratuity benefit
3 - 5 years	180%
6 - 8 years	200%
9 - 11 years	220%
12 - 14 years	240%
15 - 17 years	260%
18 - 20 years	280%
21 - 24 years	300%
25 years and above	350%

FUTURE EXPANSION & DEVELOPMENT PLANS FOR 2022

The first of the two 30t/hour oil mills in Extension 2 has been completed and started processing in October 2021. Unfortunately, due to the recurring surge of the pandemic, some countries were forced to go on lockdowns again, causing delays in the completion of the second of the two 30t/hour oil mills in Extension 2. It is now envisaged that the second 30t/hr oil mill will be completed and ready for commissioning by the end of 2022, early March 2023, if no further delays arise.

Apart from the memorandum of understanding (MoU) with the Okomu National Park (ONP) wherein the park has partnered with the Company to co-manage the buffer zones and high conservation value area (HCVs) bordering the ONP, other parties such as ANI and the Earthworm Foundation, are also in the process of partnering with the company to ensure the long term sustainability of the ONP and her surrounds, including local communities and related stakeholders through ecotourism.

The Company also began its business with smallholder farmers in 2021, albeit at a slower pace than anticipated, mainly due to the lingering Covid-19. However, in 2022 further negotiations and agreements with NonGovernmental Organisation (NGO's) will be concluded, which will hopefully initiate smallholder programmes, together with the Edo State Government. The possibility of starting with 1,500ha of land to communities by the end of 2022 is the goal of the Company, hopefully in collaboration with local communities under the Company's footprint. In addition, the company hopes to purchase around 10,000t of FFB from current smallholder farmers surrounding both Okomu main estate and Extension 2 in 2022.

CONCLUSION

Despite the headwinds of insecurity, inflation, and devaluations, I am sure that the outstanding results speak for themselves and one of the largest dividends that the company has ever paid to our loyal shareholders has been achieved by a resolute and loyal team of Board, Management, staff, and other key stakeholders who have contributed to the success of our company this past year.

However, I must add a word of caution going forward as we enter a year that heralds the beginning of the 2023 presidential election cycle and escalating insecurity across the country amid a very difficult economic climate that may have adverse effects on our results next year.

Thank you all for your attendance at our Annual General Meeting this year and I wish you well for 2022, especially in these uncertain times.

Thank you.

Mr. G. Oyebode MFR
Chairman
FRC/2013/NBA/0000000254
28 March 2022

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors' present their report together with the audited financial statements of the Okomu Oil Palm Company Plc ("the Company") for the year ended 31 December 2021, which disclose the state of affairs of the Company.

INCORPORATION

The Company was incorporated as a private limited liability company on 3 December, 1979. It was converted to a public limited company on 19 September, 1997 under the Companies and Allied Matters Act and it is domiciled in Nigeria

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.

Results	2021	2020
	₦'000	₦'000
Revenue		*Restated
	37,394,507	23,410,680
Profit before income tax expense		
Income tax expense	16,114,778	8,694,913
Profit for the year	(4,575,810)	(5,752,445)
	11,538,968	2,942,468

DIVIDEND

The directors recommend, in respect of the year ended 31 December 2021, the proposed dividend of ₦8:00 per 50 kobo ordinary share (2020: ₦7.00 per 50 kobo ordinary share) subject to the deduction of withholding tax at the appropriate rate. Proposed dividend will only be recognised as a liability after approval by the shareholders at the Annual General Meeting (AGM).

DIRECTORS

The members of the Board of Directors during the year under review comprise:

Mr. Gbenga Oyebode MFR	Chairman
Dr. Graham Hefer	Managing Director (South African)
Mr. Arnaud Arhainx	Finance Director (French)
Chief David Edebiri OON	
Mr. Hubert Fabri	(Belgian)
Mr. Regis Helsmoortel	(Belgian)
Dr. Luc Boedt	(Belgian)
Mr. Peter Eguasa JP	
Mr. Asue Ighodalo	
Mr. Philippe De Traux De Wardin	(Belgian)
Mr. Sven Claeys	(Belgian)
Mrs. Vivien Shobo	

32.1 Movement in borrowings during the period - Long Term loan		2021	2020
		₦'000	₦'000
Opening balance		7,265,133	7,364,435
Additions		1,918,911	3,424,797
Released as government grant	35	(536,703)	(3,269,394)
Repayment		(389,463)	(1,080,125)
Interest expense		636,853	825,420
		8,894,731	7,265,133
32.2 Current		935,197	835,856
Non-current		7,959,534	6,429,277
		8,894,731	7,265,133

Central Bank of Nigeria- Zenith Bank

This loan relates to 2billion naira loan obtained in October 2021 by The Okomu Oil Palm Company Plc from Central Bank of Nigeria (CBN) under the Commercial Agriculture Credit Scheme to finance the purchase, construction and installation of a second 30 ton/hour ultra modern oil mill at Okomu Extension 2 at the rate of 5% per annum payable till February 28 2022 and subsequently 9% per annum with effect from March 1 2021, till maturity. CBN gave 12 month moratorium to The Okomu Oil Palm Company Plc to start repaying the principal one year after the disbursement was made to the lender and it is expected to be paid for over 60 months consecutively, while the interest covers the entire 72 months of the loan tenor. Also, there is a 7 day grace period given for late repayment before penal charge is made by the lender.

Bank of Industry

This loan is related to a 1.9billion naira loan obtained in June 2018 by The Okomu Oil Palm Company Plc from 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 at the rate of 10% per annum payable monthly in arrears, commencing from date of disbursement. BOI gave 1 year moratorium commencing from the first date of disbursement to The Okomu Oil Palm Company Plc so as to enable them start repaying the principal after one year. The tenor of the loan is 72 months with 60 equal and consecutively, monthly installments of NGN32,455,240.58 commencing immediately after the moratorium period. In addition, 1% of the loan was charged for Appraisal Fee and Commitment Fee while 0.125% was charged as Monitoring Fee respectively.

Central Bank of Nigeria - Zenith Bank

This loan related to a 10billion naira loan obtained in August 2019 by The Okomu Oil Palm Company Plc from Central Bank of Nigeria (CBN) under the scheme of CBN Differentiated Cash Reserve Requirement to finance the development of an oil palm plantation at the rate of 8% per annum. CBN gave a 36 month moratorium commencing from the first date of disbursement to The Okomu Oil Palm Company Plc so as to enable them to start repaying the principal after 3 years from the date of the first disbursement. The tenor of the loan is 120 months with 28 equal and consecutive quarterly installments commencing immediately after the moratorium period has ended. It is worthy to note that the loan was disbursed by Zenith Bank Plc on behalf of CBN to the company.

28 SHARE CAPITAL

Authorised :		
1,200,000,000 ordinary shares of 50 kobo 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 600,000,000 to 1,200,000,000 by the creation of 600,000,000 ordinary shares of N0.50k each. The filing of the notification shares with Corporate Affairs Commission was completed on 4th February 2013.

Issued called up shares capital:		
953,910,000 ordinary shares at N0.5 each	476,955	476,955
	476,955	476,955

29 SHARE PREMIUM

Share premium	1,867,095	1,867,095

Companies and Allied Matters Act 2020 requires that where a Company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

30 OTHER RESERVES

	2021 ₦'000	2020 ₦'000
As at 1 January	(811,189)	77,203
Actuarial gain/(loss)	560,687	(888,392)
	-	-
At 31 December	(250,502)	(811,189)

Other reserves represents actuarial loss on defined benefit obligation, net of tax through Other Comprehensive Income.

31 DIVIDEND

	2021 ₦'000	2020 ₦'000
Dividend Declared	6,677,370	1,907,820
Dividend Paid	(6,677,370)	(1,907,820)
	-	-

The Board of Director recommend the payment of dividend of ₦8:00 Per ordinary share (2020: ₦7:00 per 50 kobo ordinary share) subject to shareholders approval at the Annual General Meeting, subject to deduction of withholding tax.

32 INTEREST-BEARING LOANS AND BORROWINGS

	2021 ₦'000	2020 ₦'000
Central Bank of Nigeria (CBN)	1,477,445	-
Bank of Industry	923,615	5,998,574
Central Bank of Nigeria (CBN)	6,493,671	1,266,559
	8,894,731	7,265,133

DIRECTORS RETIRING

In accordance with Section 285 (1) of the Companies and Allied Matters Act 2020. one-third of the directors shall retire at the conclusion of the Annual General Meeting, and these directors, being eligible, hereby offer themselves for reelection.

The directors retiring are Mr. Gbenga Oyebode, Chief David Edebiri and Mr. Regis. Helsmoortel.

HISTORY OF THE SHARE CAPITAL

Year	Authorised Share Capital	Value	Issued and fully paid shares	Value	Remarks
1989	68,000,000	34,000,000	50,700,000	500,000	Initially the share of the company was 10k/share
1990	68,000,000	34,000,000	50,700,000	25,350,000	Consolidation and subdivision into 68,000,000 shares of 50k each
1991	68,000,000	34,000,000	55,200,000	27,600,000	Listed on the Stock Exchange
1992	68,000,000	34,000,000	66,240,000	33,120,000	
1993	80,000,000	40,000,000	79,884,000	39,744,000	Bonus issue of 1 for 5 held
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 & rights Issue of 1:3
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 share capital & rights Issue of 2:1
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	

Year	Authorised Share Capital	Value	Issued and fully paid shares	Value	Remarks
2013	1,200,000,000	600,000,000	953,910,000	476,955,000	Increase in share capital & Bonus Issue of 1:1
2014	1,200,000,000	600,000,000	953,910,000	476,955,000	
2015	1,200,000,000	600,000,000	953,910,000	476,955,000	
2016	1,200,000,000	600,000,000	953,910,000	476,955,000	
2017	1,200,000,000	600,000,000	953,910,000	476,955,000	
2018	1,200,000,000	600,000,000	953,910,000	476,955,000	
2019	1,200,000,000	600,000,000	953,910,000	476,955,000	
2020	1,200,000,000	600,000,000	953,910,000	476,955,000	
2021	1,200,000,000	600,000,000	953,910,000	476,955,000	

SHAREHOLDING

The shares of Okomu Oil Palm Company Plc are 62.94% owned by Socfinaf S. A. which is incorporated under the laws of Luxembourg and 37.06% 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.

DIRECTORS' INTEREST

The director's 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 section 301 of the Companies and Allied Matters Act, 2020 are as follows

Held as at:	31st December 2021		31st December 2020	
Name	Direct Number	Indirect Number	Direct Number	Indirect Number
Mr.G.Oyebode MFR	35,938,136	5,730,978	35,938,136	5,730,978
Mr.P.A.E Eguasa JP	9,165,000	-	9,165,000	-
Mr.A.Ighodalo	-	921,284	-	921,284

25 RIGHT OF USE ASSETS-MOTOR VEHICLE

		2021 ₦'000	2020 ₦'000
As at 1 January		190,244	253,659
Additions		-	-
Depreciation expense		(63,415)	(63,415)
As at 31 December		126,830	190,244

25.1 LEASE LIABILITY

		2021	2020
As at 1 January		204,314	253,659
Additions		-	-
Accretion of interest		34,733	43,122
Payments		(92,467)	(92,467)
As at 31 December		146,580	204,314
Current		67,548	57,734
Non-current	25.1.1	79,032	146,580
		146,580	204,314

The Company has lease contracts for motor vehicles. The lease term is four (4) years.

25.1.1 THE FOLLOWING ARE THE DETAILS OF LEASE PAYMENTS:

	2021	2020
Payment of principal on lease liabilities	57,734	49,345
Payment of lease interest on lease liabilities	34,733	43,122
Total amount recognised as lease payments	92,467	92,467

The following are the amounts recognised in profit or loss:

	2021	2020
Depreciation expense of right-of-use-assets	63,415	63,415
Interest expense on lease liabilities	34,733	43,122
Total amount recognised in profit or loss	98,148	106,537

26 PREPAYMENTS

	2021 ₦'000	2020 ₦'000
Prepaid Rent	482	140

27 CASH AND CASH EQUIVALENTS

	2021	2020
Cash balances	6,619	9,564
Bank balances	9,948,569	4,559,803
	9,955,188	4,569,367

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand

22 BIOLOGICAL ASSETS	2021	2020
	₦'000	₦'000
22.1 NON CURRENT:		
At 1 January	162,051	112,109
Change in fair value on biological assets (P or L)	127,472	49,942
At 31 December	289,523	162,051

This represent produce (Fresh Fruit Bunches and latex) growing on bearer plants and is measured at fair value less cost to sell

22.2 CURRENT:

Raw Rubber (latex)	234,177	390,501
	234,177	390,501

Raw rubberrepresents harvested latexand has been valued at fair value less costto sell at the point of harvest. The fair value approximates the cost

23 INVENTORIES	2021	2020
	₦'000	₦'000
Goods - in - transit (outbound)	545,174	417,541
Finished goods	920,150	504,779
General stores and agricultural consumables	3,166,971	2,287,407
Goods - in - transit (inbound)	85,437	1,211,215
	4,717,732	4,420,942

General stores and agricultural commodities includes spare parts and other consumables.
Inventory represents finished goods, goods in transit, agricultural consumables and spares. The inventory is carried at the lower of cost and net realisable value. There was no write down or reversal of previously recognised inventory for the year ended 31 December 2021.

Finished goods and goods in transit (outbound) represent Crude Palm Oil, Rubber Cake, Crude Palm Kernel etc

24 TRADE AND OTHER RECEIVABLES		2021	2020
		₦'000	₦'000
Trade receivables*	24.1	897	10,422
Advances to suppliers*	24.2	111,849	5,716,856
Other receivables		150,313	345,165
Staff loans and advances		142,226	126,890
Value added tax		-	460
Related parties*	24.3	384,359	518,525
		789,644	6,718,318

Terms and conditions of the above financial liabilities:

24.1 *Credit sales are insignificant or minimal as the company predominantly has cash sales therefore ECL is immaterial on trade receivables

24.2 *Advances to suppliers represents amount advanced to suppliers of equipment etc

24.3 *For terms and conditions with related parties, refer to note 38

MANAGERS' REMUNERATION

In compliance with section 257 of the Companies and Allied Matters Act, 2020 and the Nigerian Code of Corporate Governance, the Company makes disclosure of its remuneration of its managers as follows:

Type of package fixed	Description	Timing
Basic Salary	Part of the gross salary package for Nigerian Managers only. This reflects the Company's competitive salary package and the extent to which the Company's objective have been met for the financial year.	Paid monthly during the financial year
Other allowances	Part of the gross salary package for Nigerian Managers only. This reflects the Company's competitive salary package and the extent to which the Company's objective have been met for the financial year.	Paid at periodic intervals during the financial year
Directors fees	Paid annually to Non-Executive Directors and Independent Non-Executive Director.	Paid annually
Sitting allowances	Allowances paid to Non-Executive Directors and Independent Non-Executive Directors for attending Board and Board Committee meetings.	Paid as per each meeting

N/B: Executive Directors and Expatriate managers are not paid by the Company as they are seconded to the Company except the local allowance paid to the expatriate manager through the Company's NOTAP agreement with SOCFINCO FR. S.A.

EMPLOYEE HEALTH, SAFETY AND WELFARE

The Company accords the highest priority to health and safety in its operations. To this end, health and safety regulations are operational within the Company.
The Company has engaged competent medical practitioners to treat accidents, if any, that may arise from the operations of the Company and provides medical care for its employees through designated hospitals and clinics.

EMPLOYEE TRAINING AND DEVELOPMENT

The Company believes in the development and training of its staff. There is great emphasis on staff development and training through carefully planned training courses and seminars to update the special skills and job requirement of the staff throughout the Company. The company incurred N38.56 million (2020: N31.5million)

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.

PROPERTY AND EQUIPMENT

Movements in property, plant and equipment during the year are shown in Note 20 to the financial statements.

Bearer plant

Movement in the Bearer plant during the year are shown in Note 21 to the financial statements

Events after reporting period

The Directors are of the opinion that there were no events after the reporting date that could have material effect on the financial statements of the Company that had not been adequately provided for or disclosed in these financial statements.

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 N101.3 million (2020: N66.6million) as cost for the treatment of their staff in 2021.

Corporate Social Responsibility

The Company made corporate social responsibilities of ₦283.86 million on corporate social responsibility projects during the year (2020: ₦ 252.3 million). These comprised:

	2021	2020
	N'000	N'000
Community project	280,530	252,202
Scholarships given	3,330	3,150
	283,860	255,352

Corporate social responsibility for financial reports

In accordance with Section 405 of the Companies and Allied Matters Act 2020, each and all of the directors, as at the date of the approval of this report confirm that:

So far as he is or they are aware, that the audited financial statements do not contain any untrue statement of material fact or omit state of material facts, which would make the statements misleading, in the light of the circumstances under which such statements are made; and the audited financial statement and all other financial information included in the statements fairly presents, in all material respects, the financial condition and results of the operation of the company as of and for the periods covered by the audited financial statements.

Audit Committee

Pursuant to Section 404 of the Companies and Allied Matters Act 2020, the Company has a statutory audit committee comprising three representatives of the Shareholders and two representatives of the Directors. The members of the Committee are: Mr. M. Igbrude, Rev. A. Imadu JP, Rev. L. Ohenhen JP, Mrs. V. Shobo and Mr. R. Helsmoortel. Mr. M. Igbrude acted as the Chairman of the Committee.

Auditor

Messrs. Ernst & Young was appointed on 26 May 2021 and have indicated their willingness to continue in office as the Company's auditors in accordance with Section 357(2) of the Companies and Allied Matters Act 2020.

By Order of the Board of Directors

Chukwuebuka A. Omerole
FRC/2022/PRO/NBA/002/00000024073
P. C. Obi & Co.
Company Secretary
28 March, 2022

20 PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Palm Oil Mill	Rubber mill	Machinery and equipment	Furniture and equipment	Vehicle	Work - in - progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost or valuation									
At 1 January 2020	2,051,165	4,462,900	8,074,639	1,319,993	2,661,641	391,027	2,529,065	1,652,651	23,143,081
Additions	-	47,264	526,505	13,963	77,677	19,721	308,888	6,035,343	7,029,361
Transfer*	-	1,511,474	2,320,953	15,174	194,605	14,544	-	(4,056,750)	-
At 31 December 2020	2,051,165	6,021,638	10,922,097	1,349,130	2,933,923	425,292	2,837,953	3,631,244	30,172,442
Additions	-	1,534,601	4,660,317	57,984	307,940	97,747	713,814	5,409,496	12,781,899
Write off	-	(359)	(9,136)	-	(117,580)	(18,710)	(213,460)	-	(359,245)
Transfer	-	-	6,341,569	-	-	-	-	(6,341,569)	-
At 31 December 2021	2,051,166	7,555,880	21,914,847	1,407,114	3,124,283	504,329	3,338,307	2,699,171	42,595,096
Depreciation and impairment									
At 1 January 2020	-	1,357,186	3,263,400	625,811	2,098,922	227,777	1,646,990	-	9,220,086
Depreciation charge for the year	-	245,103	476,104	86,954	252,081	30,595	344,816	-	1,435,653
At 31 December 2020	-	1,602,289	3,739,504	712,765	2,351,003	258,372	1,991,806	-	10,655,739
Depreciation charge for the year	-	320,134	603,512	90,655	224,774	37,951	472,020	-	1,749,046
Write off	-	(359)	(9,136)	-	(117,580)	(18,710)	(213,460)	-	(359,245)
Transfer	-	-	-	-	-	-	-	-	-
At 31 December 2021	-	1,922,064	4,333,880	803,420	2,458,197	277,613	2,250,366	-	12,045,540
Carrying Amount									
At 31 December 2021	2,051,166	5,633,816	17,580,967	603,694	666,086	226,716	1,087,941	2,699,171	30,549,557
At 31 December 2020	2,051,165	4,419,349	7,182,593	636,365	582,920	166,920	846,147	3,631,244	19,516,703

*There are no restrictions on title to the items of property, plant and equipment. The company has not pledged any items of property, plant and equipment as security for liabilities. There are no contractual commitments for the acquisition Property, plant and equipment during the reporting and comparative year.

21 BEARER'S PLANT

	Oil palm plantation	Rubber plantation	Work - in - progress	Total
Cost	₦'000	₦'000	₦'000	₦'000
At 1 January 2020	14,857,837	3,426,637	2,614,017	20,898,491
Additions	1,721,434	340,222	-	2,061,656
At 31 December 2020	16,579,271	3,766,859	2,614,017	22,960,147
Additions	-	-	770,343	770,343
Transfer	444,259	949,536	(1,393,795)	-
Write off	-	(173,911)	-	(173,911)
At 31 December 2021	17,023,530	4,542,484	1,990,565	23,556,579
Depreciation				
At 1 January 2020	1,327,176	1,370,260	-	2,697,436
Charge for the year	678,955	188,343	-	867,298
At 31 December 2020	2,006,131	1,558,603	-	3,564,734
Charge for the year	825,599	230,845	-	1,056,444
Write off	-	(173,911)	-	(173,911)
At 31 December 2021	2,831,730	1,615,537	0	4,447,267
Carrying Amount				
At 31 December 2021	14,191,800	2,926,947	1,990,565	19,109,312
At 31 December 2020	14,573,140	2,208,256	2,614,017	19,395,413

Work-in-progress relates to capitalized cost on immature palm and rubber plantations

		2021	2020
18.3	**CURRENT TAX LIABILITY**	**₦'000**	**₦'000**
	Balance as at 1 January	995,618	1,211,479
	Charge for the year	1,836,770	1,065,031
	Income tax paid	(599,012)	(1,232,688)
	Adjustments in respect of current income tax of previous year	-	(48,204)
	Balance as at 31 December	2,233,376	995,618
18.4	**RECONCILIATION OF DEFERRED TAX LIABILITY**		
	Opening balance as at 1 January	6,872,149	2,517,270
	Tax (expense)/income during the period recognised in OCI	240,295	(380,739)
	Tax (expense)/income during the period recognised in P or L	2,739,040	4,735,618
	Balance as at 31 December	9,851,484	6,872,149

18.5 DEFERRED TAX RELATED TO THE FOLLOWING:

31 December 2021	Statement of financial position	Income statement	OCI
	₦'000	₦'000	₦'000
Accelerated Depreciation	4,491,018	2,739,040	
Defined benefit plan	(207,822)		240,295
	4,283,196	2,739,040	240,295

31 December 2020	Statement of financial position	Income statement	OCI
	₦'000	₦'000	₦'000
Accelerated Depreciation	5,936,770	4,735,618	
Defined benefit plan	935,379		(380,739)
	6,872,149	4,735,618	(380,739)

Deferred taxes are calculatedon alltemporary differences under the liability method usingan effective tax rate of 30% (2020: 30%).

19	**EARNINGS PER SHARE (EPS)**	**2021**	**2020**
		₦'000	**₦'000**
	Net profit attributable to ordinary shareholders	11,538,968	2,942,468
	Weighted average number of ordinary shares for basic/diluted for basic earnings per share	953,910	953,910
	Basic loss per ordinary share (kobo)	12.10	3.08
	Diluted earnings per ordinary share (kobo)	12.10	3.08

GrantThornton

Chartered Accounts

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REPORT OF THE EXTERNAL CONSULTANTS ON THE OKOMU OIL PALM COMPANY PLC'S BOARD OF DIRECTORS' APPRAISAL

We have completed our procedures for **The Okomu Oil Palm Company Plc's** board of directors' appraisal for the year ended 31 December 2021 in accordance with the Nigerian Code of Corporate Governance 2018 for public and private sectors in Nigeria and the Securities and Exchange Commission (SEC) Form 01.

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 Nigerian Code of Corporate Governance 2018 for public and private sectors in Nigeria and SEC Form 01.

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 as expression or approval of matters not specifically mentioned therein.

The review was concluded in February 2022. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the board of directors.

Yours faithfully,

Lateef A. Emiola

FRC/2017/ICAN/00000016070
For: Grant Thornton

31 March 2022

Partners
Ngozi A. Ogwo (Managing Partner/CEO)
Orji J. Okpechi
Victor O. Osifo
Nkwachi U. Abuka
Uchenna G. Okigbo
Ajayi O. Irivboje
Nonyerem O. Opara
Kingsley E. Opara
Lateef E. Emiola

Audit • Tax • Advisory
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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 Nigerian 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.

The section 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, eight NonExecutive 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 THE BOARD

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

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

- Approval of the company's strategy and its budgetary and business plans;
- Approval of the significant investments and decisions;
- Review of the performance, assessed against the Company's strategy, objectives business;
- 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;

16 FINANCE COSTS

		2021	2020
		₦'000	₦'000
Lease interest expense	25.1	34,733	43,122
Interest on long term loans	32.1	636,853	825,420
		671,586	868,542

17 FINANCE INCOME

	2021	2020
Revenue on fixed deposits	48,822	0
Finance income on placement of funds	93	7,127
	48,915	7,127

Finance income represents interest income on deposits with banks

17.1 PROFIT BEFORE TAX

	2021	2020
This is stated after charging:	₦'000	₦'000
Auditors' remuneration	28,000	30,000
Directors remuneration	109,971	87,942
Depreciation of property, plant and equipment	2,868,905	2,366,366
Exchange loss	113,858	-
Staff salaries (excluding director's remuneration)	561,271	509,017
Exchange gain	331,275	-
	========	=========

18 INCOME TAX

The components of income tax expense/(credit) for the year ended 31 December 2021 and 2020 are, as follows:

18.1 CURRENT INCOME TAX EXPENSE

	2021	2020
	₦'000	₦'000
Company income tax	1,348,387	998,467
Education tax	488,383	66,564
Adjustments in respect of correction of errors of previous year	-	(48,204)
Total current tax	1,836,770	1,016,827
Deferred tax:		
Deferred tax expense in profit or loss	2,739,040	4,735,618
Income tax for the year	4,575,810	5,752,445
Deferred tax recognised in other comprehensive income		
Net loss/(gain) on defined benefit plan	240,295	(380,739)
Deferred tax credit to OCI	240,295	(380,739)

18.2 RECONCILIATION OF EFFECTIVE TAX RATE

		2021	2020
		₦'000	₦'000
Profit before income tax expense	Rate	16,114,778	8,694,913
Income tax based on corporate tax rate	30%	4,834,433	2,608,474
Tax effects of:			
Disallowed income		(1,068,241)	(1,890,133)
Allowed expense		321,235	230,923
Education tax	2%	488,383	66,564
Total income tax expense	32%	4,575,810	5,752,445

		2021 Number	2020 Number
₦150,000 -₦700,000		0	0
₦3,000,001 -₦10,000,000		8	8
		8	8

14 DEPRECIATION AND AMORTISATION EXPENSE

		2021 ₦'000	2020 ₦'000
Depreciation of property, plant and equipment		1,749,046	1,435,653
Depreciation of bearer plants		1,056,444	867,298
Depreciation of right-of-use assets		63,415	63,415
Depreciation and amortisation		2,868,905	2,366,366

Depreciation and amortisation include depreciation of Property, plant and equipment, depreciation of Bearer's plant and depreciation of right-of-use assets (Note 20, Note 21 and Note 25)

15 OTHER EXPENSES

		2021 ₦'000	2020 ₦'000
Rent and rates		441,114	552,439
Repairs and maintenance		901,730	518,792
Power and electricity		196,869	235,083
Medical		101,485	66,629
Printing and office supply		52,226	31,110
Security and safety expenses		653,761	527,245
Subscription		7,963	9,063
Corporate social responsibilities		283,860	255,352
Insurance third party		91,693	76,042
Local travel and accommodation		115,447	67,152
Overseas travel		111,219	66,467
Courier services		6,826	2,486
Internet and communication expenses		34,385	32,285
Professional fees	15.1	243,565	147,856
Management fees	15.2	1,765,403	1,191,747
Registration fee		9,553	6,723
Bank charges		34,724	27,810
Directors remuneration	13.5	109,971	87,942
Auditor's remuneration		28,000	30,000
Other expenses	15.3	36,010	26,534
Transport	15.4	1,116,282	1,276,365
Foreign exchange loss	15.5	113,858	-
Other external charges	15.6	5,310,366	2,551,762
		11,766,310	7,786,884

15.1 The company also paid the auditors professional fees for non-audit services N20million (2020 Nil). These services in Okomu Oil Palm Company Plc opinion, did not impair the independence and objectivity of the external auditor. Non-audit services provided during the period relates to transfer pricing.

Other professional firms that provided services (professional services - tax and corporate governance services) to the company include Grant Thornton FRC Number: FRC/2013/ICAN/00000004923

15.2 *Management fees represent fees paid to SOCFINCO for the provision of technical known-how. refer to (Note 37.4 for details)

15.3 *This represent fees incurred as road taxes, commercial fair activities and other expense

15.4 *This represents amount paid to contractors for outsourced transport services

15.5 *This represent exchange loss arising from trading activities

15.6 *This represents amount paid to contractors for contract staff

Functioning of the board - continued

- 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.

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 committees 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.

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.

DIRECTOR'S 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 AND APPOINTMENT

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

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 upon acceptance of the person on the Board.

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 and the various Board Committees' meetings that were convened in the year ended 31st December 2021 are as follows:

S/N	Name of Director	Board of Directors	Audit Committee	Risk Management	Governance/ Remuneration Committee
	Number of meetings held during the year 2021	4 (2021)	4	3	4
1	Mr. Gbenga Oyebode MFR	4 C	-	-	-
2	Dr. Graham Hefer	4 E	4 +	3 +	4 +
3	Dr. Luc Boedt	3 NE	3	-	1
4	Mr. Peter Eguasa JP	4 NE	3	3	4
5	Mr. Philippe De Traux De Wardin	4 NE	-	-	4
6	Mr. Hubert Fabri	3 NE	-	-	-
7	Mr. Regis Helsmoortel	4 NE	1	-	3
8	Chief David Edebiri OON	4 NE	3	3	4
9	Mr. Asue Ighodalo	4 NE	-	-	4
10	Mr. Arnaud Arhainx	4 E	4 +	3 +	4 +
11	Mr. Sven Claeys	4 NE	-	3	-
12	Mrs. Vivien Shobo	3 I	1	-	-

Non member (-)
Chairman (C)
Executive (E)
Independent Director (I)
Non-Executive (NE)
In attendance, not being a member (+)

In line with the provisions of section 267(1) of the Companies and Allied Matters Act, 2020, the record of Directors' attendance at board meetings shall be available for inspection at the Annual General Meeting. The Board and Board Committees' 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 its committee meetings which they are members, 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 ensuring that Board procedures are duly followed. The officer is 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.

13 EMPLOYEE BENEFITS EXPENSE

	2021	2020
Pension	29,321	27,656
Training	38,558	31,495
Other allowances	229,830	192,397
Staff salaries (excluding director's remuneration)	561,271	509,017
Production bonus	128,891	133,453
Service Cost	102,784	41,475
Interest Cost	153,617	129,769
Staff Welfare	49,728	39,447
	1,294,000	1,104,709

13.1 Other allowance relates to allowance to seconded personnel

13.2 Number of employees of the Company as at 31 December, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration excluding pension contributions and certain benefits) are as follows:

Amount (₦)	2021 Number	2020 Number
2,200,002 - 4,200,000	-	-
4,200,001 - 6,200,000	-	-
6,200,001 above	426	455

13.3 The average number of full time personnel employed by the company during the year are as follows:

	2021 Number	2020 Number
Manager	10	9
Senior	75	72
Junior	341	374
	426	455

13.4 Director renumeration

	2021 ₦'000	2020 ₦'000
13.5 Directors' remuneration paid during the year comprises:		
Director fees	94,710	71,742
Other emolument	15,261	16,200
	109,971	87,942

13.6 The directors' renumeration shown above includes:

Highest paid director		
Chairman renumeration	13,826	12,400
13 Employee benefits expense		

13.7 The number of directors (excluding the Chairman and highest paid director) who received emoluments excluding pension contributions and certain benefits were within the following range:

9 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's revenue is disaggregated below and includes a total fees in scope of IFRS 15, Revenues from contracts with customers:

	2021 ₦'000	2020 ₦'000
Palm oil produce	31,766,836	20,429,411
Rubber sales	5,563,541	2,908,301
Palm oil processing	64,130	72,968
Total revenue from contracts with customers	37,394,507	23,410,680

DISAGGREGATION OF REVENUE:

Timing of revenue recognition		
Goods transferred at a point in time	37,394,507	23,410,680
Services transferred over time	-	-
Total revenue from contracts with customers	37,394,507	23,410,680

10 OTHER INCOME

Foreign exchange gains		331,275	-
Other income	10.1	490,858	58,432
Insurance claim	10.2	48,613	99,204
Sales of other product	10.3	220,545	120,549
COVID 19 relief fund	10.4	52,528	-
Grant income	10.5	646,848	586,165
		1,790,667	864,350

10.1 Other income relates to sale of scrap and other products and provision for rentals on land use charge no longer required.

10.2 Insurance claims represent compensation received from the insurance company in respect of damages caused as a result of breakdown of Siemen Gas Turbine which occurred.

10.3 Sale of other products represent income generated from the sale of obsolete items from inventory.

10.4 Amount represents funds received from Bank of Industry as COVID-19 relief.

10.5 Grant income represents amortisation of government grant over the tenor of the government assisted loans. (Note 35).

11 Changes in inventories

		2021 ₦'000	2020 ₦'000
Change in inventories	11.1	315,606	631,645

11.1 This represents net movement in inventory of finished good.

12 Raw materials and consumables used

		2021 ₦'000	2020 ₦'000
Purchase of rubber lumps		195,438	190,828
Consumables	12.1	4,643,673	2,690,416
Upkeep of mature plantation		631,907	646,732
Harvesting and collection		1,490,570	614,355
		6,961,588	4,142,330

12.1 *Consumables relates to materials used e.g. fertilizers, drugs, chemicals etc

YEARS OF SERVICE

Board		Years
ChairmanMr.	Gbenga Oyebode MFR	30
Managing Director	Dr. Graham Hefer	15
Finance Director	Mr. Arnaud Arhainx	2
Independent Director	Mrs. Vivien Shobo	1

NON-EXECUTIVE DIRECTORS

Chief David Edebiri OON	13
Mr. Hubert Fabri	32
Mr. Regis Helsmoortel	13
Dr. Luc Boedt	26
Mr. Peter Eguasa JP	30
Mr. Philippe De Traux De Wardin	24
Mr. Sven Claeys	9
Mr. Asue Ighodalo	10

EXTERNAL AUDITORS

Messrs. Ernst & Young	1

EXTERNAL CORPORATE GOVERNANCE

Grant Thornton	8

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 Committees of the Board are as follows:

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

The Chairman is not a member of any of the Board Committees.

RISK MANAGEMENT COMMITTEE

The Committee comprises three non-executive Directors who are shown below:

Mr. Peter Eguasa JP	Director	Chairman
Chief David Edebiri OON	Director	Member
Mr. Sven Claeys	Director	Member

The Risk Management Committee is charged with the responsibility for acknowledging and identifying risk in the workplace and in 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 three times in 2021.

AUDIT COMMITTEE

The Committee comprises two non-executive Directors and three elected members of the shareholders who are shown below:

Mr. Moses Igbrude	Shareholder	Chairman
Rev. Andrew Imadu, JP	Shareholder	Member
Rev. Leonard Ohenhen, JP	Shareholder	Member
Mrs. Vivien Shobo	Director	Member
Mr. Regis Helsmoortel	Director	Member

It was chaired by Mr. P.A.E. Eguasa from October 2020 to October 2021 and Mr. M. Igbrude from October 2021 to October 2022. Following the approval at the last Annual General Meeting, the Board at its October meeting removed Mr. P.A.E. Eguasa, Chief D.U. Edebiri and Dr. L.J.J. Boedt and replaced them with two Directors, namely Mrs. V. Shobo and Mr. R. Helsmoortel to ensure compliance with Section 404(3) of the Companies and Allied Matters Act, 2020. The Committee met four times during the year. At these meetings, the Managing Director, Finance Director, representative of the External Auditors (attended twice), the Chief Internal Auditor and the Company Secretary were all in attendance. The Board considers that the members of the 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.

8 SEGMENT PROFIT/ (LOSS) DISCLOSURE

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments, as follows:

- The palm plantation segment, which produces fresh fruit bunches , crude palm oil, crude palm kernel.
- The rubber plantation segment, which produces latex and rubber cake.
- The palm processing segment, which renders palm processing from the company's mill processing equipment. Thus, no operating segments have been aggregated to form the above reportable operating segments. Major customers includes Sogescol, Agri Palm.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.
Also, the Company's financing (including finance costs, finance income and other income) and income taxes are managed on an entity basis and are not allocated to operating segments.
Tranfer price between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

8.1	SEGMENT REVENUE		2021	2020
			₦'000	₦'000
	Palm oil produce	9	31,766,836	20,429,411
	Rubber sales	9	5,563,541	2,908,301
	Palm oil processing	9	64,130	72,968
			37,394,507	23,410,680

8.2	SEGMENT PROFIT		2021	2020
			₦'000	₦'000
	Palm oil produce	8.2.1	10,051,027	6,657,687
	Rubber sales	8.2.2	1,320,970	1,098,855
	Palm oil processing	8.2.3	39,501	23,977
			11,411,497	7,780,519

8.2.1	PALM OIL PRODUCE		
	Profit before tax	13,986,615	7,718,928
	Income tax expense	(3,935,588)	(1,061,241)
	Profit for the period	10,051,027	6,657,687

8.2.2	RUBBER SALES		
	Profit before tax	1,942,603	1,106,718
	Income tax expense	(621,633)	(7,863)
	Profit for the period	1,320,970	1,098,855

8.2.3	PALM OIL PROCESSING		
	Profit before tax	58,089	27,767
	Income tax expense	(18,588)	(3,790)
	Profit for the period	39,501	23,977

7.4 VALUATION TECHNIQUE:

i ***Produce growing on bearer plant***

Analysis of production

Oil Palm

The Company harvested 46,210 tonnes (2020: 45,577 tonnes) of fresh fruit bunches (FFB) and sold 45,759 metric tonnes of palm oil (2020 - 44,529 metric tonnes) during the year.

Rubber

The Company harvested 8,229 tonnes (2020: 8,374 tonnes) of latex and sold 9,079 metric tonnes of rubber cake (2020 - 8,298 metric tonnes) during the year.

Valuation of inputs and relationships to fair value

The fair value of produce growing on trees has been determined based on valuations by the directors using the cost approach

The following table summarizes the quantitative information about the key unobservable inputs used in the fair value measurement of the palm fruit bunches and latex growing on the trees

Unobservable inputs					
		2021		2020	
Palm Fruit bunches:					
Yield- tonnes	Production allocation for growing produce on bearing(tons) plants	1,139		1,124	The higher the palm oil yield the higher the fair value
Selling Price	Cost+margin (N/ton)	241,693		140,830	
Untapped Latex:					
Yield- tonnes	Production allocation for growing produce on bearing(tons) plants	175		161	The higher the yield in latex the higher the fair value
Selling Price	Cost+margin (N/ton)	78,204		23,548	

The main level 3 inputs used by the company are derived and evaluated as follows:

* Palm plantation covers a total of 18,879 hectares.
* Rubber plantation covers a total of 10,569 hectares.
* Palm oil yield is determined based on the age of the plantation, historical yields, climate-inducedvariations such as severe weather events, plant losses and new areas coming into production.
* Crude palm oil prices and palm kernel oil prices are cost plus margin
* Rubber cake prices are cost plus margin

ii *Harvested produce (rubber)*

Management makes reference to the market price which is adjusted for cost to sell. e.g. transport cost

The inputs includes market price per ton and transport cost per ton

To enable it to carry out its duties and responsibilities effectively, the committee relies on the information and support from the 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 five non-executive Directors as shown below:

Mr. Asue Ighodalo	Director	Chairman
Mr. Philippe De Traux De Wardin	Director	Member
Mr. Peter Eguasa JP	Director	Member
Chief David Edebiri OON	Director	Member
Dr. Luc Boedt	Director	Member

The Company Secretary provides the 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 the senior Nigerian Management staff and non-executive Board allowances. The Committee (excluding the non-executive Chairman) determines the level of fees payable to the NonExecutive 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 NonExecutive 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 has established a web portal on the company's website at www.okomunigeria.com 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 the 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 2020 and the relevant Code of Corporate Governance. In accordance with the Articles, electronic and proper proxy appointments and voting instructions must be received not later than 48 hours before a general meeting.

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 2021; 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 Complaints 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.

Number of women employed were	**Number**
Management	1
Others	371
	372

EMPLOYEES

The company continues to promote an equal opportunity, merit-based environment for all of its employees.

PROHIBITION OF INSIDER TRADING

The company's Code of Conduct (in accordance with the extant Nigerian laws and rules of the Nigerian Stock Limited) 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 Corporate Governance Guidelines for Public Companies in Nigeria.

7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

7.1 FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The fair value of cash and bank balances, trade and other receivables (excluding loan to staff), accruals and creditors and other liabilities approximate their carrying value due to their short term nature.

7.2 FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

The interest bearing loans and borrowings were recorded at amortised cost using the effective interest rate method. The terms are below-market as they are received from government as part of its grant initiatives.

The fair values below was determined using market-related rates

	Level 1	Level 2	Level 3	In thousands of Naira Total fair value	Carrying amount
31 December 2021	-	9,987,324	-	9,987,324	8,894,731
31 December 2020	-	8,686,530	-	8,686,530	7,265,133
	-		-		

7.3 FAIR VALUE MEASUREMENT

The following table presents the Company's biological assets that are measured at fair value at 31 December 2021 and 31 December 2020.

	Level 1	Level 2	Level 3	In thousands of Naira Total fair value	Carrying Amount
Produce growing on trees:					
At 31 December 2021	-	-	289,523	289,523	289,523
At 31 December 2020	-	-	162,051	162,051	162,051

	Level 1	Level 2	Level 3	In thousands of Naira Total fair value	Carrying Amount
Harvested Produce:					
At 31 December 2021		234,177		234,177	234,177
At 31 December 2020		390,501		390,501	390,501

The Company's biological assets are measured at fair value less cost to sell and are classified under level 2 (valuation based on observable market data) and level 3 (valuation based on unobservable data) of the fair value hierarchy. There are no items in level 1 (valuation based on quoted prices) and there were no transfers between levels.

6 CAPITAL MANAGEMENT

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern in order to maximize returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.
- To establish the efficiency of capital utilization.

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 interest bearing loans and 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:

	2021 ₦'000	2020 ₦'000
Interest bearing loans and borrowings	8,894,731	7,265,133
Less: cash and cash equivalents	(9,955,188)	(4,569,367)
	(1,060,457)	2,695,767
Total equity	34,051,956	28,629,671
Gearing ratio	-3%	9%

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 breaches, or any other issue and who may wish to ensure that appropriate 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

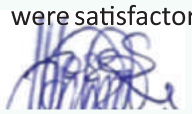
The Board of Directors has undertaken a thorough review of the company's budget and forecasts that the management has produced which are detailed and realistic cash flow projections. These cash flow projections, when considered in conjunction with the company's anticipated undrawn facilities and cash (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.

Chukwuebuka A. Omerole
P.C. Obi & Co.
Company Secretary
FRC/2022/PRO/NBA/002/00000024073
By the Authority of the Board
28th March, 2022

In Compliance within the provisions of sections 404 (7) of the Companies and Allied Matters Act, 2020, we, the members of the Audit Committee of The 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 financial statements for the year ended 31st December, 2021 are in accordance with legal requirements and agreed ethical practice.

We confirm that the external auditors, Messrs. Ernst & Young have issued an unqualified opinion on the company's financial statements for year ended 31December, 2021.

In our opinion, the scope and planning of the audit for the year ended 31 December, 2021 were adequate and we confirm that the responses by the management to the external Auditors' findings on Management matters were satisfactory.



Mr. Moses Igbrude
Chairman, Statutory Audit Committee
FRC/2013/IMN/00000005585
Dated this 28 March, 2022

Members of the Audit Committee:

Mr. M. Igbrude	Chairman	(Shareholder)
Rev. L.A Ohenhen (JP)	Member	
Rev. A. Imadu (JP)	Member	
Mrs. V. Shobo	Member	(Director)
Mr. Helsmoortel	Member	(Director)

The Company Secretary (P.C.OBI & CO.) representative, Mr Chukwuebuka Omerole served as the secretary

Rev. L. A. Ohenhen (JP)

Mr. M. Igbrude

Mrs. V. Shobo

Mr. R. Helsmoortel

Rev. A. Imadu

5.2.2 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. Payment for sales of palm produce are made in advance

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.

Credit risk arises from bank balances and trade and other receivables from other entities. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

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.

5.2.3 LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times to enable the Company not to breach borrowing limits on any of its borrowings facilities. The Company manages liquidity risk by effective working capital and cash flow management.

Analysis of financial liabilities by remaining contractual maturities

The analysis shows the undiscounted cash flows on the Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity.
The table below summarises the maturity profile of the cash flows of the Company's financial assets and liabilities.

31 December 2021 In thousands of Naira	Carrying amount	Note	On Demand	Less than 1 year	1 -2 years	Over2 years	Undiscounted amount
Financial liabilities:							
Interest-bearing loans and borrowings	8,894,731	31	-	935,197	1,812,843	6,146,691	12,073,672
Trade payables	1,214,700	33	-	1,214,692	-	-	1,214,700
	10,109,431		-	2,149,889	1,812,843	6,146,691	13,288,372
31 December 2020 In thousands of Naira	Carrying amount	Note	On Demand	Less than 1 year	1 -2 years	Over2years	Total
Financial liabilities:							
Interest-bearing loans	7,265,133	31	-	835,856	1,763,670	4,665,607	9,304,695
Trade payables	1,152,874	33		1,152,874			2,305,781
	8,418,007		-	1,988,730	1,763,670	4,665,607	11,610,476

From the above table, the Company's expected cash flows on the financial assets do not vary significantly from the contractual cash flows.
As part of the management of its liquidity risk, the Company holds liquid assets comprising of cash and cash equivalents and financial assets to meet its liquidity requirements.

5 RISK MANAGEMENT OBJECTIVES AND POLICIES

5.1 OVERVIEW

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.

5.2 FINANCIAL RISK

The Company's financial instruments consist of trade and other receivables and trade and other payables, bank overdraft, cash and cash equivalents and loans. The main risks arising from the Company's financial instruments are;

- Market risk
- Credit risk
- Liquidity risk

5.2.1 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.

Foreign Exchange 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 equipment 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.

	EUR	USD	Total
31 December 2021	N'000	N'000	N'000
Cash and cash equivalents	10,479	4393	14,872
Due from related parties	508	353	861
Due to related parties	(640)	(145)	(785)
Net FCY Exposure	10,347	4,601	14,948
Sensitivity at 200bps Naira appreciation	968,479	380,043	1,348,522
Sensitivity at 200bps Naira depreciation	(968,479)	(380,043)	(1,348,522)
31 December 2020			Total
Cash and Company balances	3613	1,567	5,180
Due from related parties	806	421	1,227
Due to related parties	(152)	(78)	(230)
Net FCY Exposure	4,267	1,910	6,177
Sensitivity at 200bps Naira appreciation	399,391	156,620	556,011
Sensitivity at 200bps Naira depreciation	(399,391)	(156,620)	(556,011)

CERTIFICATE OF ACCOUNT

Certification Pursuant to Section 405(1) of the Companies and Allied Matters Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2020 that:

a. We have reviewed the report;
To the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;
-

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

c. We:
- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our
evaluation as of that date;

d. We have disclosed to the auditors of the Company and Audit Committee:
- All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

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 weaknesses.

Arnaud Arhainx
Finance Director
FRC/2021/006/00000022972
28 March 2022

Graham Hefer
Managing Director
FRC/2013/IODN/00000002460
28 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act,2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020, and the financial reporting council of Nigeria Act No. 6, 2011.
- establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and in the manner required by Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, No 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its financial performance for the year ended 31 March 2021.The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of Board of Directors by:

Graham Hefer
Managing Director
FRC/2013/IODN/00000002460
28 March 2022

Arnaud Arhainx
Finance Director
FRC/2021/006/00000022972
28 March 2022

NOTES TO THE FINANCIAL STATEMENT Cont'd

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4.19 CORRECTION OF ERROR-CONTINUED

b STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE

	31-Dec-21		
Other Income	(278,185)	(586,165)	(864,350)
Finance cost*	52,064	816,478	868,542
Employee benefit expense	1,105,391	(682)	1,104,709
Depreciation and Amortisation	2,302,951	63,415	2,366,366
Lease Rental	92,467	(92,467)	-
Fair value of change in biological asset	-	(49,942)	(49,942)
Income tax expense	1,065,031	4,687,414	5,752,445
Increase in remeasurement gain/(loss) on defined benefit plan	393,135	875,996	1,269,131
Deferred tax impact	(117,940)	(262,799)	(380,739)

*Finance cost include impact of government grant and lease error correction

c **Earnings per share (EPS)**

Total Comprehensive income	7,780,519	4,838,050	2,942,469
Earning Per Share	8.16	5.07	3.08

	31-Dec-20		
	Reported	Correction of error	Restated
	₦'000	₦'000	₦'000
d **Statement of Cash Flow**			
Non cash Adjustment			
Operating activities:			
Profit before tax	8,845,550	(150,637)	8,694,913
Depreciation and Amortisation	2,302,951	63,415	2,366,366
Employee benefit expense	171,926	(682)	171,244
Fair value change of biological assets	-	(49,942)	(49,942)
Grant income		(586,165)	(586,165)
Finance costs	-	868,542	868,542
Financing activities:			
Proceeds from loans and borrowings	2,396,736	1,028,061	3,424,797
Repayment of borrowings (net of accrued interest)	-	(1,080,125)	(1,080,125)
Payment of principal on lease liabilities	-	(49,345)	(49,345)
Payment of lease interest on lease liabilities	-	(43,122)	(43,122)

4.19 CORRECTION OF ERROR-CONTINUED

(iv) DEFERRED TAX LIABILITY

The Company failed to recognize deferred tax liabilities for year ended 1 January 2020 and 31 December 2020. This contravenes the requirement of IAS 12.15 which stipulates "that a deferred tax liability shall be recognised for all taxable temporary differences to the extent that the tax liability arises"

The error has been corrected by restating each of the affected financial statement line items 4.19(vi) at the beginning of prior periods, as follows:

	31-Dec-20 ₦'000	1-Jan-20 ₦'000
a **Impact in Statement of Financial Position**		
Increase in deferred tax Liability	(5,568,288)	(832,670)
Decrease in retained	832,670	832,670
b **Impact on Statement of Profit or Loss**		
Increase in Income tax expense	4,735,618	0

(v) BIOLOGICAL ASSETS

The Company did not recognize Biological assets relating to produce growing on the bearer plants.

IAS 41.5C states that "produce growing on bearer plant is a biological asset". Further, and in line with IAS 41.12, "A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell"

In the prior year the biological assets were not recognised in the books.

The error has been corrected by restating each of the affected financial statement line items 4.19(vi) at the beginning of prior periods, as follows:

	31-Dec-20 ₦'000	1-Jan-20 ₦'000
a **Impact in Statement of Financial Position**		
Increase in Biological assets	162,051	112,109
Increase in retained earnings	(76,234)	(76,234)
Increase in tax payable	(51,856)	(35,875)
b **Impact on Statement of Profit or Loss**		
Increase in fair value change of biological assets	(49,942)	-
Increase in Income tax	15,982	

(vi) OVERALL IMPACT ON THE FINANCIAL STATEMENT

Below is the overall impact of correction of errors (i-v) above on the financial statements

	31-Dec-20			1-Jan-20		
	Reported	Correction of error	Restated	Reported	Correction of error	Restated
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
a **Statement of Financial Position**						
Biological assets	-	162,051	162,051		-112,109	112,109
Right-of-use assets	-	190,244	190,244	0	253,659	253,659
Interest bearing loans	(11,370,607)	4,105,474	(7,265,133)	(8,973,871)	1,609,436	(7,364,435)
Government grant	-	(4,205,059)	(4,205,059)		(1,521,831)	(1,521,831)
Lease liability	-	(204,314)	(204,314)		(253,659)	(253,659)
Post employment benefit	(1,425,107)	(875,314)	(2,300,421)		- -	-
Retained earnings	(32,631,725)	5,534,915	(27,096,810)	(26,759,026)	696,864	(26,062,162)
Deferred tax liability	(1,566,659)	(5,305,489)	(6,872,148)	(1,684,600)	(832,670)	(2,517,270)
Income tax payable	(979,913)	(15,705)	(995,618)	(1,147,570)	(63,909)	(1,211,479)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE OKOMU OIL PALM COMPANY PLC

Report on the financial statements

Opinion

We have audited the financial statements of The Okomu Oil Palm Company Plc ('the Company') which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of The Okomu Oil Palm Company Plc as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of The Okomu Oil Palm Company Plc for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 16 March 2021.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, Statement of Directors' Responsibilities, Certificate of Compliance and Other National Disclosures (Value Added Statements and Five-Year financial summary) as required by the Companies and Allied Matters Act, 2020. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE OKOMU OIL PALM COMPANY PLC- continued

Report on the Audit of the Financial Statements

Key Audit Matter	How the matter was addressed in the audit Our audit procedures on revenue recognition include:
Timing of revenue recognition The company revenue comprise majorly of sale of Palm oil product and Rubber. There is the risk of improper revenue recognition, especially with regards to cut-off at year end dates or that revenue may be misstated. As at 31 December 2021, the company's revenue increased from N23.411 billion in the prior year to N37.394b billion representing about 60% increase YoY. We have considered this as a key audit matter as the increase in revenue is significant.	- We performed walkthroughs to understand the adequacy and the design of the revenue recognition process. - We checked the revenue recognition policy applied by the Company to ensure its compliance with IFRS requirements. - We performed analytical review procedures to understand the revenue trend over the year under review. We tested a sample of invoices, validating and vouching the invoices booked, to the underlying sales order and acknowledged delivery note. - We performed cut off testing procedures by selecting a sample of transactions during peak period sales, to ensure revenue had been recognized in the appropriate accounting period. - We traced payments from the customers to the bank statements to ascertain that actual sales were recorded. We validated the appropriateness and completeness of the related disclosures in the Notes to the financial statements.
Valuation of Biological Asset The company uses a fair value model to determine the valuation of biological assets. The valuation of the biological asset involves complex and subjective judgements about the expected palm oil yield, crude palm oil and palm kernel price. As of 31 December 2021, biological assets were valued at NGN289.22million (2020: NGN162million). The expected palm oil yield, long term crude palm oil price has been identified as a source of estimation uncertainty. The significant accounting policy and critical judgments relating to the valuation are outlined in note 4.18. The fair value disclosures of biological assets are outlined in Note 7.3 of the financial statements.	- We reviewed the model used by management to ensure it was in accordance with the requirements of IAS 41 "Agriculture". - We tested management's ability to forecast by comparing the palm oil yield used in the prior year valuation to the actual yields in the current year. We checked that the model used was consistent with prior year. - We tested the underlying assumptions applied determining the crude palm oil and kernel oil price. - We tested the mathematical accuracy of the model and inspected the data inputs into the model relating to plantation size, number of trees and actual yield. - We checked the presentation and disclosure of Management's valuation in the financial statements to assess their reasonableness.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4.19 CORRECTION OF ERROR-CONTINUED

ii) LEASES

The Company obtained motor vehicle lease from Mandillas Motors for a lease tenure of 4 years at the commencement date of 1 January 2020. This was not recognized as Right-of -Use assets including the associated lease liability. Therefore, in the prior year the lease rental was expensed

IFRS 16 stipulates that "at the commencement date, a lessee shall recognise a right-of-use asset and . a lease liability"

The error has been corrected by restating each of the affected financial statement line items 4.19(vi) at the beginning of prior periods, as follows:

		31-Dec-20 ₦'000	1-Jan-20 ₦'000
a	**Impact in Statement of Financial Position**		
	Increase in right-of-use assets	190,244	253,659
	Increase in lease liability	(204,314)	(253,659)
	Decrease in Income tax payable	4,502	
b	**Impact on Statement of Profit or Loss**		
	Increase in interest lease expense	43,122	
	Increase in depreciation and amortization	63,415	
	Decrease in Lease rental	(92,467)	
	Increase in income tax expense	(4,502)	

(iii) POST EMPLOYMENT BENEFIT

Subsequent to issuing the 31 December 2020 financial report, management revised the defined benefit obligation balance. This was due to some errors in the parameters and assumptions used in the computation. Therefore, the balance as per issued financial report was understated including the service cost and remeasurement gain/loss.

The error has been corrected by restating each of the affected financial statement line items 4.19(vi) at the beginning of prior periods, as follows:

		31-Dec-20 ₦000
a	**Impact in Statement of Financial Position**	
	Increase in post-employment benefit	(875,314)
	Decrease in deferred tax payable	262,799
	Increase in income tax	(218)
b	**Impact on Statement of Profit or Loss and Other Comprehensive income**	
	Decrease in employment benefit expense	(682)
	Increase in Income tax expense	218
	Increase in remeasurement gain/(loss) on defined benefit plan	875,996
	Increase in deferred tax impact	(262,799)

4.19 CORRECTION OF ERROR

Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. In the case where the Company identifies a material error during the year relating to prior periods, the error is corrected retrospectively by restating the amounts for the prior period(s) presented in which the error occurred.

I. Government grants

The Company obtained loans from Bank of Industry and Central Bank of Nigeria at below market interest rate in 2018 and 2019 respectively

a) Bank of Industry

The loan was obtained in May 2018 for the purpose of financing the procurement of items of plant and machinery towards the expansion of the company's processing plant. The loan amount obtained is N1.947billion for a tenor of 6 years inclusive of 1 year moratorium on principal repayment beginning from the date of first disbursement. The lender in this case (Okomu Plc) is expected to pay an equal and consecutive monthly instalment of N32.4million for the tenor period until the date of loan elapse. It is established in the loan agreement that the interest rate should be 10% per annum payable monthly in arrears commencing from date of first disbursement.

b) Zenith Bank Plc Differentiated Cash Reserve Requirement Facility (DCRR) Loan

The loan was obtained in August 2019 from the Central Bank of Nigeria (CBN) under the scheme of Zenith Bank (Differentiated Cash Reserve Requirement) at a below-market rate of interest for the purpose of financing the development of an oil palm plantation. The loan amount obtained is N10 billion for a tenor of 120 months. The lender of the loan gave a 36-month moratorium period on the principal only while the interest rate is at 8% per annum. The interest rate is subject to review in line with CBN Differentiated cash reserve requirements

"IAS 20 requires government loans that have a below–market rate of interest to be recognised and measured in accordance with IFRS 9. The difference between the initial carrying value of the loan (its fair value) and the proceeds received is treated as a government grant. Subsequently, interest will be imputed to the loan using the effective interest method, taking account of any transaction costs. IAS 20 requires that the grant is recognised in profit or loss on a systematic basis that matches it with the related cost it is intended to compensate".

In the prior year the loan was incorrectly recognised at its transaction price.

The error has been corrected by restating each of the affected financial statement line items 4.19(vi) at the beginning of prior periods, as follows:

	31-Dec-20 ₦'000	1-Jan-20 ₦'000
a Statement of Financial Position		
Decrease in interest bearing loans	4,105,474	1,609,436
Increase in government grant	(4,205,059)	(1,521,831)
Increase in retained earnings	(59,572)	(59,572)
Decrease/(increase) in income tax payable	31,867	(28,034)
b Statement of Profit or Loss		
Increase in other Income	(586,165)	
Increase in finance cost	773,356	
Decrease in income tax expense	(59,901)	

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

The Okomu Oil Palm Company Plc – continued

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of 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 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 controls.

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

- 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.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

The Okomu Oil Palm Company Plc - continued

Report on Other Legal and Regulatory Requirements
In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion, proper books of account have been kept by the Company in so far as appears from our examination of those books;

iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Maureen Ogodo, FCA
FRC/2012/ICAN/00000000142

For: Ernst &Young
Chartered Accountants
Lagos, Nigeria
31 March 2022

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
1171513

4.16.2 DEFINED BENEFIT SCHEME

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The Company also provides certain additional post-employment benefits to employees. These benefits are unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method and calculated annually by independent actuaries. The liability or asset recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bonds.

Remeasurements gains and losses, arising from changes in financial and demographic assumptions and experience adjustments, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
The date of the plan amendment or curtailment; and
The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit obligation and the fair value of the plan assets.
The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in general and administrative expenses.

Service costs comprise current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
Net interest cost

4.17 BEARER PLANTS

Bearer plants comprise of palm and rubber plantation. These assets are initially recognised at their historic cost. The historic costs comprises the amount incurred from the stage of pre-cropping, land clearing, agricultural labour, the cost of material and the other expenditure incurred to bring the bearer plants to the point of maturity.

Each group of bearer plants is grouped into the year in which the cultivation of the plant commences. The group of assets are segregated according to the year and the product type. The bearer plants are first recognised a immature until classified as mature. Bearer plants are recognised as mature when the following events occur:

Palm oil plantation are treated as mature when 60% of palm per block are bearing fruits with an average weight of 3kg or more. Rubber plantation 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 include expenditure that are directly attributed to the planting and nurturing of the bearer plant prior to the asset being tapped and harvested. the amount 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.

4.18 BIOLOGICAL ASSETS

Biological assets are measured at fair values less estimated costs to sell. Palm oil trees are bearer plants and are therefore presented and accounted for as bearer plants. However, the fresh fruit bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Harvested FFB are transferred to inventory at fair value less costs to sell when harvested. Any gains or losses arising on subsequent changes in fair values less estimated cost to sell are recognised in profit or loss in the year in which they arise.

Rubber(latex) at the point of harvest is accounted for under IAS 41 and measured at fair value less cost to sell.
All costs of upkeep and maintenance of biological assets are recognised in profit or loss under cost of production in the period in which they are incurred.

IAS 41 applies to agricultural produce (i.e. harvested produce) at the point of harvest only, not prior or subsequent to harvest.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as referred to in the statement of cashflow comprises cash on hand, placement with banks and amounts due from banks on demand or with an original maturity of three months or less.

4.14 SHARE CAPITAL AND RESERVES

Share issue cost

Incremental costs directly attributable to the issue of an equity instrument are deducted from the proceeds of the equity instruments.

4.15 EARNINGS PER SHARE (EPS)

Basic EPS

Basic earnings per share is calculated on the Company's profit or loss after taxation and on the basis of weighted average of issued and fully paid ordinary shares at the end of the year.

Diluted EPS

Diluted EPS is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (after adjusting for outstanding share options arising from the share-based payment scheme) into ordinary shares.

Dividend

Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

4.16 POST-EMPLOYMENT BENEFITS

4.16.1 DEFINED CONTRIBUTION SCHEME

The Company contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Company. The Company's contributions to the defined contribution scheme are charged to the profit and loss account in the year to which they relate.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. The Company operates a defined contribution plan and it is accounted for based on IAS 19 Employee benefits.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions. In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employee.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021 ₦'000	2020 ₦'000 Restated*
Revenue from contracts with customers	9	37,394,507	23,410,680
Other income	10	1,790,667	864,350
Changes in inventories	11	315,606	631,645
Raw materials and consumables used	12	(6,961,588)	(4,142,330)
Employee benefits expense	13	(1,294,000)	(1,104,709)
Depreciation and amortisation expense	14	(2,868,905)	(2,366,366)
Other expenses	15	(11,766,310)	(7,786,884)
Finance costs	16	(671,586)	(868,542)
Finance income	17	48,915	7,127
Net gain on valuation of biological assets	22	127,472	49,942
Profit before taxation	17.1	16,114,778	8,694,913
Income tax expense	18.1	(4,575,810)	(5,752,445)
Profit for the year		11,538,968	2,942,468
Other Comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain/(loss) on defined benefit plan	32.2	800,982	(1,269,131)
Income tax effect	18.1	(240,295)	380,739
Other comprehensive income/(loss) for the year (net of tax)		560,687	(888,392)
Total comprehensive income for the year		12,099,655	2,054,076
Basic earnings per ordinary share (kobo)	19	12.10	3.08
Diluted earnings per ordinary share (kobo)	19	12.10	3.08

The accompanying notes to the financial statements are an integral part of these financial statements.

* Certain amounts shown here do not correspond to the 2020 financial statements and reflect adjustments made, refer to Note 4.19.

	Notes	2021 ₦'000	2020 ₦'000 Restated*	1-Jan-2020 ₦'000 Restated*
Assets				
Non-current assets				
Property, plant and equipment	20	30,549,557	19,516,703	13,922,995
Bearers plant	21	19,109,312	19,395,413	18,201,055
Biological asset	22.1	289,523	162,051	112,109
Right-of-use asset	25	126,830	190,244	253,659
Total non current assets		**50,075,221**	**39,264,411**	**32,489,818**
Current assets				
Inventories	23	4,717,732	4,420,942	3,636,871
Biological assets	22.2	234,177	390,501	97,863
Trade and other receivables	24	789,644	6,718,318	5,052,947
Prepayments	26	482	140	-
Cash and cash equivalents	27	9,955,188	4,569,367	2,684,061
Total current assets		**15,697,223**	**16,099,268**	**11,471,742**
Total assets		**65,772,444**	**55,363,679**	**43,961,560**
Equity and liabilities				
Equity				
Share capital	28	476,955	476,955	476,955
Share premium	29	1,867,096	1,867,096	1,867,096
Retained earnings		31,958,408	27,096,809	26,062,161
Other reserves	30	(250,502)	(811,189)	77,203
Total equity		**34,051,956**	**28,629,671**	**28,483,415**
Liabilities				
Non-current liabilities				
Lease liabilities	25.1	79,032	146,580	204,313
Interest-bearing loans and borrowings	32	7,959,534	6,429,277	6,655,000
Post-employment benefits obligations	33	1,682,398	2,300,422	935,379
Government grants	35	3,303,197	3,587,067	935,666
Deferred tax liabilities	18.4	9,851,484	6,872,149	2,517,270
Total non-current liabilities		**22,875,645**	**19,335,496**	**11,247,628**
Current liabilities				
Trade and other payables	34	4,817,004	4,891,312	1,674,093
Lease liabilities	25.1	67,548	57,734	49,345
Interest-bearing loans and borrowings.	32	935,197	835,856	709,435
Government grants	35	791,718	617,992	586,165
Current tax payable	18.3	2,233,376	995,618	1,211,479
Total current liabilities		**8,844,843**	**7,398,513**	**4,230,517**
Total liabilities		**31,720,488**	**26,734,008**	**15,478,145**
Total equity and liabilities		**65,772,444**	**55,363,679**	**43,961,560**

These financial statements were approved by the Board of Directors on 28 March 2022 and signed on its behalf by:

Mr. G. Oyebode MFR	Graham Hefer	Arnaud Arhainx
Chairman	Managing Director	Chief Financial Officer
FRC/2013/NBA/0000000254	FRC/2013/IODN/00000002460	FRC/2021/006/00000022972

The accompanying notes to the financial statements are an integral part of these financial statements.

* Certain amounts shown here do not correspond to the 2020 financial statements and reflect adjustments made, refer to Note 4.19.

4.11 LEASES-CONTINUED

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
fixed payments, including in-substance fixed payments;
variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and
the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in- substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. The cost of materials is the purchase cost, determined on a first-in, first-out basis. The cost of inventories is the purchase cost. The net realisable value of inventories is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.9 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

The estimated useful life of items of property, plant and equipment are as follows:

Building	*%*
Mill Machinery and Equipment	5-10
Agricultural Equipment	10-20
Motor Vehicle	10-20
Palm Plantation	20
Rubber Plantation	5-20
Furniture	5-20
	12.5

Land is not depreciated as it is a leasehold asset with an indefinite useful life.

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively

Gains or losses on disposal of property, plant and equipment are determined as the difference between disposal proceeds and carrying amount of the disposed assets. These gains or losses are included in profit or loss

4.9.4 DE-RECOGNITION

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

4.10 LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of- use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the rightof-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-ofuse asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

	Share capital ₦'000	Share premium ₦'000	Other Reserves ₦'000	Retained Earnings ₦'000	Total ₦'000
As at 1 January 2021	476,955	1,867,096	(811,189)	27,096,809	28,629,671
Profit for the year	-	-	-	11,538,968	11,538,968
Other comprehensive income	-	-	560,687	-	560,687
Total comprehensive income for the year	-	-	560,687	11,538,968	12,099,655
Transaction with shareholders:					
Dividend paid (Note 31)	-	-	-	(6,677,370)	(6,677,370)
At 31 December 2021	476,955	1,867,096	(250,502)	31,958,408	34,051,956
As at 1 January 2020	476,955	1,867,096	77,203	26,759,026	29,180,280
Adjustment on correction of error (4.19 (vi))				(696,865)	(696,865)
As at 1 January 2020 (restated*)	476,955	1,867,096	77,203	26,062,161	28,483,415
Profit for the year (restated*)	-	-	-	2,942,468	2,942,468
Other comprehensive loss (restated*)	-	-	(888,392)	-	(888,392)
Total comprehensive income for the year	-	-	(888,392)	2,942,468	2,054,076
Transaction with shareholders:					
Dividends paid (Note 31)	-	-	-	(1,907,820)	(1,907,820)
At 31 December 2020 (restated*)	476,955	1,867,096	(811,189)	27,096,809	28,629,671

The accompanying notes to the financial statements are an integral part of these financial statements.

* Certain amounts shown here do not correspond to the 2020 financial statements and reflect adjustments made, refer to Note 4.19.

STATEMENT OF CASH FLOWS

	Notes	2021 ₦'000	2020 ₦'000 Restated*
Operating activities			
Profit before taxation		16,114,778	8,694,913
Adjustments for non-cash items			
Depreciation of property, plant and equipment and bearer's plant	14	2,868,905	2,366,366
Fair value changes in biological assets	22	(127,472)	(49,942)
Service cost	33.2	102,784	41,475
Interest cost	33.2	153,617	129,769
Grant income	10.5	(646,848)	(586,165)
Finance costs	16	671,586	868,542
Finance income	17	(48,915)	(7,127)
Changes in operating assets and liabilities			
Increase in prepayment		(342)	(140)
Decrease/(increase) in trade and other receivables		5,928,674	(1,665,371)
Increase in inventories		(296,790)	(784,071)
Decrease in harvested produce		156,324	(292,638)
(Decrease)/ Increase in trade and other payables		(74,057)	3,221,301
		24,802,244	11,936,912
Movement in Biological assets			
Retirement benefit paid	33.2	(73,693)	(79,413)
Income tax paid	18.3	(599,012)	(1,232,688)
Net cash flows from operating activities		24,129,538	10,624,811
Investing activities			
Purchase of bearer's plant	21	(770,343)	(2,061,656)
Purchase of property, plant and equipment	20	(12,781,899)	(7,029,361)
Finance income	17	48,915	7,127
Net cash flows used in investing activities		(13,503,327)	(9,083,890)
Financing activities			
Proceeds from loans and borrowings	32.1	1,918,911	3,424,797
Repayment of borrowings (net of accrued interest)	32.1	(389,463)	(1,080,125)
Payment of principal on lease liabilities	25.1	(57,734)	(49,345)
Payment of lease interest on lease liabilities	25.1	(34,733)	(43,122)
Dividends paid	31	(6,677,370)	(1,907,820)
Net cash flows from financing activities		(5,240,389)	344,385
Net increase in cash and cash equivalents		5,385,822	1,885,306
Cash and cash equivalents at 1 January		4,569,367	2,684,061
Cash and cash equivalents at 31 December	27	9,955,188	4,569,367

The accompanying notes to the financial statements are an integral part of these financial statements.

* Certain amounts shown here do not correspond to the 2020 financial statements and reflect adjustments made, refer to Note 4.19.

4.8 FINANCE INCOME AND COST

Finance income comprises interest income on short-term deposits with banks and foreign exchange gains. Interest income on shortterm deposits is recognized using the effective interest method. When the transaction price of the instrument differs from the fair value at origination and fair value is based on a valuation technique using only inputs observable in market transactions, the entity recognises the difference between the transaction price and fair value in profit or loss.

In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Finance costs comprise interest expense on interest bearing liabilities, unwinding discount from CAPM and foreign exchange losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

4.9 PROPERTY, PLANT, AND EQUIPMENT

4.9.1 RECOGNITION AND MEASUREMENT

Bearer plant and other plant and equipment's are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. An asset is recognized when it is probable that the economic benefits associated with the item flow to the entity and cost can be reliably measured

4.9.2 SUBSEQUENT COSTS

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

4.9.3 DEPRECIATION

Depreciation is calculated to write off the cost or revalued amount of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

DEFERRED TAX LIABILITIES ARE RECOGNISED FOR ALL TAXABLE TEMPORARY DIFFERENCES, EXCEPT:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except;

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in the correlation to the underlying transaction either in OCI or directly in equity.

4.7 FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

ACCOUNTING POLICY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

1 CORPORATE INFORMATION

The Okomu Oil Palm Company Plc was incorporated as a Private Limited Liability Company on December 1979. It as converted to a Public Limited Company on 19 September 1997 under the Company and Allied Matters Act 2020.

The Company is located at Okomu Oil Palm Estate, Okomu-Udo, Edo State.

The Company is principally engaged in 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 for cake export.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The financial statements of The Okomu Oil Palm Company Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Additional information required by the Board (IASB). provision of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act No. 6, 2011. The financial statements comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows and explanatory notes.

The financial statements have been prepared on a historical cost basis and fair value except for harvested produce (rubber) carried at fair value.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except as otherwise indicated, financial presented in Naira has been rounded to the nearest thousand (N000).

2.3 BASIS OF MEASUREMENT

The financial statements have been prepared in accordance with the going concern principle under historical cost convention.

2.4 PRESENTATION OF FINANCIAL STATEMENTS

The Company classifies its expenses by nature.

The Company has presented current and non-current assets, and current and con-current liabilities, as separate classifications in the statement of financial position.

The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 1 January 2020 is presented in these financial statements due to the correction of an error retrospectively. See Note 4.19.

The cash flows from operating activities are determined using the indirect method. The Company's assignment of the cash flows to operating, investing and financing category depends on the Company's business model and the applicable standard.

2.5 CURRENT VERSUS NON CURRENT CLASSIFICATION

The company presents assets and liabilities in the statements of financial position based on current/non current classification. An asset is presented as current when it is

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realised within twelve months after the reporting period, or
(iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are presented as non-current

A liability is presented as current when:
(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading
(iii) It is due to be settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non current. Deferred tax assets and liabilities are classified as non current assets and liabilities.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting principles generally accepted in Nigeria requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

In the process of applying the Company's accounting policies, management has made various judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Items with the most significant effect on the amount recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

3.1 GOING CONCERN

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the concern basis

4.4.5 DERECOGNITION

The Company derecognised a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

Financial liabilities

The Company derecognised a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

4.4.6 MODIFICATION

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Company recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

4.4.7 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position. Offsetting can be applied 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.

4.5 GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grants relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of the benefits of the underlying assets by equal instalments.

4.6 TAXES

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4.4 FINANCIAL INSTRUMENTS

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

4.4.3 SIGNIFICANT INCREASE IN CREDIT RISK AND DEFAULT DEFINITION

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

4.4.4 WRITE OFF POLICY

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:
where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

3.2 IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

3.3 DEFINED BENEFIT PLANS

The cost of the defined benefit obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company determines the net interest expense (income) on the defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company due to the fact that the company is not exposed to any IBOR related rates. The Company intends to use the practical expedients in future periods if they become applicable

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company,

4.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- ***IFRS 17 Insurance Contracts - Effective for annual periods beginning on or after 1 January 2023***

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This does not have any impact on the company.

4.4.1 CLASSIFICATION AND MEASUREMENT

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Financial assets

Classification and subsequent measurement are dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.
All the Company's financial assets as at 31 December 2021 satisfy the conditions for classification at amortised cost under IFRS 9.

The Company's financial assets include trade receivables, intercompany receivables, other receivables, cash and bank balances. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Company'sown credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Company's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

4.4.2 IMPAIRMENT OF FINANCIAL ASSETS

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the general approach is applied to cash and bank balances.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

4.3 REVENUE FROM CONTRACT WITH CUSTOMERS

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it controls the goods or services before transferring them to the customer.

The Company is in the business of cultivating 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.

Revenue is recognised when (or as) a performance obligation is satisfied . Performance would be regarded as being achieved when all of the following criteria have been met;

- Company's performance is complete; when (or as) a performance obligation is satisfied.
- The benefit of the revenue will actually flow to the company

There are no judgement that significantly affect the determination of the amount and timing of its revenue from contracts with customers.

4.3.1 RUBBER SALES

This comprises revenue from sales of rubber and other agricultural produce. Revenue is recognized when rubber has been sold. Revenue is recognized at a point in time when control of goods has been transferred to the customer. Depending on the terms of the contract with the customer, control is transferred 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.

4.3.2 SALES OF PALM OIL PRODUCE

This comprises revenue from sales of crude palm oil related products. Revenue is recognized when the products have been sold. Revenue is recognized at a point in time when control of goods has been transferred to the customer. Depending on the terms of the contract with the customer, control is transferred 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.

4.3.3 PALM OIL PROCESSING

These comprise of revenue from palm oil processing for other Companies. Revenue is recognised at a point in time when services have been performed to processed palm produce through the company's palm oil mill processing equipment.

4.4 FINANCIAL INSTRUMENTS

IFRS 9 provides guidance on the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments Disclosures.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

•Amendments to IAS 1: Classification of Liabilities as Current or Non-current - Effective for annual periods beginning on or after 1 January 2023

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Amendments to IAS 37 Onerous Contracts: Costs of Fulfilling a Contract - Effective date for annual periods beginning on or after 1 January 2022

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use - Effective date for annual periods beginning on or after 1 January 2022

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

4.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

• ***Amendments to IFRS 1 First-time Adoption of IFRS: Subsidiary as a first-time adopter – Effective date for annual periods beginning on or after 1 January 2022***

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.
This amendment is not applicable to the Company.

• ***Amendments to IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities - Effective date for annual periods beginning on or after 1 January 2022***

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

• ***Amendments to IAS 8 Accounting Policies and Accounting Estimates: Definition of Accounting Estimates - Effective date for annual periods beginning on or after 1 January 2023***

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company.

4.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Amendments to IAS 41 Agriculture - Taxation in fair value measurements - Effective date for annual periods beginning on or after 1 January 2022

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Company

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment will be effective for annual periods beginning on or after 1 January 2023. The Company is currently assessing the impact on its financials.