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MANAGEMENT REPORTS (INTERIM)
FOR 6 MONTHS
ENDED JUNE 30, 2023

THE OKOMU OIL PALM COMPANY PLC

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

2. TURNOVER

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

3. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

4. DEPRECIATION OF FIXED ASSETS

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

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

5. STOCK

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

6. DEBTORS

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

7. FOREIGN CURRENCIES

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

8. TAXATION

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

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

9. DEFERRED TAXATION

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

10. EMPLOYEES' RETIREMENT BENEFITS

(a) Gratuity Scheme:

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

(b) Pension Scheme:

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

11. CASH AND CASH EQUIVALENTS

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

12. FUNCTIONAL AND PRESENTATION CURRENCY

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

13. DISCLOSURE OF DEALINGS IN ISSUER'S SHARES:

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

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

THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED (INTERIM) JUNE, 2023

		3 MONTHS ENDED		6 MONTHS ENDED	
	Note	Jun-23 N'000	Jun-22 N'000	Jun-23 N'000	Jun-22 N'000
Turnover	2	16,391,430	20,271,234	40,599,088	40,757,038
Cost of Sales	3	6,706,119	6,791,157	11,097,933	9,684,136
Gross Profit		9,685,311	13,480,077	29,501,155	31,072,902
Net Operating expenses	4	5,096,318	3,446,519	9,777,913	7,337,899
Profit from continuing operations before tax changes in fair value		4,588,993	10,033,558	19,723,242	23,735,003
Finance Income	5	14,829	50,146	15,992	54,023
		4,603,822	10,083,704	19,739,234	23,789,026
Finance Costs	6	953,715	223,061	1,207,647	357,964
Exceptional Income	7	4,373,556	-	4,373,556	-
Profit on continuing operation b4 tax		8,023,663	9,860,643	22,905,143	23,431,062
Taxation	8	2,001,288	2,521,122	6,705,635	6,593,426
Profit on continuing operation after tax		6,022,375	7,339,521	16,199,508	16,837,636
OTHER COMPREHENSIVE INCOME					
Total comprehensive income		6,022,375	7,339,521	16,199,508	16,837,636
Earnings Per Share (EPS): Basic (N)		6.31	7.69	16.98	17.65

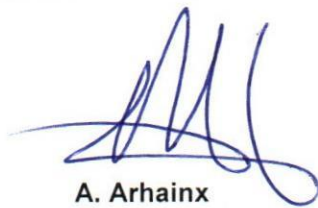
THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	NOTE	Jun-23 N'000	Dec-22 N'000
FIXED ASSETS	9	57,513,809	56,467,084
Biological Asset		289,523	536,639
Right of use asset		<u>126,830</u>	<u>63,415</u>
		<u>57,930,162</u>	<u>57,067,138</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	10	11,246,277	5,729,107
Biological assets	10.1	622,468	630,341
Trade Receivables and others	11	2,407,335	3,233,766
Prepayments		1,012	358
Bank and Cash	12	<u>8,340,087</u>	<u>5,837,582</u>
		<u>22,617,179</u>	<u>15,431,154</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	13	<u>18,282,580</u>	<u>13,840,945</u>
NET CURRENT (LIABILITIES)/ ASSETS		4,334,599	1,590,209
Deferred Taxation	14	<u>11,460,076</u>	<u>11,460,076</u>
Amount falling due after one year			
Retirement Benefits/Gratuity		2,002,748	1,882,958
Long Term Loans	15	9,936,450	11,201,414
Lease liabilities		<u>79,032</u>	<u>79,032</u>
		<u>12,018,230</u>	<u>13,163,404</u>
Total Net Assets		<u>38,786,455</u>	<u>34,033,867</u>
FINANCED BY			
CAPITAL AND RESERVES			
Share Capital	16	476,956	476,956
Share Premium Account	17	1,867,095	1,867,095
Revenue Reserves	18	36,725,332	31,972,744
Non-distributable reserves	19	<u>-282,928</u>	<u>-282,928</u>
		<u>38,786,455</u>	<u>34,033,867</u>

Approved by the Board of Directors on the 28th of July 2023.



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



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

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CHANGES IN EQUITY

	Share Capital =N='000	Share Premium =N='000	Non- Distributabl e reserves =N='000	Revenue Reserves =N='000	Total =N='000	
Balance as at 1st January,2022	476,956	1,867,095	-	250,502	31,958,408	34,051,957
Other comprehensive income	-	-	-	32,426	-	32,426
Transaction with shareholders	-	-	-	32,426	-	32,426
Profit for the period					16,230,806	16,230,806
Dividend paid					- 16,216,470	- 16,216,470
Deferred tax on actuarial gain						-
Comprehensive income for the year	-	-	-	-	14,336	14,336
Equity as at 31st December,2022	476,956	1,867,095	-	282,928	31,972,744	34,033,867
Equity as at 1st January,2023	476,956	1,867,095	-	282,928	31,972,744	34,033,867
Other comprehensive income	-	-	-	-	-	-
Transaction with shareholders	-	-	-	-	-	-
Profit for the period	-	-	-	-	16,199,508	16,199,508
Dividend paid					- 11,446,920	- 11,446,920
Comprehensive income for the year	-	-	-	-	4,752,588	4,752,588
Equity as at 30th June,2023	476,956	1,867,095	-	282,928	36,725,332	38,786,455

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30,2023

	Jun-23	Jun-22
receipts from customers	41,252,255	42,253,035
Payments to suppliers	- 9,172,780	- 9,172,780
Payment to employees	- 422,208	- 422,208
Payment of operating expenses	- 6,404,357	- 7,337,899
Payment of taxes:CIT	- 5,720,793	- 1,990,158
Value added tax	- 246,749	- 325,393
Withholding tax	- 856,915	- 770,874
Other receipts	246,316	407,325
Net cash inflow from operating activities	18,674,769	22,641,048
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 2,932,020	- 6,350,265
Proceeds from disposal of PPE		
Finanace income receieved	15,992	54,024
Pre cropping expenditure incurred(Biological assets)	- 238,655	- 269,912
Net cash outflow from investing activities	- 3,154,683	- 6,566,153
<u>Cash flow from financing activities</u>		
Interest paid	- 1,207,647	- 357,964
New Loans	-	-
Loans reimbursement	- 363,014	- 194,731
Dividend paid	- 11,446,920	- 7,631,280
Net cash inflow/(outflow) from financing activities	- 13,017,581	- 8,183,975
Net cash inflow in the year	2,502,505	7,890,920
Cash and cash equivalent as at the 1/1/2023	5,837,582	9,955,188
Cash and cash equivalent as at 30/06/2023	8,340,087	17,846,108
<u>Cash and casn equivalent</u>		
Cash and bank balance	8,340,087	17,846,108
	8,340,087	17,846,108

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED JUNE 30,2023

	Jun-23 N'000		Dec-22 N'000
Revenue from sale of products	40,599,088		59,323,723
Brought in materials and services:			
Local	- 8,413,530		- 4,320,474
Foreign	<u>32,185,558</u>		<u>55,003,249</u>
Finance Income	<u>15,992</u>	0%	<u>4,966</u>
Value added	<u><u>32,201,550</u></u>	100	<u><u>55,008,215</u></u>
Applied as follows:			
To Employees:			
- as salaries, wages and other staff costs	5,841,527	18%	10,331,079
- Directors remuneration	123,283	0%	173,445
To Providers of finance:			
- Financial cost and similar charges	1,207,647	4%	1,071,273
To Government as:			
- Income tax expenses	6,705,635	21%	5,664,140
- Deferred tax expenses	-	0%	1,622,489
To Shareholders as:			
- Dividend			16,216,470
Retained in the business:			
To maintain and replace			
- Depreciation and amortisation	2,123,950	7%	3,730,938
- To augment reserves	<u>16,199,508</u>	50%	<u>16,198,381</u>
	<u><u>32,201,550</u></u>	100%	<u><u>55,008,215</u></u>

THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS

1 The Company

1.1 The Legal Form.

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

1.2 Principal Activities

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

	3 MONTHS ENDED		6 MONTHS ENDED	
	Jun-23	Jun-22	Jun-23	Jun-22
	N'000	N'000	N'000	N'000
2 TURNOVER				
Turnover represents the invoice value of goods and services rendered to third parties during the year				
Local sales	15,288,718	19,008,267	38,071,667	37,883,484
Export sales	1,102,712	1,262,967	2,527,421	2,873,554
	16,391,430	20,271,234	40,599,088	40,757,038
3 COST OF SALES				
Oil Palm	6,266,723	5,909,814	9,410,911	7,918,701
Rubber	439,396	881,343	1,687,022	1,765,435
	6,706,119	6,791,157	11,097,933	9,684,136
4 OPERATING EXPENSES				
Total net operating expenses	5,096,318	3,446,519	9,777,913	7,337,899
5 FINANCE INCOME				
Interest on fixed Deposit A/C and others	1,103	1,223	2,239	2,503
Exchange gain	13,726	48,923	13,753	51,520
	14,829	50,146	15,992	54,023
6 FINANCE COST				
Bank charges	12,515	18,253	12,515	18,253
Exchange loss	695,127	19,989	702,418	20,338
Interest on Long Term Loans	246,073	184,819	492,714	319,373
	953,715	223,061	1,207,647	357,964
7 Exceptional Income				
Income from Export Expansion Grant (EEG)	4,373,556	-	4,373,556	-
8 TAXATION				
Profit and Loss Account				
Provision for Edu. tax	126,955	157,570	420,977	412,089
Income Tax	1,874,333	2,363,552	6,284,658	6,181,337
	2,001,288	2,521,122	6,705,635	6,593,426

THE OKOMU OIL PALM COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

9 FIXED ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Machinery & Equip N'000	Building N'000	Land N'000	Palm Mill N'000	Rubber Mill N'000	Vehicles N'000	Furniture & Equip N'000	Work In Progress N'000	Total N'000
Gross Book Value											
As at January 1, 2023	17,288,510	6,636,488	3,347,839	9,702,849	2,051,165	29,612,089	1,482,392	3,773,504	1,255,041	1,476,784	76,626,661
Additions	2,730	235,925	20,147	538,506		510,941	108,777	161,847	731,377	860,425	3,170,675
Disposal											-
Transfer											-
As at June 30, 2023	17,291,240	6,872,413	3,367,986	10,241,355	2,051,165	30,123,030	1,591,169	3,935,351	1,986,418	2,337,209	79,797,336
Depreciation											
As at January 1, 2023	3,683,170	1,842,772	2,816,761	2,301,852	0	5,416,564	976,272	2,684,186	438,000	-	20,159,577
Charge for the period	443,955	161,150	183,936	239,272		740,570	48,120	181,298	125,649		2,123,950
Adjustments											
Disposal	0	0	0	-		-	-	-	-	-	0
As at June 30, 2023	4,127,125	2,003,922	3,000,697	2,541,124	-	6,157,134	1,024,392	2,865,484	563,649	-	22,283,527
Net Book Value											
As at June 30, 2023	13,164,115	4,868,491	367,289	7,700,231	2,051,165	23,965,896	566,777	1,069,867	1,422,769	2,337,209	57,513,809
Net Book Value											
As at December 31, 2022	13,605,340	4,793,716	531,078	7,400,997	2,051,165	24,195,525	506,120	1,089,318	817,041	1,476,784	56,467,084

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

	Jun-23 N'000	Dec-22 N'000
10 STOCK		
General Stores and agricultural consumables	5,211,718	4,660,888
Finished Goods-Palm & Rubber Products	5,984,884	1,034,112
Goods-in-transit	49,675	34,107
	11,246,277	5,729,107
10.1 BIOLOGICAL ASSETS		
Non Current:		
At 1 January	289,523	289,523
change in fair value on biological asstes(P&L)		247,116
At 31 December	289,523	536,639
Current:		
Fresh Fruit Bunches (FFB)	65,603	234,177
Raw Rubber (Latex)	556,865	396,164
	622,468	630,341
11 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	0	2,763
Advances paid to suppliers	1,625,688	1,833,152
Intercompany receivables	534,874	538,515
Other receivables	89,920	737,958
Staff loans and advances	156,853	121,378
	2,407,335	3,233,766
12 BANK AND CASH BALANCES		
Bank balances	8,329,693	5,828,721
Cash balances	10,394	8,861
	8,340,087	5,837,582
Amount falling due within one year		
13 Current Liabilities		
Trade Payables	2,830,705	2,828,292
Other current payables	557,606	1,154,254
Advances from customers	540,344	1,284,126
Taxation	7,099,059	5,936,342
Intercompany payables	1,978,995	274,800
Accruals	3,137,592	693,604
Statutory liability	35,248	142,146
Interest bearing loan	2,103,031	820,682
Government Grant	0	706,699
	18,282,580	13,840,945
14 DEFERRED TAXATION		
At January 1	9,851,484	9,851,484
Net Charged for the period	1,608,592	1,608,592
As At the end of the period	11,460,076	11,460,076

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

	Jun-23 N'000	Dec-22 N'000
15 Term Loans		
Amount falling due after one year		
Interest - bearing loans and borrowings	9,983,546	9,153,938
Government Grant	-47,096	2,047,476
	<u>9,936,450</u>	<u>11,201,414</u>
15.1 Long Term Loans		
Zenith Bank Plc Loan		
The Zenith Bank Plc loan represents =N= 2 billion commercial agricultural credit loan received under a scheme of the Federal government intervention which was obtained by the company through Zenith Bank Plc. The total amount was drawn down in November 2021 and bears interest rate of 8% per annum. The facility has a repayment period of 5 years in 60 consecutive monthly repayments of principal and interest ending in July 2027. This facility was obtained to finance the Extension 2 Oil mill with additional boiler. Its secured by a legal mortgage over the plant and machinery acquired.		
Bank of Industry		
The Bank of Industry loan represents a =N=1,947,314,434.50 loan received from the Bank of Industry(BOI) to finance the procurement of items of plant and machinery towards the expansion of Okomu Oil Palm processing plant in Okomu-Udo, Edo State. The total amount was drawn down in May, 2018 and bears interest at the rate of 10% per annum payable monthly. The facility has a one (01) year moratorium period beginning from the date of first disbursement. It has a repayment period of sixty (60) equal and consecutive monthly instalments commencing immediately after the moratorium period. It is secured with a bank guarantee of the loan and accruing interest on a continuous basis by Sterly Bank Plc.		
Zenith Bank Plc Loan		
The Zenith Bank Plc loan represents a =N=10 billion loan received from Zenith bank Plc under the Central Bank of Nigeria Differentiated Cash Reserves Requirement (DCRR) to finance the development of Okomu Oil Palm Plantation. The sum of =N=6.884 billion was drawn down as at September at an interest rate of 8% per annum (subject to review in line with DCRR). The facility has a three year moratorium on its principal from date of first disbursement with a repayment of twelve (12) equal and consecutive quarterly repayments immediately after the moratorium period. It is secured with a legal mortgage over the 11,416 hectares of oil palm plantation situated at Uhiere, Ovia North East Local Government area in Edo State.		
16 SHARE CAPITAL		
16.1 AUTHORISED	N'000	N'000
1,200,000,000 Ord. Shares of 50k each	<u>600,000</u>	<u>600,000</u>
16.2 ISSUED AND FULLY PAID		
Existing 953,910,000 Ord. Shares of 50k each	<u>476,956</u>	<u>476,956</u>
17 SHARE PREMIUM		
Share Premium	1,867,095	1,867,095
18 REVENUE RESERVES		
At 1st January	31,972,744	31,958,408
	<u>31,972,744</u>	<u>31,958,408</u>
Retained Profit for the period	16,199,508	16,230,806
	<u>48,172,252</u>	<u>48,189,214</u>
Dividend paid	-11,446,920	-16,216,470
Actuarial gain/ (loss)	0	0
Unclaimed dividend		0
As at JUne 30 2022	<u>36,725,332</u>	<u>31,972,744</u>
19 Non-distributable reserves		
As at 1st January	-250,502	-250,502
Actuarial (Loss) / gain	-32,426	-32,426
As at 31st December	<u>-282,928</u>	<u>-282,928</u>
20 COMPARATIVE FIGURES		
Certain comparative figures have been reclassified in line with the current year's presentation where this has been deemed necessary to ensure compliance with International Financial reporting standards.		