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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 area 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 43rd Annual General Meeting of The Okomu Oil Palm Company Plc will be held at Lagos Marriott Hotel, 122 Joel Ogunnaike Street, Ikeja GRA, Lagos State, on **Thursday, 25th May 2023** at 11.00 am to transact the following:

ORDINARY BUSINESS

1. To lay before the members of the Company the Audited Financial Statements of the Company for the financial year ended 31 December 2022, together with the reports of the Directors, Auditors, and Audit Committee thereon.
2. To declare a dividend
3. To elect/re-elect Directors

Pursuant to Section 282 of the Companies and Allied Matters Act, 2020, the company received special notices:

- **“That Mr. Hubert Fabri who is 71 years old be re-elected as a Director of the Company”** and
 - **“That Mr. Peter Eguasa who is 72 years old be re-elected as a Director of the Company”**
4. To authorize the Directors to fix the remuneration of the Auditors
 5. To elect members of the Audit Committee
 6. To disclose the remuneration of Managers

SPECIAL BUSINESS

7. To fix the remuneration of the Directors

NOTES:**1. Proxy**

A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the company. A blank proxy form is attached to this Annual Report. For the appointment of a proxy to be valid, the executed proxy form should be deposited at the office of the Company's Registrar, Cardinalstone Registrars Ltd, 335/337, Herbert Macaulay Road, Yaba, Lagos not later than 48 hours before the time of the meeting. The Company has made arrangements, at its cost, for stamping the duly completed and signed instruments of Proxy.

2. Closure of Register and Transfer Books

Notice is hereby given that the register of members and transfer books of the company will be closed from Tuesday 25th April to Friday 28th April 2023 (both days inclusive) to enable the Registrar to prepare for the payment of any dividends.

3. Payment of Dividend

The Board of Directors has recommended a final dividend of N12.00 per 50 kobo ordinary share for approval by shareholders. If approved at the meeting, the dividend will be paid via e-mandate on Thursday, 25th May 2023, to shareholders whose names appear in the register of members at the close of business on Monday 24th April 2023.

4. E-Annual Report

The electronic version of the Annual Report is available online for viewing and download at our website www.okomunigeria.com. Shareholders who have provided their email addresses to the Registrar 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 via email to raymond.akokota@cardinalstone.com

5. E-Dividend

Notice is hereby given to all shareholders to open bank accounts for the purpose of dividend payment. A detachable e-dividend mandate form is included in the Annual Report to enable shareholders to furnish particulars of their accounts to the Registrar. The e-dividend mandate form is also available on the website of our Registrar: www.cardinalstoneregistrar.com

6. Unclaimed Dividends

Several dividend warrants remain unclaimed or are yet to be presented for payment or returned to the Registrars for revalidation. The list of such shareholders will be circulated with the Annual Report and can also be accessed on our website. Shareholders affected are advised to contact the Company's Registrar, Cardinalstone Registrars Ltd, 335/337 Herbert Macaulay Way, Yaba, Lagos.

7. Nomination for the Audit Committee

In accordance with section 404(6) of the Companies and Allied Matters Act 2020, 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 at least 21 days before the Annual general meeting.

8. Rights of Shareholders to Ask Questions

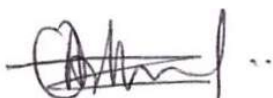
Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the Meeting, and such questions should be submitted to the Company Secretary at the Company's head office or via email (eomerole@okomunigeria.com) not later than the 18th of May 2023.

9. Live streaming of the AGM

The AGM will be streamed live. This will enable shareholders who will not attend physically to follow the proceeding. The link for the AGM streaming will be available on the Company's website at www.okomunigeria.com.

Dated this 29th day of March 2023.

BY ORDER OF THE BOARD



Mr. Chukwuebuka A. Omerole

P.C. Obi & CO.

Company Secretary

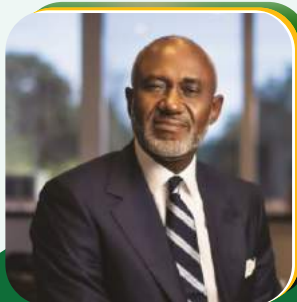
FRC/2022/PRO/NBA/00000024073

Registered office:

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



Chukwuebuka A. Omerole
Company Secretary



Mr. G. Oyebo MFR
Chairman

Name: **Gbenga OYEBODE** MFR
Residence: Nigeria
Appointment: Non-Executive Director
Qualification: LLB, BL, LLM
Work Experience and Occupation:

Mr. Gbenga Oyebo is a lawyer with over 35 years of experience in corporate and commercial law practice. He is a founding partner of Aluko & Oyebo, (Barristers, Solicitors & Trademark Agents), one of the largest integrated law firms in Nigeria, with offices in Lagos, Abuja and Port-Harcourt.

Mr. Oyebo 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 was conferred Doctor of Laws (Honoris Causa), by the Ekiti State University, Ado Ekiti (2016) and Elizade University, Ilara Mokin, Ondo State, Nigeria (2017).

Mr. Oyebo 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).

Mr. Oyebo 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 the Chairman of Access Bank Plc (2005-2015), Director, MTN Nigeria Plc (2001-2019) (both listed on the Nigerian Stock Exchange) and now serves on the Boards of Nestle Nigeria Plc, Lafarge Plc, CFAO Nigeria Plc and Socfin SA (listed on the Luxemburg Stock Exchange).

Mr. Oyebo is the Chairman of Teach for Nigeria, Director Teach for All, he is also a 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 of Carnegie Hall, New York and the Ford Foundation.

Name: **Graham HEFER**
Residence: Nigeria
Appointment: Managing Director
Qualification: MSc. Agric, Ph.D. Agric
Work Experience and Occupation:
Lecturer/Research fellow: University of Natal
Agricultural Director: Tongaat Cotton Ltd
Executive Director: Noordelike Sentrale Katoen (PTY)



Dr. G. Hefer



Mr. A. Arhainx

Name: **Arnaud ARHAINX**
Residence: Nigeria
Appointment: Finance Director
Qualification: MBA Corporate Strategy, MBA Financial Market, MSc Company
Economics & Business Administration
Work Experience and Occupation:
CFO: Global Gold Trade Group A.G. Decovar. London
Finance Director Group: Premier Logistics UK Ltd
Finance Director/CEO: 3T Logistics Holdings Ltd

**Mr. H. Fabri**Name: **Hubert FABRI**

Residence: Switzerland

Appointment: Non-Executive Director

Qualification: BSc Business Administration

Work Experience and Occupation:

Chairman: Palmeraies de Mopoli

Director:

Bolloré Group, Compagnie du Cambodge, Coviphama, Financière Moncey, Forestière Equatoriale, PT Socfin Indonesia (SOCFINDO), Safacam, Socapalm, Socfin Agricultural Company SL (SAC), Socfin KCD, Société Industrielle et Financière de l'Artois, SOGB, Sud Comoe Caoutchouc (SCC), Bereby Finances (Befin), Liberian Agricultural Corporation (LAC), Socfin, Socfinaf, Socfinasia, Compagnie de l'Odet.

Name: **David U. EDEBIRI OON**

Residence: Nigeria

Appointment: Non-Executive Director

Qualification: Dip. Journalism

Work Experience and Occupation:

Public relations/information officer in the Civil Service, Chairman of various committees, the Palace Committee on Benin Kingdom, General business and fish farming.

**Chief D. U. Edebiri OON****Mr. P.A.E. Eguasa JP**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.I.O.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. J. BASTRUP-BIRK**

Name: **Julien BASTRUP-BIRK**

Residence: United Kingdom

Appointment: Independent Director

Qualification: Ph.D. Governance and Global Affairs, Master's Degree in War Studies and BA in Political Science and International Relations.

Work Experience and Occupation:

Mr. Julien Bastrup-Birk is an international adviser and consultant for, amongst others, the United Nations Office on Drugs and Crime (UNDOC) and the NATO Joint Warfare Centre (JWC) as well as a Deployable Civilian Expert for the UK's Office for Conflict, Stabilisation and Mediation (OCSM).

His previous roles include Head of Strategy, OCSM (UK Foreign, Commonwealth and Development Office), Head of Transnational Threats (UK Stabilisation Unit), and senior policy-making roles within the UK's Office for Security and Counter-Terrorism (OSCT).

Name: **Regis HELSMOORTELT**

Residence: Switzerland

Appointment: Non-Executive Director

Qualification: MSc. Agricultural Engineering, BSc Industrial Management

Work Experience and Occupation:

Mr. Regis Helmoortel is the General Manager of Socfinco FR. He previously occupied the position of the head of the Agronomy department at Socfinco FR.

He currently serves on the Boards of Brabanta, Camseeds Sa, Liberian Agricultural Corporation (LAC), Plantations Socfinaf Ghana (PSG), Socapalm, Socfin Agricultural Company SL (SAC), Société Africaine Forestière et Agricole du Cameroun (Safacam), Agripalma, Socfin KCD, Coviphama.

**Mr. R. Helmoortel****Mr. A. Ighodalo**

Name: **Asue IGHODALO**

Residence: Nigeria

Appointment: Non-Executive Director

Qualification: BSc Economics, LLB, BL

Work Experience and Occupation:

Mr. Asue Ighodalo is a founding partner of the law firm Banwo & Ighodalo, a leading corporate and commercial law practice in Nigeria that was established in 1991. His Core areas of practice include corporate finance, corporate governance, energy and natural resources, capital markets, mergers & acquisitions, foreign investments & divestments and project finance.

Mr. Ighodalo sits on the Board of several reputable companies, including Sterling Bank Plc, Nigerian Breweries Plc, Mainstreet Technologies Limited, and Boff & Co. Insurance Brokers Limited.

**Mr. S. F. Claeys**

Name: **Sven CLAEYS**

Residence: Switzerland

Appointment: Non-Executive Director

Qualification: MSc Agricultural Engineering, M.A. International Policy

Work Experience and Occupation:

Mr. Sven Claeys is an agricultural engineer with several years of experience. He is currently the head of the Industrial Department at Socfinco SA.

He sits on the Board of numerous companies such as Liberian Agricultural Corporation (LAC), Salala Rubber Corporation (SRC), Socfin Agricultural Company SL (SAC), Société des Caoutchoucs de Grand-Béréby (SOGB), SudComoeCaoutchouc (SCC), Socfinco FR, Socfin Green Energy, SPFS.

Name: **Vivien SHOBO**

Residence: Nigeria

Appointment: Independent Director

Qualification: Bsc. Accounting, MBA Finance.

Work Experience & Occupation:

Mrs. Vivien Shobo is a financial analyst and banking expert with over 20 years of expertise. She was the CEO of Augusto & Co, Nigeria's foremost research and credit rating agency for large corporates from 2003 to 2019. Mrs. Shobo is currently the CEO of FVS, Advisory Partners, a firm that provides financial consulting and debt capital market transaction advice.

She is on the Board of InfraCredit Nigeria, FMDQ Clear Limited, Transport Service Limited (TSL), and SqueakyClean Services Limited.

**Mrs V. SHOBO****Dr. I. Chevalley**

Name: **Isabelle CHEVALLEY-TRAORE**

Residence: Burkina-Faso

Appointment: Independent Director

Qualification: Ph.D. Phytochemistry and Alimentary

Work Experience and Occupation:

Dr. Isabelle Chevalley has over 20 years of experience in the field of renewable energies in Europe and Africa. She was the former President of the Swiss Wind Energy Association Suisse Eole and was a member organizing committee of the Swiss renewable energy fair Energissima and Greentech in Fribourg. She is the deputy of the Swiss National Parliament and the President of the Swiss-African Parliamentary Intergroup. She was previously a member of the Board of Directors of Cremo (2012-2021).

Name: **Philippe FABRI**

Residence: Switzerland

Appointment: Non-Executive Director

Qualification: BSc Business Administration

Work Experience and Occupation:

Mr. Philippe Fabri is currently one of Socfin Group's Chief Executives. He formerly held the positions of Palm Oil & Rubber Trader (2017–2020) and Financial Controller (2020) in the Socfin Group.

He sits on the Board of various companies such as SOGB (Société des Caoutchoucs de Grand-Béréby) SA, BEFIN (Bereby-Finances) SA, SCC ABOISSO (Sud Comoé Caoutchouc) SA, SAC (Socfin Agricultural Company (SL)) Ltd, LAC (Liberian Agricultural Company), SRC (Salala Rubber Corporation), PSG (Plantations Socfinaf Ghana) Ltd, BRABANTA, COVIPHAMA Co. Ltd, PT. SOCFINDO (PT. Socfin Indonesia), Socfinco Fr Sa, Sodimex Fr Sa, Management Associates, Afico, Socfinaf, Socfinasia, Socfin, Pns Ltd, Socfinde, Induservices, Terrasia, Energie Investissements Holding, Financiere Privee Holding, Camseeds Sa, Socfin Kcd Co., Ltd, Sogescol Fr Sa, Induservices Fr Sa, Safa.



Mr. P. Fabri

Registered Company number	30894	
Directors	Mr. Gbenga Oyebo MFR Dr. Graham Hefer (South African) Mr. Arnaud Arhainx (French) Chief David Edebiri OON Mr. Peter Eguasa JP Mr. Hubert Fabri (Belgian) Mr. Regis Helsmoortel (Belgian) Mr. Sven Claeys (Belgian) (Resigned 17 March 2023) Mr. Asue Ighodalo Mrs. Vivien Shobo Mr. Philippe Fabri (Belgian) Mrs. Isabelle Chevalley (Burkina Faso) Mr. Julien Bastrup-Birk (United Kingdom)	Chairman Managing Director Finance Director/CFO Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Non-Executive Director Independent Director 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. 335/337, Herbert Macaulay Way Yaba, Lagos	
Managing Agent	Socfinco F.R. S. A Squares des Places 3 1700 Fribourg Switzerland	

	2022	2021	% change
	₦'000	₦'000	
Revenue	59,323,723	37,394,507	59%
	=====	=====	
Profit before taxation	23,517,435	16,114,778	46%
Income tax expense	(7,286,629)	(4,575,810)	59%
	-----	-----	
Profit for the year	16,230,806	11,538,968	41%
	=====	=====	
Other comprehensive (loss)/income	(32,426)	560,687	106%
	=====	=====	
Total comprehensive income	16,198,380	12,099,655	34%
	=====	=====	
Net assets	34,033,866	34,051,956	0%
	=====	=====	
Employee's expenses	10,331,079	6,180,832	67%
	=====	=====	
Number of employees	390	426	
	=====	=====	
Basic earnings per share	17.02	12.10	
	=====	=====	
Net asset per share	35.68	35.70	
	=====	=====	
Share price	165	142	



My fellow shareholders, distinguished guests, ladies and gentlemen.

It is with great pleasure that I welcome you all to the 43rd Annual General Meeting of our Company and present to you the Annual Report and Financial Statements for the financial year ended 31st December 2022

The Operating & Economic Environment for 2022

In 2022, Global economic activity experienced a wide and sharper-than-anticipated decline, with inflation higher than it had been in several decades. The global economy was severely impacted by the cost-of-living crisis, tightening financial conditions in most countries, rising interest rates, Russia's invasion of Ukraine, and the lingering Covid-19 epidemic in some sections of the world. The International Monetary Fund (IMF) predicted a global growth rate of 3.2% and inflation of 8.8% for 2022. The Nigerian economy experienced growth rates

of 3.11%, 3.54%, 2.25%, and 3.52% in the first, second, third, and fourth quarters of 2022, respectively. The country's inflation rate increased to 21% in 2022, compared to an average of 10.6% for emerging and developing countries and 8.8% for the global economy. These Fiscal pressures were further exacerbated by the soaring cost of the petrol subsidy. Despite higher crude oil export revenues, the official reserves have declined, and the currency market has become severely skewed, which has negatively impacted the business environment and investment. This level of economic hardship, combined with the country's worsening insecurity, has hampered business growth.

In an effort to reduce the negative impacts of the attendant economic challenges, the Company minimized its costs, through the utilization of its newly fully commissioned 5mw turbine as an alternative means of generating power in 2022, and it produced over 44% of the power required in the Company's main estate. This enabled the Company to reduce its carbon footprint. Additionally, both 30t/hr oil mills were fully commissioned in Extension 2 by the end of 2022, helping to reduce transportation costs and preventing a decline in CPO quality owing to double handling and high FFA.

Despite the ongoing instability, both within and outside of the Country, the Commodity prices of both of our Company's products increased in 2022, which, to a degree helped to offset the huge inflationary increases being experienced by businesses in 2022.

Operating Results

Notwithstanding the fiscal pressures, we remained committed to enhancing the values that accrue to our shareholders while maintaining adequate capital to support the sustainable growth of our Company.

I am pleased to announce that our Company registered a total comprehensive income for 2022 of N16 billion, this being 34% higher than in 2021. This is largely driven by the 43% increase in CPO prices year on year (YoY), together with the 7% increase in rubber prices (YoY).

The CPO production was 16% higher than for the same period in 2021, whilst rubber production was 12% lesser (YoY). Consolidated turnover for the year increased YoY by 58%, while Direct costs increased by 64% YoY.

Dividends

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, proposed a final dividend of N12.00 per share, which in addition to the N9.00 per share paid as interim dividend amounts to N21.00 per share (2021: Interim dividend of N0.00 per share, final dividend of N8.00 per share and total dividend per share of N8.00) from the retained earnings account as at 31 December 2022. This will be presented for ratification by the shareholders at the Annual General Meeting. Payment of dividends is subject to withholding tax at the appropriate rate.

Operational Performance by Sector

Palm

As at the end of 2022, the total oil palm area was 19,060ha, of which all areas were mature. No immature plantings or re-plantings were recorded. Total agricultural palm plantation costs for the year were 39% higher YoY. Total FFB production for 2022, was 247,175t which was 11% higher than that produced in 2021 and represented an average FFB yield of 12.97 t/ha.

Total CPO sales and turnover in 2022 were 18% and 69.6% higher than in 2021, respectively, while revenue for all palm products in 2022 of N53.7 billion was 69% higher than for the prior year.

Rubber

A total of 6,025ha of rubber was recorded at the end of 2022, of which all areas were mature. No new rubber plantings or replants were done in 2022. Dry rubber production reduced by 8.96% YoY, whilst rubber agricultural plantation costs increased by 88% when compared to 2021.

The rubber factory processing of dry rubber was 12% less when compared with the prior year.

Consolidated Financial Results

During the year under review, the Company recorded gross earnings of N59.32 billion, which is 59% higher than 2021's consolidated revenues.

The earnings before tax (EBT) were 46% higher YoY and taxes were 59% higher YoY leading to a net profit for 2022, as stated earlier, of N16 billion, this being 41% higher than 2021, mainly as a result of higher product prices.

Environment Sustainability, Health, Education & Safety for 2022

The Company has, for the third 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 2022, 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 also obtained its re-certification for Halal, which allows the Company to provide products that will be accessible to the Muslim community.

The Memorandum of Understanding (MoU) with the Okomu National Park (ONP), whereby the park has partnered with the Company to co-manage the buffer zones and HCVs bordering the ONP remains in place. The Government of Edo State has also become involved, along with ANI, and the Company is in the process of partnering with the Earthworm Foundation, in order to ensure the long-term sustainability of the ONP and her surroundings, including local communities and related stakeholders through ecotourism and other direct and indirect job opportunities going forward.

Employees

The number of staff (direct and indirect) as at the end of 2022 increased from 1,360 to 1,388. The Company to train its staff invested N46.2 million in employee skills training programmes in 2022 (2021: N38.56 million).

The Company spent N138.7 million in 2022 (2021: N101.3 million) on staff health, safety and welfare programmes.

The Company lost one of its workers in 2022, during the attacks on the Company's rubber plantation area by hoodlums.

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 Facebook page) in 2022. 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 N376 million (2021: N283.86 million) in 2022.

Due to the security challenges encountered by the Company and the neighbouring communities in 2022, the smallholder farmers' scheme purchase throughput was less than anticipated. The Company and a few non-governmental organizations (NGOs) signed an agreement with the intention of developing more smallholder programmes. Also, by the end of 2023, the Company plans to purchase about 10,000t of FFB from the local smallholder farmers surrounding both Okomu main estate and Extension 2 going forward.

Future Expansion & Development Plans for 2023

The second oil mill at Extension 2 with a capacity of 30 t/h was completed and commissioned in December 2022. The utilization of the two oil mills at Extension 2 will increase productivity in 2023.

The Company aims to enhance the 1,700 hectares of undeveloped land in Extension 1, by either planting palm trees or rubber trees, starting with the environmental and social impact assessment of the area in 2023.

Emphasis will be placed on the procurement of more smallholder FFB and rubber cup lumps in 2023.

Conclusion

Despite macroeconomic headwinds and insecurity, the Company's performance is highly commendable and during the year, 2022, our Company paid cumulatively, the highest dividend it has ever paid to our loyal shareholders, thanks to a steadfast and loyal team of Board, Management, staff, and other key stakeholders who contributed to our Company's success this past year.

On behalf of the Board, I would like to express our sincere gratitude to our shareholders, our regulators, and all other external stakeholders. To our Management, our staff, and my colleagues on the Board, I say a big thank you for your hard work, diligence, passion, and commitment to achieving our collective goals.

Thank you all for your attendance at our Annual General Meeting this year and I wish you well for 2023.

Mr. G. Oyebo MFR
Chairman

FRC/2013/NBA/0000000254
29 March 2023

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 2022, 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.

	2022 N'000	2021 N'000
Results		
Revenue	59,323,723	37,394,507
Profit before income tax	23,517,435	16,114,778
Income tax expense	(7,286,629)	(4,575,810)
Profit for the year	16,230,806	11,538,968

Dividend

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, proposed a final dividend of N12.00 per share, which in addition to the N9.00 per share paid as interim dividend amounts to N21.00 per share (2021: Interim dividend of N0.00 per share, final dividend of N8.00 per share and total dividend per share of N8.00) from the retained earnings account as at 31 December 2022. This will be presented for ratification by the shareholders at the Annual General Meeting. Payment of dividends is subject to withholding tax at the appropriate rate.

Directors

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

Mr. Gbenga Oyeboode MFR	Chairman
Dr. Graham Hefer	Managing Director (South African)
Mr. Arnaud Arhainx	Finance Director (French)
Chief David Edebiri OON	
Mr. Peter Eguasa JP	
Mr. Hubert Fabri	(Belgian)
Mr. Regis Helmoortel	(Belgian)
Mr. Sven Claeys	(Belgian)
Mr. Asue Ighodalo	
Mrs. Vivien Shobo	
Mr. Philippe Fabri	(Belgian)
Mrs. Isabelle Chevalley	(Burkina Faso)
Mr. Julien Bastrup-Birk	(United Kingdom)

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 re-election.

The Directors retiring are Mr. Hubert Fabri, Mr. Peter Eguasa and Mr. Asue Ighodalo. The Company received a letter of resignation from one of its Board members, Mr. Sven Claeys, who retired effective on the 17th of March 2023.

History of the Share Capital					
Year	Authorized 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	

History of the Share Capital - Continued						
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	
Year	Minimum Share Capital	Value	Issued and fully paid shares			
2022	953,910,000	476,955,000	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 2022			31st December 2021	
		Direct	Indirect		Direct	Indirect
Name		Number	Number		Number	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

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 objectives 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 Directors.	Paid annually
Sitting allowances	Allowances paid to Non -Executive Directors and Independent Non -Executive Directors for attending Board and Board Committee meetings.	Paid after each meeting

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 costs of NGN46.2million (2021: NGN38.56million).

Employment of physically challenged persons

The Company's policy is to give equal consideration to all persons, including those who are physically challenged persons, in all matters of employment after taking cognizance 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 19 to the financial statements.

Bearer plant

Movement in the Bearer plant during the year are shown in Note 20 to the financial statements

Events after reporting period

As stated in note 37, 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 provides medical facilities to all levels of employees. The Company incurred N138.7 million (2021: N101.3million) as cost for the treatment of their staff in 2022.

Corporate Social Responsibility

The Company expended the sum of ₦376.74 million on corporate social responsibility projects during the year (2021: ₦283.86 million). These comprised:

	2022 ₦'000	2021 ₦'000
Community projects	376,000	280,530
Scholarships given	3,740	3,330
	<u>379,740</u>	<u>283,860</u>

Corporate social responsibility for financial reports

In accordance with Section 405 of the Companies and Allied Matters Act 2020, each, and all 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 (Deceased), Mrs. V. Shobo and Mr. R. Helsmoortel. Mrs. V. Shobo acted as the Chairman of the Committee.

Auditor

Messrs. Ernst & Young has 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



Chuikwuebuka A. Omerole
FRC/2021/PRO/NBA/002/00000024073
P. C. Obi & Co.
Company Secretary

29 March 2023

**Chartered Accountants****Grant Thornton Nigeria**

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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 2022 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 an expression or approval of matters not specifically mentioned therein.

The review was concluded in January 2023. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the Board of Directors.

Yours faithfully,
For: Grant Thornton Nigeria

Lateef A. Emiola
FRC/2017/ICAN/00000016070
12 April 2023

Partners:
Ngozi A. Ogwo
Orji J. Okpechi
Victor O. Osilo
Nkwachi U. Abuka
Uchenna G. Okigbo
Ajayi O. Irivboje
Nonyerem O. Opara
Kingsley Opara
Lateef Emiola

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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, three Independent Non-Executive Directors, seven Non-Executive 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.
- 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

Functioning of the Board - continued

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 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.

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 Director's 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 attendance of Directors at the scheduled committee meetings that were convened in the year ended 31 December 2022 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 2022	4	4	3	4
1	Mr. Gbenga Oyebo MFR	4 C	-	-	-
2	Dr. Graham Hefer	4	4+	3+	4+
3	Mr. Arnaud Arhainx	4	4+	nil	4+
4	Mr. Peter Eguasa JP	4	-	3 C	4
5	Mrs. Vivien Shobo	4	4C	3	-
6	Mr. Hubert Fabri	4	-	-	-
7	Mr. Regis Helsmoortel	4	4	-	-
8	Chief David Edebiri OON	4	-	3	4
9	Mr. Asue Ighodalo	4	-	-	4 C
10	Mrs. Isabelle Chevalley	3	-	-	3
11	Mr. Sven Claeys	4	-	3	-
12	Mr. Julien Bastrup-Birk	2	-	-	-
13	Mr. Phillippe Fabri	3	-	2	-
	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 Committee 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/proxy is produced where 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.

	Years of Service		
	Board		Years
	Chairman	Mr. Gbenga Oyeboode MFR	31
	Managing Director	Dr. Graham Hefer	16
	Finance Director	Mr. Arnaud Arhainx	3

	Non-Executive Directors		
	Chief David Edebiri OON		14
	Mr. Hubert Fabri		33
	Mr. Regis Helsmoortel		14
	Mr. Peter Eguasa JP		31
	Mr. Philippe Fabri		1
	Mr. Sven Claeys		10
	Mr. Asue Ighodalo		11

	Independent Directors		
	Mrs. Vivien Shobo		2
	Mrs. Isabelle Chevalley		1
	Mr. Julien Bastrup-Birk		1

	External Auditors		
	Messrs. Ernst & Young		2
	External Corporate Governance		
	Grant Thornton		9

Board Committees

The Board has delegated certain authority to the Committees, each with 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 comprised four Non-Executive Directors and one Independent Director as shown below:

Mr. Peter Eguasa JP	Non- Executive Director	Chairman
Chief David Edebiri, OON	Non- Executive Director	Member
Mr. Sven Claeys	Non- Executive Director	Member
Mrs. Vivien Shobo	Independent Director	Member
Mr. Philippe Fabri	Non- Executive 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 risks the Company may encounter. During the year, the Committee was chaired by Mr. P.A.E. Eguasa with three other Directors as members. The Committee met three times in 2022.

Audit Committee

The Committee comprised two Non-Executive Directors and three elected members of the shareholders as shown below:

Mrs. Vivien Shobo	Director	Chairman	
Rev. Andrew Imadu, JP	Shareholder	Member	
Rev. Leonard Ohenhen, JP (now late)	Shareholder	Member	Died 13 November 2022
Mr. Moses Igbrude	Shareholder	Member	
Mr. Regis Helmoortel	Director	Member	

The Committee met four times during the year. At these meetings, the Managing Director, Finance Director, representative of the External Auditors (attended twice), the 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.

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 comprised three Non-Executive Directors and an Independent Director as shown below:

Mr. Asue Ighodalo	Non – Executive Director	Chairman
Mr. Peter Eguasa JP	Non – Executive Director	Member
Chief David Edebiri OON	Non- Executive Director	Member
Mrs. Isabelle Chevalley	Independent Director	Member

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 determines the level of fees payable to the Non-Executive 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 Non-Executive 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. 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.

Internal Control and Risk Management

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 organizational 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, on behalf of the Board, 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;
- Management's own assessment of the performance of the system of risk management and internal control during 2022; 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 organization.

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 Exchange) 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.

Whistle blowing

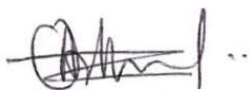
The Company encourages its employees to report the concerns which they feel the need to be brought to the attention of management. Whistle-blowing procedures, which are displayed on the Company's notice boards, are available to employees who are concerned about possible impropriety, security breaches, 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/2021/PRO/NBA/002/00000024073

By the Authority of the Board

Okomu-Udo

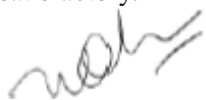
Edo State

29 March 2023

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 2022 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 31 December 2022.

In our opinion, the scope and planning of the audit for the year ended 31 December 2022 were adequate and we confirm that the responses by the management to the external Auditors' findings on Management matters were satisfactory.



Mrs. Vivien Shobo
Chairman, Statutory Audit Committee
FRC/2014/ICAN/00000007886

Dated this 29 March 2023

Below are the names of other members of the committee

Rev. Andrew Imadu, JP	Shareholder	Member	
Rev. Leonard Ohenhen, JP (now late)	Shareholder	Member	Died 13 November 2022
Mr. Moses Igbrude	Shareholder	Member	
Mr. Regis Helsmoortel	Director	Member	

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



Rev. L. A. Ohenhen (JP)



Mrs. V. Shobo



Mr. M. Igbrude



Mr. R. Helsmoortel



Rev. A. Imadu

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

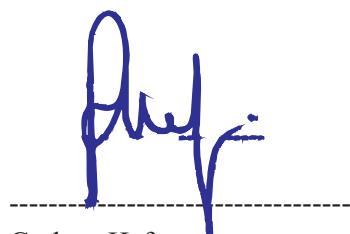
We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2022 that:

- 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 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
29 March 2023



Graham Hefer
Managing Director
FRC/2013/IODN/00000002460
29 March 2023

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:

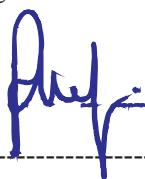
- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020, and the financial reporting council of Nigeria Act No. 6, 2011.
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. 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 December 2022. 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
29 March 2023



Arnaud Arhainx
Finance Director
FRC/2021/006/00000022972
29 March 2023



Ernst & Young
10th & 13th Floor
UBA House
57, Marina
Lagos, Nigeria

Tel: + 234 (01) 631 4500
Fax: + 234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

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 2022, 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 2022, 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 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE OKOMU OIL PALM COMPANY PLC

Report on the Audit of the Financial Statements

Key Audit Matter	How the matter was addressed in the audit
Timing of revenue recognition The Company revenue comprises majorly of sale of palm oil products 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 2022, the Company's revenue increased from N 37.3 billion in the prior year to N 59.3 billion representing about 59% increase YoY. We have considered this as a key audit matter as the increase in revenue is significant.	Our audit procedures on revenue recognition include: - 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 those 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 2022, biological assets (produce growing on bearer plants) were valued at NGN 536.64million (2021: NGN289.22million). 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE OKOMU OIL PALM COMPANY PLC
Report on the Audit of the Financial Statements

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.

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
29 March 2023



	Notes	2022 ₦'000	2021 ₦'000
Revenue from contracts with customers	9	59,323,723	37,394,507
Other income	10	1,777,763	1,790,667
Raw materials and consumables used	11	(11,752,940)	(6,645,981)
Employee benefits expense	12	(10,331,079)	(6,180,832)
Depreciation and amortization expense	13	(3,730,938)	(2,868,905)
Other expenses	14	(10,953,829)	(6,879,478)
Finance costs	15	(1,071,272)	(671,586)
Finance income	16	4,966	48,915
Net gain on valuation of biological assets	21.3	251,041	127,472
Profit before taxation	16.1	23,517,435	16,114,778
Income tax expense	17.1	(7,286,629)	(4,575,810)
Profit for the year		16,230,806	11,538,968
Other Comprehensive income:			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement (loss)/gain on defined benefit plan	31.2	(46,322)	800,982
Income tax effect	17.1	13,897	(240,295)
Other comprehensive (loss)/income for the year (net of tax)		(32,426)	560,687
Total comprehensive income for the year		16,198,380	12,099,655
Basic earnings per ordinary share (kobo)	18	17.02	12.10
Diluted earnings per ordinary share (kobo)	18	17.02	12.10

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

	Notes	2022 ₦'000	2021 ₦'000
Assets:			
Non-current assets			
Property, plant and equipment	19	38,068,029	30,549,557
Bearer plant	20	18,399,054	19,109,312
Biological asset	21.1	536,639	289,523
Right-of-use asset	24	63,415	126,830
Total non-current assets		57,067,137	50,075,222
Current assets			
Inventories	22	5,729,107	4,717,732
Biological assets	21.2	630,341	234,177
Trade and other receivables	23	1,400,614	677,795
Prepayments	25	1,833,510	112,330
Cash and cash equivalents	26	5,837,581	9,955,188
Total current assets		15,431,153	15,697,222
Total assets		72,498,290	65,772,444
Equity and liabilities:			
Equity			
Share capital	27	476,955	476,955
Share premium	28	1,867,096	1,867,096
Retained earnings		31,972,743	31,958,407
Other reserves	29	(282,928)	(250,502)
Total equity		34,033,866	34,051,956
Liabilities:			
Non-current liabilities			
Lease liabilities	24.1	-	79,032
Interest-bearing loans and borrowings	31.2	9,153,938	7,959,534
Post-employment benefits obligations	32	1,882,958	1,682,398
Government grants	34	2,047,476	3,303,197
Deferred tax liabilities	17.4	11,460,075	9,851,484
Total non-current liabilities		24,544,447	22,875,645

		2022	2021
	Notes	₦'000	₦'000
Current liabilities			
Trade and other payables	33	6,377,222	4,817,004
Lease liabilities	24.1	79,032	67,548
Interest-bearing loans and borrowings.	31.2	820,682	935,197
Government grants	34	706,699	791,718
Current tax payable	17.3	5,936,342	2,233,376
Total current liabilities		13,919,977	8,844,843
Total liabilities		38,464,424	31,720,488
Total equity and liabilities		72,498,290	65,772,444

These financial statements were approved by the Board of Directors on 29 March 2023 and signed on its behalf by:



Mr. G. Oyeboade MFR
Chairman
FRC/2013/NBA/0000000254



Graham Hefer
Managing Director
FRC/2013/IODN/00000002460



Arnaud Arhainx
Chief Financial Officer
FRC/2021/006/00000022972

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

	Share capital	Share premium	Other Reserves	Retained Earnings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2022	476,955	1,867,096	(250,502)	31,958,407	34,051,956
Profit for the year	-	-	-	16,230,806	16,230,806
Other comprehensive loss	-	-	(32,426)	-	(32,426)
Total comprehensive income for the year	-	-	(32,426)	16,230,806	16,198,380
Transaction with shareholders:					
Dividend paid (Note 31)	-	-	-	(16,216,470)	(16,216,470)
At 31 December 2022	476,955	1,867,096	(282,928)	31,972,743	34,033,866
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:					
Dividends paid (Note 31)	-	-	-	(6,677,370)	(6,677,370)
At 31 December 2021	476,955	1,867,096	(250,502)	31,958,407	34,051,956

		2022	2021
	Notes	₦'000	₦'000
Operating activities			
Profit before taxation		23,517,435	16,114,778
Adjustments for non-cash items			
Depreciation of property, plant and equipment and bearer's plant	13	3,730,938	2,868,905
Fair value changes in biological assets	21	(251,041)	(127,472)
Service cost	32.1	70,784	102,784
Interest cost	32.1	217,328	153,617
Grant income	10.5	(698,547)	(646,848)
Loss on disposal	14	32,429	-
Finance costs	15	1,071,273	671,586
Finance income	16	(4,966)	(48,915)
Changes in operating assets and liabilities			
Decrease/(Increase) in prepayment		(1,721,182)	(342)
(Increase)/decrease in trade and other receivables		(722,819)	5,928,674
Increase in inventories		(1,011,374)	(296,790)
(Increase)/decrease in biological assets		(396,164)	156,324
Increase in trade and other payables		1,557,986	(74,057)
		25,392,083	24,802,244
Retirement benefit paid	32.3	(129,545)	(73,693)
Income tax paid	17.3	(1,961,174)	(599,012)
Net cash flows from operating activities		23,301,364	24,129,540
Investing activities			
Additions to bearer plant	20	(368,419)	(770,343)
Purchase of property, plant and equipment	19	(10,222,517)	(12,781,899)
Finance income	16	4,966	48,915
Net cash flows used in investing activities		(10,585,970)	(13,503,327)
Financing activities			
Proceeds from loans and borrowings	31.1	-	1,918,911
Repayment of borrowings	31.1	(524,065)	(389,463)
Payment of principal on lease liabilities	26.1	(67,548)	(57,734)
Payment of lease interest on lease liabilities	26.1	(24,919)	(34,733)
Dividend paid	30	(16,216,470)	(6,677,370)
Net cash flows from financing activities		(16,833,002)	(5,240,389)
Net (decrease)/increase in cash and cash equivalents		(4,117,609)	5,385,824
Cash and cash equivalents at 1 January		9,955,188	4,569,367
Cash and cash equivalents at 31 December	26	5,837,581	9,955,188

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

1 Corporate information

The Okomu Oil Palm Company Plc 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 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 cake for 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 Board (IASB). Additional information required by the 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 except for biological assets carried at fair value less costs to sell.

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 information 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 non-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.

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 going concern basis.

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.

3.3 Fair value of biological assets

The Company carries its biological assets (produce growing on bearer plants), Fresh Fruit Bunches (FFB) and tapped rubber (harvested latex) at the time of harvest at fair value less costs to sell.

The fair value of produce growing on bearer plants is determined by reference to market prices of FFB and tapped rubber and adjusted for expected costs to reach maturity. Significant estimates include the expected fruit and rubber yields and quality, costs to incur until harvest and the expected market price for the harvested produce.

The key assumptions used to determine the fair value of biological assets are provided in Note 7.4.

The fair value of FFB and tapped latex at the point of harvest is determined by reference to the market prices for each variety of product grown in the local area and the market price paid to independent palm and rubber tree growers. Any gains or losses on remeasuring fair value are included within profit or loss.

3.4 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 2022 (unless otherwise stated). The Company has not opted to adopt early, 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

• 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 2018-2021 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 did not have any material impact on the Company.

- **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 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 2018-2021 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 2018-2021 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

- **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.**

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 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.

Reference to the Conceptual Framework – Amendments to IFRS 3 - Effective for annual periods beginning on or after 1 January 2022.

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.

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.

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

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

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.

• 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 2021, 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 8 Accounting Policies and Accounting Estimates: Definition of Accounting Estimates Effective date for annual periods beginning on or after 1 January 2023.**

In February 2022, 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.

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.

• **Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 - Effective for annual periods beginning on or after 1 January 2024.**

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

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 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.

4.4.1 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.

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 2022 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's own 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.

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

4.4.4 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.

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 relate 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 company 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.

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.

4.8 Finance income and cost

Finance income comprises interest income on short-term deposits with banks and foreign exchange gains. Interest income on short-term 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.

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

	%
Building	5-10
Machinery and equipment	10-20
Palm Oil equipment	10-20
Motor Vehicle	20
Palm plantation	5-20
Rubber plantation	5-20
Furniture	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 right-of-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-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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.

4.11 Leases

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.

Initial cost of inventories of harvested agricultural produce is measured at fair value less cost to sell while refined products are measured on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Harvested Fresh Fruit Bunches are transferred to inventory at fair value less costs to sell when harvested.

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 costs

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.

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.

4.16.3 Short term employee benefit

Salaries and other short-term employee benefits, this includes the gross salary package and other allowances paid on a monthly basis.

4.17 Bearer plants

Bearer plants comprise of palm and rubber plantation. These assets are initially recognised at their historic cost. The historic costs comprise 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 as an immature until classified as mature.

Bearer plants are recognised as mature when the following events occur:

Palm oil plantations are treated as mature when 60% of palm per block are bearing fruits with an average weight of 3kg or more.

Rubber plantations 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 and rubber 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 Fresh Fruit Bunches 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) and Fresh Fruit Bunches at the point of harvest are 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.

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, 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
31 December 2022	N'000	N'000
Cash and cash equivalents	4,223	3,573
Due from related parties	1,445	1,082
Due to related parties	405	104
	-----	-----
Net FCY Exposure	6,073	4,759
	=====	=====
Sensitivity at 200bps Naira appreciation	101	73
	=====	=====
Sensitivity at 200bps Naira depreciation	(101)	(73)
	=====	=====
31 December 2021		
Cash and Company balances	10,479	4393
Due from related parties	508	353
Due to related parties	(640)	(145)
	-----	-----
Net FCY Exposure	10,347	4,601
	=====	=====
Sensitivity at 200bps Naira appreciation	968	380
	=====	=====
Sensitivity at 200bps Naira depreciation	(968)	(380)
	=====	=====

5.2.2 Credit risk

Credit risk is the risk that a counter party 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 ensures that sales of its products are made 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.

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. Credit sales are insignificant or minimal as the Company predominantly has cash sales therefore ECL is immaterial on trade receivables.

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.

Financial assets at reporting period are disclosed below

		2022	2021
		₦'000	₦'000
Cash and bank	26	5,837,581	9,955,188
Trade receivables	23	2,763	897
Related parties	23	538,515	384,359
		-----	-----
		6,378,859	10,340,444
		=====	=====

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.

<i>In thousands of Naira</i>	Carrying amount	Note	On Demand	Less than 1 year	Over 1 year	Undiscounted amount
31 December 2022						
Financial liabilities:						
Interest-bearing loans and borrowings	9,974,620	32		2,454,323	11,873,433	14,327,756
Trade payables	6,377,222	34		6,377,222	-	6,377,222
	16,351,842			8,831,545	11,873,433	20,704,978
31 December 2021						
Financial liabilities:						
Interest-bearing loans and borrowings	8,894,731	32	-	1,615,561	10,458,111	12,073,672
Trade payables	4,817,011	34	-	4,817,011	-	4,817,011
	13,711,742		-	6,432,572	10,458,111	16,890,683

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.

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:

	2022	2021
	N'000	N'000
Interest bearing loans and borrowings	9,974,620	8,894,731
Less: cash and cash equivalents	(5,837,581)	(9,955,188)
	-----	-----
	4,137,309	(1,060,457)
	=====	=====
Total equity	34,033,866	34,051,956
	=====	=====
Gearing ratio	12%	-3%
	=====	=====

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, 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 rate as they are received from government as part of its grant initiatives.

The fair values below were determined using market-related rates.

					In thousands of Naira	
		Level 1	Level 2	Level 3	Total fair value	Carrying amount
	31 December 2022	-	6,391,111	-	6,391,111	9,974,620
		=====	=====	=====	=====	=====
	31 December 2021	-	9,987,324	-	9,987,324	8,894,731
		=====	=====	=====	=====	=====

7.2.1 Fair value disclosure – Interest-bearing loans and borrowings

	2022	2021
	₦'000	₦'000
Central Bank of Nigeria (CBN)	1,337,807	1,610,605
Bank of Industry	245,229	455,487
Central Bank of Nigeria (CBN)	4,808,075	7,921,232
	-----	-----
	6,391,111	9,987,324
	=====	=====

7.3 Fair value measurement

The following table presents the Company's biological assets that are measured at fair value at 31 December 2022 and 31 December 2021. 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.

	Level 1	Level 2	Level 3	Total fair value	Carrying Amount
Biological Assets- Produce growing on bearer plant:	In thousands of Naira				
31 December 2022	-	-	536,639	536,639	536,639
	==	==	=====	=====	=====
31 December 2021	-	-	289,523	289,523	289,523
	==	==	=====	=====	=====
Biological Assets – Harvested Produce:					
31 December 2022	-	630,341	-	630,341	630,341
	==	=====	==	=====	=====
31 December 2021		234,177		234,177	234,177
	==	=====	==	=====	=====

7.4 Valuation of biological assets

The fair value less costs to sell of growing palm oil and rubber is determined based on estimates of yield, costs to incur until harvest, expected market prices at harvest and products quality. Market price of palm fruit and latex ranges through the year depending on the variety, current price and grade quality of palm oil and rubber in the region.

Analysis of production

Oil Palm

The Company harvested 248,975 tonnes (2021: 222,241 tonnes) of Fresh Fruit Bunches (FFB) and sold 49,754 metric tonnes of palm oil (2021 - 59,062 metric tonnes) during the year.

Rubber

The Company harvested 7,492 tonnes (2021: 8,374 tonnes) of cup of lumps and sold 8,409 metric tonnes of rubber cake (2021 - 9,700 metric tonnes) during the year.

The plantation covers the following areas

- Palm plantation covers a total of 19,060 hectares.
- Rubber plantation covers a total of 7,335 hectares.

Significant unobservable inputs used in fair value measurements of palm fruits and untapped rubber growing on bearer plants are the following:

	2022	2021	
Palm fruit growing on palm trees:			
Production allocation for growing produce on bearing plants(tons)	1,679	1,139	The higher the palm fruit yield the higher the fair value
Estimated cost+margin (N/ton)	309,339	241,693	
Untapped Latex growing on rubber tress:			
Production allocation for growing produce on bearing plants(tons)	182	175	The higher the yield in latex the higher the fair value
Estimated cost+margin (N/ton)	94,525	78,204	

7.4.1 Valuation processes

i) Produce growing on bearer plants (Palm fruits and untapped Latex)

The Company has a team within the external reporting department that performs the valuation of biological assets.

When considering the appropriate market prices for fruits to use, the team reviews available information, including: the quantity of fruits growing on the bearer plants; expected yield; current health of the trees on which they grow; current market prices for the fruits; expected harvest costs through to harvest; and the expected timing of harvest; climate induced variations such as severe weather events, plant losses and new areas coming into production, age of plantation.

The valuation policies and procedures, as well as changes in the fair value measurements are reviewed by the Finance Director annually.

ii) Harvested produce (Harvested Latex and Fresh Fruit Bunches)

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

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

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 include 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) are managed on an entity basis and are not allocated to reportable segments.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

8.1 Segment revenue

		2022 ₹'000	2021 ₹'000
Palm oil produce	9	53,749,832	31,766,837
Rubber sales	9	5,495,712	5,563,541
Palm oil processing	9	78,179	64,130
		<u>59,323,723</u>	<u>37,394,508</u>

8.2 Segment profit

Palm oil produce	8.2.1	17,852,280	10,178,498
Rubber sales	8.2.2	(1,653,587)	1,320,970
Palm oil processing	8.2.3	32,113	39,501
		<u>16,230,806</u>	<u>11,538,968</u>

8.2.1 Palm oil produce

Profit before tax		24,914,070	14,114,086
Income tax expense		(7,061,790)	(3,935,588)
Profit for the period		<u>17,852,280</u>	<u>10,178,498</u>

8.2.2 Rubber sales

Profit before tax		(1,474,794)	1,942,603
Income tax expense		(178,793)	(621,633)
Profit for the period		<u>(1,653,587)</u>	<u>1,320,970</u>

8.2.3 Palm oil processing

Profit before tax		78,179	58,089
Income tax expense		(46,046)	(18,588)
Profit for the period		<u>32,113</u>	<u>39,501</u>

9 Revenue from contracts with customers

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

	2022 ₦'000	2021 ₦'000
Palm oil produce	53,749,832	31,766,837
Rubber sales	5,495,712	5,563,540
Palm oil processing	78,179	64,130
	-----	-----
Total revenue from contracts with customers	59,323,723	37,394,507
	=====	=====
Disaggregation of revenue:		
Timing of revenue recognition		
Goods transferred at a point in time	59,323,723	37,394,507
Services transferred over time	-	-
	-----	-----
Total revenue from contracts with customers	59,323,723	37,394,507
	=====	=====

10 Other income

Foreign exchange gains		74,606	331,275
Miscellaneous income	10.1	298,239	490,858
Insurance claim	10.2	224,966	48,613
Sales of other product	10.3	467,777	220,545
COVID 19 relief fund	10.4	-	52,528
Grant income	10.5	698,547	646,848
Hiring of Equipment	10.6	13,628	-
		-----	-----
		1,777,763	1,790,667
		=====	=====

10.1 Miscellaneous income relates to sale of scrap and other products

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 spare parts.

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

10.5 Grant income represents amortization of government grant over the tenor of the government assisted loans.

10.6 This represents income from hiring of equipment to customers

11 Raw materials and consumables used

	2022	2021
	₦'000	₦'000
Purchase of rubber lumps and Fresh Fruit Bunches	676,054	195,438
Consumables 11.1	5,708,917	4,643,673
Upkeep of mature plantation	2,508,639	631,907
Harvesting and collection	2,859,330	1,490,570
	-----	-----
	11,752,940	6,961,588
	=====	=====

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

12 Employee benefits expense

Pension	34,690	29,321
Training	46,261	38,558
Staff salaries (excluding Director's remuneration)	1,384,577	561,271
Wages – Contract Staff 12.1	8,369,034	4,886,832
Other allowances 12.2	67,222	229,830
Production bonus	141,183	128,891
Service Cost	16,317	102,784
Interest Cost	271,795	153,617
Staff Welfare	-	49,728
	-----	-----
	10,331,079	6,180,832
	=====	=====

12.1 This represents amount paid to contractors for contract staff

12.2 Other allowances comprise of amount paid to expatriates

12.3 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 (₦)	2022	2021
	Number	Number
2,200,002 - 4,200,000	72	56
4,200,001 - 6,200,000	9	9
6,200,001 above	10	6
	-----	-----
	91	71
	=====	=====

12.4 The average number of full-time personnel employed by the Company during the year are as follows:

Manager	10	10
Senior	73	75
Junior	307	341
	-----	-----
	390	426
	=====	=====

12.5 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:

	2022	2021
	Number	Number
₦150,000 - ₦700,000	0	0
₦700,001 - ₦3,000,000	2	-
₦3,000,001 - ₦10,000,000	8	8
	-----	-----
	10	8
	=====	=====

12.6 Director remuneration

Directors' remuneration paid during the year comprises:

	2022 ₦'000	2021 ₦'000
Director fees	119,464	94,710
Other emolument	53,981	15,261
	<u>173,445</u>	<u>109,971</u>

12.7 The Directors' remuneration shown above includes:

	2022 ₦'000	2021 ₦'000
Highest paid Director:		
Chairman remuneration	<u>18,847</u>	<u>13,826</u>

13 Depreciation and amortization expense

Depreciation of property, plant and equipment	19	2,588,847	1,749,046
Depreciation of bearer plants	20	1,078,676	1,056,444
Depreciation of right-of-use assets	24	63,415	63,415
		<u>3,730,938</u>	<u>2,868,905</u>

14 Other expenses

Rent and rates		171,536	441,114
Repairs and maintenance		1,287,746	901,730
Power and electricity		99,893	196,869
Medical		138,776	101,485
Printing and office supply		12,361	52,226
Security and safety expenses		272,249	653,761
Subscription		4,603	7,963
Corporate social responsibilities		379,740	283,860
Insurance third party		177,049	91,693
Building lease	14.1	2,079,730	-
Local travel and accommodation		195,146	115,447
Overseas travel		278,835	111,219
Courier services		54,178	6,826
Internet and communication expenses		25,097	34,385
Professional fees	14.2	263,426	243,565
Management fees	14.3	2,630,059	1,765,403
Registration fee		-	9,553
Bank charges		44,572	34,724
Directors' remuneration	14.5	173,445	109,971
Auditor's remuneration		28,000	28,000
Other expenses	14.4	14,784	36,010
Loss on disposal		32,429	-
Transport		53,868	132,740
Foreign exchange loss	14.5	768,261	113,858
Other external charges	14.6	1,768,049	1,407,076
		<u>10,953,829</u>	<u>6,879,478</u>

- 14.1 This represents short term leases for building leased from third parties for the Company's use
- 14.2 The Company also paid the auditors professional fees for non-audit services NGN15million (2021: NGN20million). 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
- 14.3 Management fees represent fees paid to SOCFINCO for the provision of technical know-how. refer to (Note 36.4 for details)
- 14.4 This represents fees incurred as road taxes, commercial fair activities and other expense
- 14.5 This represents exchange loss arising from trading activities
- 14.6 This represents other tax charges on custom duties and other direct taxes and rates

15 Finance costs

Lease interest expense 24.1
Interest on long term loans

2022
₦'000

24,919
1,046,353

1,071,272
=====

2021
₦'000

34,733
636,853

671,586
=====

16 Finance income

Revenue on fixed deposits
Finance income on placement of funds

-

4,966
=====

48,822
4,966 93

48,915
=====

Finance income represents interest income on deposits with banks

16.1 Profit before tax

This is stated after charging:

Auditors' remuneration
Directors' remuneration
Depreciation of property, plant and equipment
Exchange loss
Staff salaries (excluding Director's remuneration)
Exchange gain

28,000
173,445
3,730,938
768,261
1,384,577
74,605
=====

28,000
109,971
2,868,905
113,858
561,271
331,275
=====

17 Income tax

The components of income tax expense/(credit) for the year ended 31 December 2022 and 2021 are, as follows:

17.1 Income tax expense

	2022 N'000	2021 N'000
Company income tax	4,960,515	1,348,387
Education tax	703,625	488,383
Total current tax	5,664,140	1,836,770
Deferred tax:		
Deferred tax expense in profit or loss	1,622,489	2,739,040
Income tax for the year	7,286,629	4,575,810
Deferred tax recognized in Other Comprehensive Income (OCI):		
Income tax effect on defined benefit obligation	(13,897)	240,295
Deferred tax (credit)/expense to OCI	--(13,897)	240,295

17.2 Reconciliation of effective tax rate

Profit before income tax expense	Rate	23,517,435	16,114,778
Income tax based on corporate tax rate	30%	7,055,230	4,834,434
Tax effects of:			
Disallowed income		(512,858)	(1,068,241)
Allowed expense		40,631	321,235
Education tax	2%	703,625	488,383
Total income tax expense	32%	7,286,629	4,575,810

17.3 Current tax liability

As of 1 January	2,233,376	995,618
Charge for the year	5,664,140	1,836,770
Income tax paid	(1,961,174)	(599,012)
As of 31 December	5,936,342	2,233,376

17.4 Reconciliation of deferred tax liability

As at 1 January	9,851,484	6,872,149
Tax (expense)/income during the period recognized in OCI	(13,897)	240,295
Tax income during the period recognized in P or L	1,622,488	2,739,040
As at 31 December	11,460,075	9,851,484

17.5 Deferred tax related to the following:

31 December 2022	Statement of financial position ₦'000	Income statement ₦'000	OCI ₦'000
Accelerated Depreciation	11,473,972	1,622,488	-
Defined benefit plan	(13,897)	-	13,897
	-----	-----	-----
	11,460,075	1,622,488	13,897
	=====	=====	=====
31 December 2021	Statement of financial position ₦'000	Income statement ₦'000	OCI ₦'000
Accelerated Depreciation	9,611,189	4,735,618	
Defined benefit plan	240,295	-	(240,295)
	-----	-----	-----
	9,851,484	4,735,618	(240,295)
	=====	=====	=====

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2021: 30%).

18	Earnings per share (EPS)		2022	2021
			₦'000	₦'000
	Net profit attributable to ordinary shareholders		16,230,806	11,538,968
			=====	=====
	Weighted average number of ordinary shares for basic/diluted for basic earnings per share		953,910	953,910
			=====	=====
	Basic loss per ordinary share (kobo)		16.28	12.10
			=====	=====
	Diluted earnings per ordinary share (kobo)		16.28	12.10
			=====	=====

19	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 2021	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	2,051,165	7,555,880	21,914,847	1,407,114	3,124,283	504,329	3,338,307	2,699,171	42,595,096
	Additions ***	-	2,268,941	2,967,518	-	1,897,576	557,081	156,784	2,374,617	10,222,517
	Write off	-	(83,173)	-	-	-	-	-	-	(83,173)
	Reclassification **	-	(105,710)	1,534,161	(1,407,114)	(142,066)	122,749	(2,020)	-	-
	Transfer	-	-	3,166,168	-	-	148,204	282,632	(3,597,004)	-
	Disposal	-	-	-	-	-	(32,777)	-	-	(32,777)
	At 31 December 2022	2,051,165	9,635,938	29,582,694	-	4,879,793	1,299,586	3,775,703	1,476,784	52,701,663
	Depreciation and impairment									
	At 1 January 2021	-	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)
	At 31 December 2021	-	1,922,064	4,333,880	803,420	2,458,197	277,613	2,250,366	-	12,045,540
	Depreciation charge for the year	-	412,099	1,292,580	85,724	295,237	66,471	436,736	-	2,588,847
	Write off	-	(405)	-	-	-	-	-	-	(405)
	Disposal	-	-	-	-	-	(348)	-	-	(348)
	Reclassification **	-	(35,337)	947,952	(889,144)	(142,272)	119,517	(716)	-	-
	At 31 December 2022	-	2,298,421	6,574,412	-	2,611,162	463,253	2,686,386	-	14,633,634
	Carrying Amount									
	At 31 December 2022	2,051,165	7,337,517	23,008,282	-	2,268,631	836,333	1,089,317	1,476,784	38,068,029
	At 31 December 2021	2,051,165	5,633,816	17,580,967	603,694	666,086	226,716	1,087,941	2,699,171	30,549,557

*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.

**

Certain assets were reclassified within categories during the year.

***The additions of work in progress include borrowing costs capitalized during the year ended 31 December 2022 was N698 million (2021: 521 million). The rate used to determine the amount of borrowing costs eligible for capitalization was 9%, which is the EIR of the specific borrowing.

20 Bearer plants

	Oil palm plantation	Rubber plantation	Work- in - progress	Total
Cost	₦'000	₦'000	₦'000	₦'000
At 1 January 2021	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
Additions	-	-	368,419	368,419
Transfer	-	481,407	(481,407)	-
	-----	-----	-----	-----
At 31 December 2022	17,023,530	5,023,891	1,877,577	23,924,998
Depreciation:				
At 1 January 2021	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	-	4,447,267
Charge for the year	851,441	227,236	-	1,078,676
	-----	-----	-----	-----
At 31 December 2022	3,683,171	1,842,773	-	5,525,943
	=====	=====	=====	=====
Carrying Amount				
At 31 December 2022	13,340,359	3,181,118	1,877,577	18,399,054
	=====	=====	=====	=====
At 31 December 2021	14,191,800	2,926,947	1,990,565	19,109,312
	=====	=====	=====	=====

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

21 Biological assets

The Company's biological assets consist of produce growing on bearer plants (palm fruit and untapped latex) as well as harvested Fresh Fruit Bunches and tapped latex.

21.1 Non - Current: Produce growing on bearer plants

	2022 ₦'000	2021 ₦'000
At 1 January	289,523	162,051
Change in fair value on biological assets (P or L)	247,116	127,472
	-----	-----
At 31 December	536,639	289,523
	=====	=====

This represents produce (Palm fruits and untapped latex) growing on bearer plants and is measured at fair value less cost to sell

21.2 Current: Harvested produce

	2022	2021
Harvested Produce	234,177	234,177
Change in fair value on biological assets (P or L)	3,924	-
	-----	-----
	630,341	234,177
	=====	=====

This represents raw rubber (latex) and Fresh Fruit Bunches (FFB) valued at fair value less cost to sell at the point of harvest

21.3 Net fair value gain on biological assets

2022	2021
251,041	127,472
=====	=====

22 Inventories

	2022	2021
	₦'000	₦'000
Goods - in - transit (outbound)	760,242	545,174
Finished goods	1,034,112	920,150
General stores and agricultural consumables	3,900,646	3,166,971
Goods - in - transit (inbound)	34,107	85,437
	<u>5,729,107</u>	<u>4,717,732</u>

General stores and agricultural commodities include 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 realizable value. There was no write down or reversal of previously recognized inventory for the year ended 31 December 2022. Finished goods and goods in transit (outbound) represent Crude Palm Oil, Rubber Cake, Crude Palm Kernel etc.

23 Trade and other receivables

	2022	2021
	₦'000	₦'000
Trade receivables 23.1	2,763	897
Other receivables 23.2	737,958	150,313
Staff advances	121,378	142,226
Related parties 23.3	538,515	384,359
	<u>1,400,614</u>	<u>677,795</u>

Terms and conditions of the above Trade and Other receivables:

23.1 Credit sales are insignificant or minimal as the Company predominantly has cash sales therefore ECL is immaterial on trade receivables.

23.2 Other receivables represent VAT receivable during the period.

23.3 For terms and conditions with related parties, refer to note 36

24 Right of use assets-Motor vehicle:

	2022	2021
	₦'000	₦'000
As at 1 January	253,659	253,659
Additions	-	-
Accumulated depreciation	(190,244)	(126,829)
	<u>63,415</u>	<u>126,830</u>

24.1 Lease liability:

	2022	2021
	₦'000	₦'000
As at 1 January	146,580	204,314
Additions	-	-
Accretion of interest	24,919	34,733
Payments 24.1.1	(92,467)	(92,467)
	<u>79,032</u>	<u>146,580</u>
As at 31 December	79,032	146,580
Current	79,032	67,548
Non-current	-	79,032
	<u>79,032</u>	<u>146,580</u>

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

24.1.1 The following are the details of lease payments:

	2022 N'000	2021 N'000
Payment of principal on lease liabilities	67,548	57,734
Payment of lease interest on lease liabilities	24,919	34,733
	-----	-----
Total amount recognized as lease payments	92,467	92,467
	=====	=====
The following are the amounts recognized in profit or loss:		
Depreciation expense of right-of-use-assets	63,415	63,415
Interest expense on lease liabilities	24,919	34,733
	-----	-----
Total amount recognized in profit or loss	88,334	98,148
	=====	=====

25 Prepayments

Prepaid Rent	358	482
Advances to suppliers	1,833,152	111,849
	-----	-----
	1,833,510	112,331
	=====	=====

25.1 Advances to suppliers represents amount advanced to suppliers for supply of equipment etc.

26 Cash and cash equivalents

Cash balance	8,860	6,619
Bank balances	5,828,721	9,948,569
	-----	-----
	5,837,581	9,955,188
	=====	=====

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

27 Share capital

Minimum Share capital		
	2022	2021
	N'000	N'000
Issued called up shares capital:		
953,910,000 ordinary shares at N0.5 each	476,955	476,955
	-----	-----
	476,955	476,955
	=====	=====

In line with the provision of Companies and Allied Matters Act, 2020 the Company by an ordinary resolution passed on the 25th of May 2022, cancelled its 246,090,000 unissued ordinary shares

28 Share Premium

Share premium	1,867,096	1,867,096
	=====	=====

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

29 Other reserves

	2022	2021
	N'000	N'000
At 1 January	(250,502)	(811,189)
Actuarial (loss)/gain on defined benefit obligation	(32,426)	560,687
	-----	-----
At 31 December	(282,928)	(250,502)
	=====	=====

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

30 Dividend

	2022 N'000	2021 N'000
Dividend declared from 2021 profit	7,631,280	6,677,370
Interim dividend declared during the year	8,585,190	-
Dividend Paid	(16,216,470)	(6,677,370)
	<u>-----</u>	<u>-----</u>
	-	-
	<u>=====</u>	<u>=====</u>

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, proposed a final dividend of N12.00 per share, which in addition to the N9.00 per share paid as interim dividend amounts to N21.00 per share (2021: Interim dividend of N0.00 per share, final dividend of N8.00 per share and total dividend per share of N8.00) from the retained earnings account as at 31 December 2022. This will be presented for ratification by the shareholders at the Annual General Meeting. Payment of dividends is subject to withholding tax at the appropriate rate.

31 Interest-bearing loans and borrowing

	2022 N'000	2021 N'000
Central Bank of Nigeria (CBN)	1,617,055	1,477,445
Bank of Industry	531,132	923,615
Central Bank of Nigeria (CBN)	7,826,433	6,493,671
	<u>-----</u>	<u>-----</u>
	9,974,620	8,894,731
	<u>=====</u>	<u>=====</u>

31.1 Movement in borrowings during the period - Interest bearing loans and borrowings

At 1 January	8,894,731	7,265,133
Additions	-	1,918,911
Released as government grant	-	(536,703)
Loan modification – current year	847,957	-
Principal repayment	(524,065)	(389,463)
Unwinding of Interest expense	755,996	636,853
	<u>-----</u>	<u>-----</u>
At 31 December	9,974,620	8,894,731
	<u>=====</u>	<u>=====</u>

31.2 Current

Non-current	820,682	935,197
	9,153,938	7,959,534
	<u>-----</u>	<u>-----</u>
	9,974,620	8,894,731
	<u>=====</u>	<u>=====</u>

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. The loan terms was modified in September 2022.

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 to start repaying the principal after one year. The tenor of the loan is 72 months with 60 equal and consecutive, 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. The loan terms was modified in September 2022.

The loans obtained from Bank of Industry (BOI) and Central Bank of Nigeria (CBN) are government assisted facilities obtained at a reduced rate of interest. The differences between the market rate of interest for an equivalent loan at the inception date and the rates granted by BOI and CBN respectively have been recognised as government grant in accordance with IAS 20. See note 34.

32 Post-employment benefits obligations

Other Post-employment benefit	32.1
Defined benefit obligation	32.2

2022	2021
₦'000	₦'000
-	4,330
1,882,958	1,678,068
-----	-----
1,882,958	1,682,398
=====	=====

- 32.1 The Company has a defined contribution plan for employee's 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.

32.2 Defined benefit obligation

The Company also operates a defined benefit scheme for employees directly employed by the Company 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%

32.3 Present value of the obligation

	2022 N'000	2021 N'000
1 January	1,678,069	2,296,341
Service cost	70,784	102,784
Interest cost	217,328	153,617
Remeasurement recognized in Other Comprehensive Income:		
Change in economic assumptions	242,069	(183)
Change in financial assumptions	(195,747)	(981,937)
Demographic experience	-	181,138
	-----	-----
Remeasurement loss/(gain)	46,322	(800,982)
Benefit paid	(129,545)	(73,693)
	-----	-----
31 December	1,882,958	1,678,069
	=====	=====

The actuarial valuation of the gratuity scheme as at 31 December 2022 and the comparative periods was 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:

	2022	2021
The principal assumptions used in determining the defined benefit obligations are shown below:		
Discount rate	15%	13%
Salary increase rate	11%	11%
Mortality		
Pre-retirement:		
	No of deaths per 10,000 lives	
Sample age	2022	2021
	31/12/2022	31/12/2021
Sensitivity analysis		
Sensitivity: Increase of DBO		
Discount rate + 0.5%	(45,446,384)	(47,869,701)
Discount rate - 0.5%	47,389,690	50,100,366
Salary increase + 0.5%	45,870,022	48,120,277
Salary increase - 0.5%	(44,339,452)	(46,389,665)

33 Trade and other payables

	2022 N'000	2021 N'000
Trade payables	2,828,292	1,214,700
Contract liabilities 33.1	1,284,126	747,951
Other payables 33.2	1,154,254	1,376,382
Statutory liability 33.3	142,146	220,689
Accruals 33.3	693,604	850,560
Related parties 33.4	274,800	406,722
	-----	-----
	6,377,222	4,817,004
	=====	=====

33.1 Contract liabilities

	2022 N'000	2021 N'000
At 1 January	747,951	1,027,984
Received from customer	54,286,007	31,486,804
Recognized as revenue	(53,749,832)	(31,766,837)
At 31 December	1,284,126	747,951

These are advance payment received from customers to deliver palm products

33.2 Other payables are non-interest bearing and have an average term of six months.

33.3 Statutory liabilities include withholding tax, VAT withheld, and others.

33.4 Accruals relates to management fees and other accruals.

33.5 For terms and conditions with related parties, refer to note 36.

34 Government grants

	2022 N'000	2021 N'000
At 1 January	4,094,914	4,205,059
Received during the year	-	536,703
Loan modification	(642,192)	-
Released to the statement of profit or loss	(698,547)	(646,848)
At 31 December	2,754,175	4,094,914
Current	706,699	791,718
Non-current	2,047,476	3,303,196
	2,754,175	4,094,914

Government grants arose as a result of benefits received from below-market interest rate government assisted loans (See note 31) 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.

35 Contingent liabilities and capital commitments

There were no known contingent liabilities and capital commitments as at 31 December 2022. (2021: Nil).

36 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 2022.

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

			2022	2021
			₦ 000	₦ 000
Amounts due from related parties	Note	Nature of relationship		
Sogescol	36.1	Sister company	538,515	383,870
AMD Agro Services	36.2	Sister company	-	489
			-----	-----
			538,515	384,359
Amounts due to related parties				
Sodimex	36.3	Sister company	-	(74,829)
Socfinco	36.4	Parent company	(263,497)	(323,049)
Induservices	36.5	Sister company	(11,303)	(8,845)
			-----	-----
			(274,800)	(406,723)
			=====	=====

Nature of transactions

36.1 Sogescol

The Company exports its rubber to SOGESCOL FR S.A. Sales during the year amounted to NGN5.495billion (2021: NGN5.563billion) 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 538million (2021: NGN 384million).

36.2 Amd agro services

Provides services to the Company. No transaction occurred during the year. Amounts due at year end was NGN Nil (2021: NGN489 thousand).

36.3 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 ₦ 12million (2021: NGN156million) 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 as at the end of the year was Nil (2021: NGN74million).

36.4 Socfinco FR S.A

SOCFINCO FR S.A has 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 costs of NGN2,203 billion (2021: NGN1,436billion) which did not include withholding tax and value added tax of NGN120million (2021: Nil) 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 NGN 143million (2021: 323million).

36.5 Induservices FR S.A

INDUSERVICES FR S.A. provides internet services for the Company. The Company incurred ₦ Nil (2021: NGN239million) in cost to procure internet services. The amount due to the Company as at the end of the year was NGN 11.3million (2021: NGN8.8million).

36.6 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 NGN 25million and NGN 27million respectively. The transactions were carried out at arm's length.

ii) The Company engaged Leonard Ohenhen an Audit Committee member, for the construction of staff quarters for a contract sum of NGN 23million. The transaction was carried out at arm's length.

37 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.

	2022	%		2021	%
	N '000			N '000	
Revenue	59,323,723			37,394,507	
Bought in materials and services:					
-Local	(4,320,474)			(4,259,292)	
-Foreign					
	-----			-----	
	-				
	55,003,247			33,135,216	
Finance Income	4,966			48,915	
	-----			-----	
Value added	55,008,213	100		33,184,131	100
	=====			=====	
Applied as follows:					
To Employees:					
- as salaries, wages and other staff costs	10,331,079	19%		6,180,832	19%
- Director's remuneration	173,445	0%		109,971	0%
To Providers of finance:					
- Finance cost and similar charges	1,071,273	5%		671,586	5%
To Government as:					
- Income tax expense	5,664,140	10%		1,836,770	6%
-Deferred tax expense	1,622,489	3%		2,739,040	8%
To Shareholders as:					
- Dividend	16,216,470	29%		6,677,370	20%
Retained in the business:					
To maintain and replace					
- Depreciation and amortization	3,730,938	7%		2,868,905	9%
- To augment reserves	16,198,380	29%		12,099,656	36%
	-----	-----		-----	-----
Value added	55,008,213	100		33,184,131	100
	=====	===		=====	===

Statement of profit or loss and other comprehensive income					
	2022	2021	2020	2019	2018
	N '000	N '000	N '000	N '000	N '000
Revenue	59,323,723	37,394,507	23,410,680	18,867,271	20,257,669
Profit before taxation	22,517,435	16,114,778	8,694,913	7,523,187	10,337,171
Profit for the year	16,230,806	11,538,968	2,942,468	5,049,637	8,501,849
	-----	-----	-----	-----	-----
Total comprehensive income for the year	16,198,380	12,099,655	2,054,076	5,368,348	8,219,903
	-----	-----	-----	-----	-----
Statement of financial position					
	2022	2021	2020	2019	2018
	N '000	N '000	N '000	N '000	N '000
Property, plant and equipment	38,068,029	30,549,557	19,516,703	13,922,995	13,392,195
Bearer Plant	18,399,054	19,109,312	19,395,413	18,201,055	16,017,362
Biological Assets	536,639	289,523	162,051	112,109	
Right-of-use asset	63,415	126,830	190,244	253,659	-
Current asset	15,431,153	15,697,223	16,099,268	11,471,742	9,008,396
Current liability	13,919,978	8,844,843	7,398,513	4,230,517	4,922,729
	-----	-----	-----	-----	-----
Net current assets	1,511,175	6,852,380	8,700,755	7,241,225	4,085,667
	-----	-----	-----	-----	-----
Non-Current liabilities	(24,544,446)	(22,875,645)	(19,335,496)	(11,247,628)	(4,981,070)
	-----	-----	-----	-----	-----
Net assets	34,033,866	34,051,956	28,629,671	28,483,415	28,514,154
	-----	-----	-----	-----	-----
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	31,972,743	31,958,408	27,096,809	26,062,161	26,170,103
Other reserve	(282,928)	(250,502)	(811,189)	77,203	-
	-----	-----	-----	-----	-----
	34,033,866	34,051,956	28,629,671	28,483,415	28,514,154
	-----	-----	-----	-----	-----



THE ODIONWERE OF AGBADO COMMUNITY, OVIA SOUTH WEST LGA, PRESENTING A GIFT TO MANAGEMENT OF OKOMU IN APPRECIATION OF THEIR ROAD CONSTRUCTION



COURTESY VISIT BY THE ODIONWERE OF MARIOGHIONBA COMMUNITY ON THE MANAGEMENT OF OOPC.



WOMAN LEADER, MARIOGHIONBA COMMUNITY PRESENTING CHEQUE TO A 2022 BURSARY AWARD BENEFICIARY



LEFTIST AUSTINE ENABULELE(EDOSCO) PRESENTING CHEQUE TO A 2022 BURSARY AWARD BENEFICIARY



DR GRAHAM HEFER PRESENTING CHEQUE TO A 2022 BURSARY AWARD BENEFICIARY



BENEFICIARIES OF THE SKILL EMPOWERMENT TRAINING BY OKOMU GENDER COMMITTEE FOR WOMEN IN ITS NEIGHBOURING COMMUNITIES



GROUP PHOTOGRAPH BY REPRESENTATIVES OF OKOMU NEIGHBOURING COMMUNITIES DURING THE BIANNUAL COMMUNITY TRAINING.



SOME BENEFICIARIES OF THE 2022 OKOMU BURSARY AWARDS



**BOREHOLE WITH GENERATING SET AT
AGBANIKAKA COMMUNITY, OVIA**



**PALACE OF THE ENOGIE OF UMOKPE, UHUNMWONDE
LGA, RENOVATED BY OOPC**



**INDUSTRIAL BOREHOLE AT EKPAM COMMUNITY,
UHUNMWONDE LGA, BUILT BY OOPC**



**COMMUNITY TOWNHALL AT UMOKPE, UHUNMWONDE
LGA, CONSTRUCTED BY OOPC**



**SEMI-INDUSTRIAL BOREHOLE AT THE PALACE OF THE IYASE
OF UDO, OVIA SOUTH WEST LOCAL GOVERNMENT AREA &
SEMI-INDUSTRIAL BOREHOLE AT MARIOGHIONBA (AT&P)
COMMUNITY, OVIA SOUTH WEST LGA CONSTRUCTED BY OOPC**



**FIRST PHASE OF THE CONSTRUCTION OF IDIA SECONDARY SCHOOL,
OKE COMMUNITY, UHUNMWONDE LGA**



**PALACE OF IYASE OF UDO, OVIA SOUTH WEST
LGA, RENOVATED BY OOPC**



**HOUSE OF THE ODIONWERE OF ODIGUETUE COMMUNITY,
OVIA NORTH EAST LGA, RENOVATED BY OOPC**



FINANCIAL DIRECTOR, MR. ARNAUD ARHAINX PRESENTING CERTIFICATE OF SERVICE TO ONWUSA FLORENCE OF FINANCE DEPARTMENT



COMPANY SECRETARY, MR. CHUKWUEBUKA OMEROLE PRESENTING CERTIFICATE OF SERVICE TO ERHIMWOROSE OBASUYI OF OIL MILL DEPARTMENT



INDUSTRIAL COORDINATOR, MR. LEONIT SHAJI PRESENTING CERTIFICATE OF SERVICE TO EMMANUEL NDBUEGWU OF OIL MILL DEPARTMENT



SALES MANAGER, MR. CHRIS AMEDU PRESENTING CERTIFICATE OF SERVICE TO AKHIMIEN ROSELINE OF ESTATE DEPARTMENT



MILL MANAGER, MR. SAM OSEGHALE PRESENTING CERTIFICATE OF SERVICE TO OWENAZE EDWIN OF OIL MILL DEPARTMENT



SOME OF THE AWARD RECIPIENTS FROM ADMIN DEPARTMENT IN A GROUP PHOTOGRAPH WITH DR. HEFER



HEAD OF FINANCE, SOCFIN, MR. BONNEAU BAPTISTE PRESENTING CERTIFICATE OF SERVICE TO OBINE AUGUSTINA OF OIL MILL DEPARTMENT



SOME OF THE AWARD RECIPIENTS FROM FINANCE DEPARTMENT IN A GROUP PHOTOGRAPH WITH CHIEF ACCOUNTANT(LEFT), I.T MANAGER(2ND LEFT), FINANCIAL DIRECTOR(3RD LEFT), AND MR. BONNEAU BAPTISTE (HEAD OF FINANCE, SOCFIN: RIGHT)



TROPHY PRESENTATION TO THE CAPTAIN OF 2022 MD'S CUP FOOTBALL COMPETITION WINNER (OIL MILL DEPARTMENT)



OKOMU MALE FOOTBALL TEAM



MR. ARNAUD ARHAINX (FD) PRESENTING THE GOLDEN BOAT AWARD TO JONATHAN ARZIKI (SECURITY DEPT)



OKOMU FEMALE FOOTBALL TEAM



MANAGEMENT TEAM



OKOMU CONTRACTORS' TEAM



2022 OKOMU MD'S CUP CHAMPIONS (OIL MILL DEPARTMENT)



2022 OKOMU MD'S CUP RUNNER'S UP (SECURITY DEPARTMENT)



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 2023 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

Dated this _____ day of _____ 2023

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 holders, 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 (43rd ANNUAL GENERAL MEETING) TO BE HELD AT LAGOS MARRIOTT HOTEL, 122 JOEL OGUNNAIKE STREET, IKEJA GRA, LAGOS STATE, ON THURSDAY, 25TH MAY 2023.

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. Hubert Fabri			
To re-elect Mr. Peter Eguasa			
To re-elect Mr. Asue Ighodalo			
To authorize the Directors to fix the Auditors' remuneration			
To elect shareholders' representatives on the Audit Committee			
To disclose the remuneration of Managers			
SPECIAL BUSINESS			
To fix the remuneration of Directors			
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.			

" ***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 43rd Annual General Meeting to be held at LAGOS MARRIOTT HOTEL, IKEJA GRA, LAGOS STATE, on Thursday, 25th May 2023 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**).

REGISTRARS

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

Affix
Current
Passport

(To be stamped by Bankers)

Write your name at the back of
your passport photograph

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

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
335/337 Herbert Macaulay Way, Yaba,
P.O. Box 9117, Marina, Lagos
Nigeria.

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. CAPPALC	
☐	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

NOTE



Banga Mini Pack

Same **TASTE** Same **VALUE**



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:

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