



THE OKOMU OIL PALM COMPANY PLC

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MANAGEMENT REPORTS (INTERIM)
FOR 3 MONTHS
ENDED MARCH 31, 2024

THE OKOMU OIL PALM COMPANY PLC

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

2. TURNOVER

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

3. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

4. DEPRECIATION OF FIXED ASSETS

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

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

5. **STOCK**

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

6. **DEBTORS**

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

7. **FOREIGN CURRENCIES**

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

8. **TAXATION**

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

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

9. **DEFERRED TAXATION**

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

10. **EMPLOYEES' RETIREMENT BENEFITS**

(a) **Gratuity Scheme:**

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

(b) Pension Scheme:

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

11. CASH AND CASH EQUIVALENTS

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

12. FUNCTIONAL AND PRESENTATION CURRENCY

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

13. DISCLOSURE OF DEALINGS IN ISSUER'S SHARES:

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

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

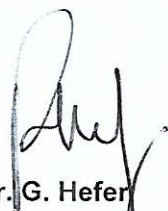
THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH, 2024


	Note	Mar-24 N'000	Mar-23 N'000
Turnover	2	43,482,839	24,207,658
Cost of Sales	3	<u>10,324,982</u>	<u>4,391,814</u>
Gross Profit		33,157,857	19,815,844
Net Operating expenses	4	<u>8,331,718</u>	<u>4,681,595</u>
Profit from continuing operations before tax changes in fair value		24,826,139	15,134,249
Finance Income	5	<u>2,719,148</u>	<u>1,163</u>
		27,545,287	15,135,412
Finance Costs	6	<u>4,512,073</u>	<u>253,932</u>
Profit on continuing operation b4 tax		23,033,214	14,881,480
Taxation	8	<u>7,952,385</u>	<u>4,704,347</u>
Profit on continuing operation after tax		15,080,829	10,177,133
OTHER COMPREHENSIVE INCOME	7		
Actuarial gains		-	-
		-	-
Total comprehensive income		<u><u>15,080,829</u></u>	<u><u>10,177,133</u></u>
Earnings Per Share (EPS): Basic (K)		<u><u>1581</u></u>	<u><u>1067</u></u>

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	NOTE	Mar-24 N'000	Dec-23 N'000
FIXED ASSETS	9	61,594,493	59,450,918
Biological Asset		501,883	501,883
Right of use asset		<u>10,053,639</u>	<u>10,053,639</u>
		<u>72,150,015</u>	<u>70,006,440</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	10	14,281,564	9,200,870
Biological assets	10.1	706,421	1,011,675
Trade Receivables and others	11	6,340,538	6,430,125
Prepayments		1,350	338
Bank and Cash	12	<u>31,082,711</u>	<u>8,450,935</u>
		<u>52,412,584</u>	<u>25,093,943</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	13	<u>35,320,352</u>	<u>20,542,090</u>
NET CURRENT (LIABILITIES)/ ASSETS		17,092,232	4,551,853
Deferred Taxation	14	<u>13,090,391</u>	<u>13,090,391</u>
Amount falling due after one year			
Retirement Benefits/Gratuity		2,243,791	2,227,844
Long Term Loans	15	8,633,828	9,046,650
Lease liabilities		<u>11,318,878</u>	<u>11,318,878</u>
		<u>22,196,497</u>	<u>22,593,372</u>
Total Net Assets		<u>53,955,359</u>	<u>38,874,530</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	51,974,133	36,893,304
Non-distributable reserves	19	<u>-362,825</u>	<u>-362,825</u>
		<u>53,955,359</u>	<u>38,874,530</u>

Approved by the Board of Directors on the 26th of April, 2024


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- Distributable reserves =N='000	Revenue Reserves =N='000	Total =N='000	
Balance as at 1st January,2023	476,956	1,867,095		- 282,928	31,972,743	34,033,866
Other comprehensive income	-	-			-	-
Transaction with shareholders	-	-		-	-	-
Profit for the period					20,646,527	20,646,527
Unclaimed dividend now statute barred					13,549	13,549
Dividend paid					-15,739,515	-15,739,515
Comprehensive income for the year	-	-			4,920,561	4,920,561
Equity as at 31st December,2023	476,956	1,867,095		- 282,928	36,893,304	38,954,427
Equity as at 1st January,2024	476,956	1,867,095		- 282,928	36,893,304	38,954,427
Other comprehensive income	-	-			-	-
Transaction with shareholders	-	-			-	-
Profit for the period	-	-			15,080,829	15,080,829
Dividend paid					-	-
Comprehensive income for the year	-	-			15,080,829	15,080,829
Equity as at 31st March,2024	476,956	1,867,095		- 282,928	51,974,133	54,035,256

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2024

	Mar-24	Mar-23
receipts from customers	44,845,718	26,827,342
Payments to suppliers	- 9,936,816	- 5,784,245
Payment to employees	- 309,808	- 229,229
Payment of operating expenses	- 7,040,734	- 3,984,595
Payment of taxes:CIT	- 190,881	-
Value added tax	- 100,639	- 75,175
Withholding tax	- 609,526	- 401,778
Other receipts	<u>13,949</u>	<u>264,108</u>
Net cash inflow from operating activities	<u>26,671,263</u>	<u>16,616,428</u>
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 2,995,099	- 1,508,598
Proceeds from disposal of PPE	-	-
Finance income received	-	-
Pre cropping expenditure incurred(Biological assets)	<u>- 290,723</u>	<u>- 121,256</u>
Net cash outflow from investing activities	<u>- 3,285,822</u>	<u>- 1,629,854</u>
<u>Cash flow from financing activities</u>		
Interest paid	- 222,487	- 253,932
New Loans	-	-
Loans reimbursement	- 531,178	- 148,109
Dividend paid	<u>-</u>	<u>-</u>
Net cash inflow/(outflow) from financing activities	<u>- 753,665</u>	<u>- 402,041</u>
Net cash inflow in the year	22,631,776	14,584,533
Cash and cash equivalent as at the 1/1/2024	<u>8,450,935</u>	<u>5,837,582</u>
Cash and cash equivalent as at 31/03/2024	<u>31,082,711</u>	<u>20,422,115</u>
<u>Cash and cash equivalent</u>		
Cash and bank balance	31,082,711	20,422,115
Fixed deposit	-	-
	<u>31,082,711</u>	<u>20,422,115</u>

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF VALUE ADDED FOR THE YEAR ENDED MARCH 31,2024

	Mar-24		Dec-23
	N'000		N'000
Revenue from sale of products	43,298,654		75,107,842
Brought in materials and services:			
Local	- 11,428,317		- 27,585,454
Foreign			
	<u>31,870,337</u>		<u>47,522,388</u>
Other Income	2,729,713		10,851,636
Finance Income	<u>1,692</u>	0%	<u>5,217</u>
Value added	<u><u>34,601,742</u></u>	100	<u><u>58,379,241</u></u>
 Applied as follows:			
To Employees:			
- as salaries, wages and other staff costs	5,815,159	17%	13,063,646
- Directors remuneration	99,049	0%	532,674
 To Providers of finance:			
- Financial cost and similar charges	4,512,073	13%	3,674,129
 To Government as:			
- Income tax expenses	7,952,385	23%	11,373,623
- Additional tax liability from prior period	-		153,942
- Deferred tax expenses	-		1,664,558
 Retained in the business:			
To maintain and replace			
- Depreciation and amortisation	1,142,247	3%	7,270,141
- To augment reserves	<u>15,080,829</u>	44%	<u>20,646,528</u>
	<u><u>34,601,742</u></u>	100%	<u><u>58,379,241</u></u>

**THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS**

1 The Company

1.1 The Legal Form.

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

1.2 Principal Activities

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

2 TURNOVER	Mar-24	Mar-23
Turnover represents the invoice value of goods and services rendered to third parties during the year	N'000	N'000
Local sales	39,299,610	22,782,949
Export sales	4,183,229	1,424,709
	<u>43,482,839</u>	<u>24,207,658</u>
3 COST OF SALES		
Oil Palm	9,566,108	3,144,188
Rubber	758,874	1,247,626
	<u>10,324,982</u>	<u>4,391,814</u>
4 OPERATING EXPENSES		
Total net operating expenses	8,331,718	4,681,595
5 FINANCE INCOME		
Interest on fixed Deposit A/C and others	1,692	1,136
Exchange gain	2,717,456	27
	<u>2,719,148</u>	<u>1,163</u>
6 FINANCE COST		
Exchange loss	4,289,586	7,291
Interest on Long Term Loans	222,487	246,641
	<u>4,512,073</u>	<u>253,932</u>
7 Other comprehensive income		
Actuarial gains	<u>-</u>	<u>-</u>
8 TAXATION		
Profit and Loss Account		
Provision for Edu. tax	497,024	294,022
Income Tax	7,455,361	4,410,325
	<u>7,952,385</u>	<u>4,704,347</u>

THE OKOMU OIL PALM COMPANY PLC
 NOTES TO THE FINANCIAL STATEMENTS

9 FIXED ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Machinery & Equip N'000	Building N'000	Land N'000	Palm Mill N'000	Rubber Mill N'000	Vehicles N'000	Furniture & Equip N'000	Work In Progress N'000	Total N'000
Gross Book Value											
As at January 1, 2024	17,385,139	7,042,540	4,474,672	12,286,717	2,051,165	31,359,480	1,780,181	3,889,588	2,331,868	1,405,656	84,007,006
Additions	104,220	186,503	225,235	2,562,249		184,793	9,346		13,476		3,285,822
Disposal											0
Transfer											0
As at March 31, 2024	17,489,359	7,229,043	4,699,907	14,848,966	2,051,165	31,544,273	1,789,527	3,889,588	2,345,344	1,405,656	87,292,828
Depreciation											
As at January 1, 2024	4,578,439	2,172,358	3,206,130	2,824,609	0	6,960,721	1,081,454	3,028,901	703,476	-	24,556,088
Charge for the period	203,309	63,664	116,466	166,994		412,177	31,170	77,996	70,471		1,142,247
Adjustments											
Disposal	0	0	0								0
As at March 31, 2024	4,781,748	2,236,022	3,322,596	2,991,603	-	7,372,898	1,112,624	3,106,897	773,947	-	25,698,335
Net Book Value											
As at March 31, 2024	12,707,611	4,993,021	1,377,311	11,857,363	2,051,165	24,171,375	676,903	782,691	1,571,397	1,405,656	61,594,493
Net Book Value											
As at December 31, 2023	12,806,700	4,870,182	1,268,542	9,462,108	2,051,165	24,398,759	698,727	860,687	1,628,392	1,405,656	59,450,918

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

	Mar-24	Dec-23
	N'000	N'000
10 STOCK		
General Stores and agricultural consumables	5,629,626	5,189,382
Finished Goods-Palm & Rubber Products	8,638,481	4,010,062
Goods-in-transit	13,457	1,426
	<u>14,281,564</u>	<u>9,200,870</u>
10.1 BIOLOGICAL ASSETS		
Non Current:		
At 1 January	501,883	536,639
change in fair value on biological asstes(P&L)		-34,756
At 31 December	<u>501,883</u>	<u>501,883</u>
Current:		
Fresh Fruit Bunches (FFB)	-4,080	0
Raw Rubber (Latex)	710,501	1,011,675
	<u>706,421</u>	<u>1,011,675</u>
11 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	8,498	6,728
Advances paid to suppliers	3,670,116	2,508,186
Intercompany receivables	991,402	2,468,219
Other receivables	1,590,134	1,310,002
Staff loans and advances	80,388	136,990
	<u>6,340,538</u>	<u>6,430,125</u>
12 BANK AND CASH BALANCES		
Bank balances	31,074,066	8,441,525
Cash balances	8,645	9,410
	<u>31,082,711</u>	<u>8,450,935</u>
Amount falling due within one year		
13 Current Liabilities		
Trade Payables	4,555,790	2,591,461
Other current payables	1,557,367	1,126,364
Advances from customers	3,519,069	1,262,938
Taxation	19,805,014	11,590,347
Intercompany payables	1,331,917	1,510,116
Accruals	2,171,532	60,200
Statutory liability	458,268	360,912
Interest bearing loan	1,823,081	1,410,505
Government Grant	98,314	629,247
	<u>35,320,352</u>	<u>20,542,090</u>
14 DEFERRED TAXATION		
At January 1	13,090,391	11,460,075
Tax expenses/Net Charged for the period		1,630,316
As At the end of the period	<u>13,090,391</u>	<u>13,090,391</u>

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

	Mar-24 N'000	Dec-23 N'000
15 Term Loans		
Amount falling due after one year		
Interest - bearing loans and borrowings	8,633,828	7,983,938
Government Grant	0	1,062,712
	<u>8,633,828</u>	<u>9,046,650</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. It is secured by a legal mortgage over the plant and machinery acquired.		
Bank of Industry		
The Bank of Industry loan represents a =N=1,947,314,434.50 loan received from the Bank of Industry(BOI) to finance the procurement of items of plant and machinery towards the expansion of Okomu Oil Palm processing plant in Okomu-Udo, Edo State. The total amount was drawn down in May, 2018 and bears interest at the rate of 10% per annum payable monthly. The facility has a one (01) year moratorium period beginning from the date of first disbursement. It has a repayment period of sixty (60) equal and consecutive monthly instalments commencing immediately after the moratorium period. It is secured with a bank guarantee of the loan and accruing interest on a continuous basis by Sterling Bank Plc.		
Zenith Bank Plc Loan		
The Zenith Bank Plc loan represents a =N=10 billion loan received from Zenith bank Plc under the Central Bank of Nigeria Differentiated Cash Reserves Requirement (DCRR) to finance the development of Okomu Oil Palm Plantation. The sum of =N=6.884 billion was drawn down as at September at an interest rate of 8% per annum (subject to review in line with DCRR). The facility has a three year moratorium on its principal from date of first disbursement with a repayment of twelve (12) equal and consecutive quarterly repayments immediately after the moratorium period. It is secured with a legal mortgage over the 11,416 hectares of oil palm plantation situated at Uhiere, Ovia North East Local Government area in Edo State.		
16 SHARE CAPITAL		
	N'000	N'000
16.1 ISSUED AND FULLY PAID		
Existing 953,910,000 Ord. Shares of 50k each	<u>476,956</u>	<u>476,956</u>
17 SHARE PREMIUM		
Share Premium	1,867,095	1,867,095
18 REVENUE RESERVES		
At 1st January	36,893,304	31,972,743
	36,893,304	31,972,743
Retained Profit for the period	15,080,829	20,646,527
	51,974,133	52,619,270
Dividend paid		-15,739,515
Actuarial gain/ (loss)		0
Unclaimed dividend		13,549
IFRS Adjustment		
As at March 31 2023	<u>51,974,133</u>	<u>36,893,304</u>
19 Non-distributable reserves		
As at 1st January	-362,825	-282,928
Actuarial (Loss) / gain	0	-79,897
As at 31st December	<u>-362,825</u>	<u>-362,825</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.		