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MANAGEMENT REPORTS (INTERIM)
FOR 3 MONTHS
ENDED MARCH 31, 2023

THE OKOMU OIL PALM COMPANY PLC

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

2. TURNOVER

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

3. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

4. DEPRECIATION OF FIXED ASSETS

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

Building	5%
Mill Machinery and Equipment	10%
Crawlers and Equipment	20%
Agricultural Equipment	20%
Workshop Equipment	20%
Tools	20%
Power Supply Equipment	20%
Miscellaneous Equipment	12.5%
Nursery Equipment	12.5%
Radio Communication & Survey Equipment	12.5%
Water Supply	12.5%
Light Vehicles and Lorries	25%
Tractors and Trailers	20%
Furniture, Fittings and Equipment	12.5% & 20%

5. STOCK

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

6. DEBTORS

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

7. FOREIGN CURRENCIES

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

8. TAXATION

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

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

9. DEFERRED TAXATION

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

10. EMPLOYEES' RETIREMENT BENEFITS

(a) Gratuity Scheme:

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

(b) Pension Scheme:

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

11. CASH AND CASH EQUIVALENTS

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

12. FUNCTIONAL AND PRESENTATION CURRENCY

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

13. DISCLOSURE OF DEALINGS IN ISSUER'S SHARES:

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

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

THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH, 2023

		Mar-23 N'000	Mar-22 N'000
Turnover	Note 2	24,207,658	20,485,804
Cost of Sales	3	<u>4,391,814</u>	<u>2,892,979</u>
Gross Profit		19,815,844	17,592,825
Net Operating expenses	4	<u>4,681,595</u>	<u>3,891,380</u>
Profit from continuing operations before tax changes in fair value		15,134,249	13,701,445
Finance Income	5	<u>1,163</u>	<u>3,877</u>
		15,135,412	13,705,322
Finance Costs	6	<u>253,932</u>	<u>134,903</u>
Profit on continuing operation b4 tax		14,881,480	13,570,419
Taxation	8	<u>4,704,347</u>	<u>4,072,304</u>
Profit on continuing operation after tax		10,177,133	9,498,115
OTHER COMPREHENSIVE INCOME	7		
Actuarial gains		-	-
		-	-
Total comprehensive income		<u>10,177,133</u>	<u>9,498,115</u>
Earnings Per Share (EPS): Basic (K)		<u>1067</u>	<u>996</u>

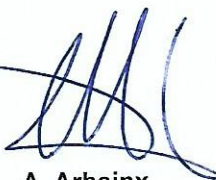
THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	NOTE	Mar-23 N'000	Dec-22 N'000
FIXED ASSETS	9	57,045,362	56,467,084
Biological Asset		289,523	536,639
Right of use asset		<u>126,830</u>	<u>63,415</u>
		<u>57,461,715</u>	<u>57,067,138</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	10	9,756,048	5,729,107
Biological assets	10.1	850,660	630,341
Trade Receivables and others	11	1,023,575	3,233,766
Prepayments		1,350	358
Bank and Cash	12.	<u>20,422,115</u>	<u>5,837,582</u>
		<u>32,053,748</u>	<u>15,431,154</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	13	<u>22,656,050</u>	<u>13,840,945</u>
NET CURRENT (LIABILITIES)/ ASSETS		9,397,698	1,590,209
Deferred Taxation	14	<u>11,460,076</u>	<u>11,460,076</u>
Amount falling due after one year			
Retirement Benefits/Gratuity		2,215,850	1,882,958
Long Term Loans	15	8,893,455	11,201,414
Lease liabilities		<u>79,032</u>	<u>79,032</u>
		<u>11,188,337</u>	<u>13,163,404</u>
Total Net Assets		<u>44,211,000</u>	<u>34,033,867</u>
FINANCED BY			
CAPITAL AND RESERVES			
Share Capital	16	476,956	476,956
Share Premium Account	17	1,867,095	1,867,095
Revenue Reserves	18	42,149,877	31,972,744
Non-distributable reserves	19	<u>-282,928</u>	<u>-282,928</u>
		<u>44,211,000</u>	<u>34,033,867</u>

Approved by the Board of Directors on the 28th of April, 2023


Mr. P.A.E Eguasa

Director
FRC/2020/002/00000010321



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

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CHANGES IN EQUITY

	Share Capital =N='000	Share Premium =N='000	Non- Distributable reserves =N='000	Revenue Reserves =N='000	Total =N='000	
Balance as at 1st January,2022	476,956	1,867,095		- 250,502	31,958,408	34,051,957
Other comprehensive income	-	-		- 32,426	- -	32,426
Transaction with shareholders	-	-		- 32,426	- -	32,426
Profit for the period					16,230,806	16,230,806
Dividend paid					-16,216,470	- 16,216,470
Deferred tax on actuarial gain						-
Comprehensive income for the year	-	-		-	14,336	14,336
Equity as at 31st December,2022	476,956	1,867,095		- 282,928	31,972,744	34,033,867
Equity as at 1st January,2023	476,956	1,867,095		- 282,928	31,972,744	34,033,867
Other comprehensive income	-	-		-	-	-
Transaction with shareholders	-	-		-	-	-
Profit for the period	-	-		-	10,177,133	10,177,133
Dividend paid					-	-
Comprehensive income for the year	-	-		-	10,177,133	10,177,133
Equity as at 31st December,2023	476,956	1,867,095		- 282,928	42,149,877	44,211,000

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2023

	Mar-23	Mar-22
receipts from customers	26,827,342	21,261,589
Payments to suppliers	- 5,784,245	- 4,018,452
Payment to employees	- 229,229	- 215,754
Payment of operating expenses	- 3,984,595	- 2,104,784
Payment of taxes:CIT	-	-
Value added tax	- 75,175	- 61,088
Withholding tax	- 401,778	- 291,547
Other receipts	264,108	149,193
Net cash inflow from operating activities	16,616,428	14,719,157
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 1,508,598	- 727,029
Proceeds from disposal of PPE	-	-
Finanace income receieved	-	-
Pre cropping expenditure incurred(Biological assets)	- 121,256	- 167,736
Net cash outflow from investing activities	- 1,629,854	- 894,765
<u>Cash flow from financing activities</u>		
Interest paid	- 253,932	- 134,554
New Loans	-	-
Loans reimbursement	- 148,109	- 97,366
Dividend paid	-	-
Net cash inflow/(outflow) from financing activities	- 402,041	- 231,920
Net cash inflow in the year	14,584,533	13,592,472
Cash and cash equivalent as at the 1/1/2023	5,837,582	9,955,188
Cash and cash equivalent as at 31/03/2023	20,422,115	23,547,660
<u>Cash and casn equivalent</u>		
Cash and bank balance	20,422,115	23,547,660
Fixed deposit	-	-
	20,422,115	23,547,660

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF VALUE ADDED FOR THE YEAR ENDED MARCH 31,2023

	Mar-23 N'000		Dec-22 N'000
Revenue from sale of products	24,207,658		59,323,723
Brought in materials and services:			
Local	- 4,391,814		- 4,320,474
Foreign	<u>19,815,844</u>		<u>55,003,249</u>
Finance Income	<u>1,163</u>	0%	<u>4,966</u>
Value added	<u><u>19,817,007</u></u>	100	<u><u>55,008,215</u></u>
Applied as follows:			
To Employees:			
- as salaries, wages and other staff costs	3,546,212	18%	10,331,079
- Directors remuneration	83,808	0%	173,445
To Providers of finance:			
- Financial cost and similar charges	253,932	1%	1,071,273
To Government as:			
- Income tax expenses	4,704,346	24%	5,664,140
- Deferred tax expenses	-	0%	1,622,489
To Shareholders as:			
- Dividend			16,216,470
Retained in the business:			
To maintain and replace			
- Depreciation and amortisation	1,051,576	5%	3,730,938
- To augment reserves	<u>10,177,133</u>	51%	<u>16,198,381</u>
	<u><u>19,817,007</u></u>	100%	<u><u>55,008,215</u></u>

THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS
1 The Company

1.1 The Legal Form.

The Okomu Oil Palm Company PLC, was incorporated on December 3, 1979 as a Private Limited Liability Company. It was converted to a Public Limited Liability Company (PLC) on September 19, 1997 under the Company and Allied Matters Act, 1990. It is a member of Socfinaf group of Luxemborg which owns 62.94% the Company's shares with Nigerians owning the balance of 37.06%.

1.2 Principal Activities

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

2 TURNOVER	Mar-23	Mar-22
Turnover represents the invoice value of goods and services rendered to third parties during the year	N'000	N'000
Local sales	22,782,949	18,875,217
Export sales	1,424,709	1,610,587
	24,207,658	20,485,804
3 COST OF SALES		
Oil Palm	3,144,188	2,008,887
Rubber	1,247,626	884,092
	4,391,814	2,892,979
4 OPERATING EXPENSES		
Total net operating expenses	4,681,595	3,891,380
5 FINANCE INCOME		
Interest on fixed Deposit A/C and others	1,136	1,280
Exchange gain	27	2,597
	1,163	3,877
6 FINANCE COST		
Exchange loss	7,291	349
Interest on Long Term Loans	246,641	134,554
	253,932	134,903
7 Other comprehensive income		
Actuarial gains	-	-
8 TAXATION		
Profit and Loss Account		
Provision for Edu. tax	294,022	254,519
Income Tax	4,410,325	3,817,785
	4,704,347	4,072,304

THE OKOMU OIL PALM COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

9 FIXED ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Machinery & Equip N'000	Building N'000	Land N'000	Palm Mill N'000	Rubber Mill N'000	Vehicles N'000	Furniture & Equip N'000	Work In Progress N'000	Total N'000
Gross Book Value											
As at January 1, 2023	17,288,510	6,636,488	3,347,839	9,702,849	2,051,165	29,612,089	1,482,392	3,773,504	1,255,041	1,476,784	76,626,661
Additions	0	121,256	4,762	478,343		97,451	37,991	86,753	300,694	502,604	1,629,854
Disposal											-
Transfer											-
As at March 31, 2023	17,288,510	6,757,744	3,352,601	10,181,192	2,051,165	29,709,540	1,520,383	3,860,257	1,555,735	1,979,388	78,256,515
Depreciation											
As at January 1, 2023	3,683,170	1,842,772	2,816,761	2,301,852	0	5,416,564	976,272	2,684,186	438,000	-	20,159,577
Charge for the period											
Adjustments	220,751	79,740	66,529	134,409		330,396	8,575	99,131	112,045		1,051,576
Disposal	0	0	0	-		-	-	-	-	-	0
As at March 31, 2023	3,903,921	1,922,512	2,883,290	2,436,261	-	5,746,960	984,847	2,783,317	550,045	-	21,211,153
Net Book Value											
As at March 31, 2023	13,384,589	4,835,232	469,311	7,744,931	2,051,165	23,962,580	535,536	1,076,940	1,005,690	1,979,388	57,045,362
Net Book Value											
As at December 31, 2022	13,605,340	4,793,716	531,078	7,400,997	2,051,165	24,195,525	506,120	1,089,318	817,041	1,476,784	56,467,084

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

	Mar-23 N'000	Dec-22 N'000
10 STOCK		
General Stores and agricultural consumables	5,001,253	4,660,888
Finished Goods-Palm & Rubber Products	4,717,694	1,034,112
Goods-in-transit	37,101	34,107
	<u>9,756,048</u>	<u>5,729,107</u>
10.1 BIOLOGICAL ASSETS		
Non Current:		
At 1 January	289,523	289,523
change in fair value on biological asstes(P&L)		247,116
At 31 December	<u>289,523</u>	<u>536,639</u>
Current:		
Fresh Fruit Bunches (FFB)	242,110	234,177
Raw Rubber (Latex)	608,550	396,164
	<u>850,660</u>	<u>630,341</u>
11 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	8,498	2,763
Advances paid to suppliers	106,388	1,833,152
Intercompany receivables	668,642	538,515
Other receivables	116,328	737,958
Staff loans and advances	123,719	121,378
	<u>1,023,575</u>	<u>3,233,766</u>
12 BANK AND CASH BALANCES		
Bank balances	20,410,840	5,828,721
Cash balances	11,275	8,861
	<u>20,422,115</u>	<u>5,837,582</u>
Amount falling due within one year		
13 Current Liabilities		
Trade Payables	873,134	2,828,292
Other current payables	1,062,720	1,154,254
Advances from customers	2,971,985	1,284,126
Taxation	10,765,631	5,936,342
Intercompany payables	559,883	274,800
Accruals	4,546,248	693,604
Statutory liability	96,785	142,146
Interest bearing loan	1,779,664	820,682
Government Grant	0	706,699
	<u>22,656,050</u>	<u>13,840,945</u>
14 DEFERRED TAXATION		
At Janunary 1	11,460,076	9,851,484
Tax expenses/Net Charged for the period		1,608,592
As At the end of the period	<u>11,460,076</u>	<u>11,460,076</u>

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

	Mar-23 N'000	Dec-22 N'000
15 Term Loans		
Amount falling due after one year		
Interest - bearing loans and borrowings	7,108,838	9,153,938
Government Grant	1,784,617	2,047,476
	<u>8,893,455</u>	<u>11,201,414</u>
15.1 Long Term Loans		
Zenith Bank Plc Loan		
The Zenith Bank Plc loan represents a =N= 2 billion commercial agricultural credit loan received under a scheme of the Federal government intervention which was obtained by the company through Zenith Bank Plc. The total amount was drawn down in November 2021 and bears interest rate of 8% per annum. The facility has a repayment period of 5 years in 60 consecutive monthly repayments of principal and interest ending in July 2027. This facility was obtained to finance the Extension 2 Oil mill with additional boiler. It is secured by a legal mortgage over the plant and machinery acquired.		
Bank of Industry		
The Bank of Industry loan represents a =N=1,947,314,434.50 loan received from the Bank of Industry(BOI) to finance the procurement of items of plant and machinery towards the expansion of Okomu Oil Palm processing plant in Okomu-Udo, Edo State. The total amount was drawn down in May, 2018 and bears interest at the rate of 10% per annum payable monthly. The facility has a one (01) year moratorium period beginning from the date of first disbursement. It has a repayment period of sixty (60) equal and consecutive monthly instalments commencing immediately after the moratorium period. It is secured with a bank guarantee of the loan and accruing interest on a continuous basis by Sterling Bank Plc.		
Zenith Bank Plc Loan		
The Zenith Bank Plc loan represents a =N=10 billion loan received from Zenith bank Plc under the Central Bank of Nigeria Differentiated Cash Reserves Requirement (DCRR) to finance the development of Okomu Oil Palm Plantation. The sum of =N=6.884 billion was drawn down as at September at an interest rate of 8% per annum (subject to review in line with DCRR). The facility has a three year moratorium on its principal from date of first disbursement with a repayment of twelve (12) equal and consecutive quarterly repayments immediately after the moratorium period. It is secured with a legal mortgage over the 11,416 hectares of oil palm plantation situated at Uhiere, Ovia North East Local Government area in Edo State.		
16 SHARE CAPITAL		
	N'000	N'000
16.1 ISSUED AND FULLY PAID		
Existing 953,910,000 Ord. Shares of 50k each	<u>476,956</u>	<u>476,956</u>
17 SHARE PREMIUM		
Share Premium	1,867,095	1,867,095
18 REVENUE RESERVES		
At 1st January	31,972,744	31,958,408
	<u>31,972,744</u>	<u>31,958,408</u>
Retained Profit for the period	10,177,133	16,230,806
	<u>42,149,877</u>	<u>48,189,214</u>
Dividend paid		-16,216,470
Actuarial gain/ (loss)		0
Unclaimed dividend		
IFRS Adjustment		
As at March 31 2023	<u>42,149,877</u>	<u>31,972,744</u>
19 Non-distributable reserves		
As at 1st January	-250,502	-250,502
Actuarial (Loss) / gain	-32,426	-32,426
As at 31st December	<u>-282,928</u>	<u>-282,928</u>

20 COMPARATIVE FIGURES

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