



Lagos Office:
Tel: 01-84446337
E-mail: lagosoffice@okomunigeria.com

Okomu – Udo, Ovia South West L.G.A
P.M.B. 1449, Benin City.
Edo State, Nigeria.
E-Mail: okomuinfo@okomunigeria.com, compsec@okomunigeria.com
Web: www.okomunigeria.com

MANAGEMENT REPORTS (UNAUDITED)
FOR 12 MONTHS
ENDED DECEMBER 31, 2021

Directors: G. Oyebode M.F.R(Chairman), G.D Hefer(South African) Managing, L.J.J Boedt (Belgian) P.A.E Eguasa JP, H. Fabri (Belgian), D. U. Edebiri OON, Ph. De Traux De Wardin (Belgian), R. Helsmootel (Belgian), A Arhainx (French) Exec. Director, A. Ighodalo, S. Claeys (Belgian), Mrs Vivien Shobo (Independent)

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 YEAR ENDED DECEMBER, 2021

	Note	Dec-21 N'000	Dec-20 N'000
Turnover	2	37,456,917	23,410,680
Cost of Sales	3	<u>11,657,532</u>	<u>7,697,945</u>
Gross Profit		25,799,385	15,712,735
Net Operating expenses	4	<u>9,699,417</u>	<u>6,804,083</u>
Profit from continuing operations before tax changes in fair value		16,099,968	8,908,652
Finance Income	5	380,190	7,127
		<u>16,480,158</u>	<u>8,915,779</u>
Gain on disposal of assets	6	0	0
Finance Costs	7	<u>192,762</u>	<u>70,229</u>
Profit on continuing operation b4 tax		16,287,396	8,845,550
Taxation	9	<u>2,243,903</u>	<u>1,065,031</u>
Profit on continuing operation after tax		14,043,493	7,780,519
OTHER COMPREHENSIVE INCOME			
Actuarial gains		0	-393,135
Deferred Tax on actuarial loss		0	-136,590
Total comprehensive income		<u>14,043,493</u>	<u>7,250,794</u>
Earnings Per Share (EPS): Basic (N)		<u>14.72</u>	<u>8.16</u>

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANACIAL POSITION AS AT DECEMBER 31, 2021

	NOTE	Dec-21 N'000	Dec-20 N'000
FIXED ASSETS	10	49,659,268	38,912,116
		<u>49,659,268</u>	<u>38,912,116</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	11	4,951,913	4,811,443
Trade Receivables and others	12	1,100,237	6,720,922
Bank and Cash	13	<u>10,017,077</u>	<u>4,567,367</u>
		<u>16,069,227</u>	<u>16,099,732</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	14	<u>7,653,607</u>	<u>6,305,175</u>
NET CURRENT (LIABILITIES)/ ASSETS		8,415,620	9,794,557
Deferred Taxation	15	<u>1,651,512</u>	<u>1,566,660</u>
Amount falling due after one year			
Retirement Benefits/Gratuity		1,678,068	1,421,027
Long Term Loans	16	<u>12,403,409</u>	<u>10,941,202</u>
		<u>14,081,477</u>	<u>12,362,229</u>
Total Net Assets		<u>42,341,899</u>	<u>34,777,784</u>
FINANCED BY			
CAPITAL AND RESERVES			
Share Capital	17	476,955	476,955
Share Premium Account	18	1,867,096	1,867,096
Revenue Reserves	19	39,997,848	32,631,725
Non-distributable reserves	20	<u>0</u>	<u>-197,992</u>
		<u>42,341,899</u>	<u>34,777,784</u>


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,2020	476,956	1,867,095		77,203	26,759,026	29,180,280
Dividend paid	-	-		-	-	-
Interim Dividend paid					1,907,820	1,907,820
Statuses barred dividend					-	-
Transaction with shareholders	-	-		-	1,907,820	1,907,820
Profit for the period					7,780,519	7,780,519
Actuarial gain				- 393,135	-	- 393,135
Deferred tax on actuarial gain				117,940		117,940
Comprehensive income for the year	-	-	-	275,195	7,780,519	7,505,324
Equity as at 31st December,2020	476,956	1,867,095	-	197,992	32,631,725	34,777,784
Equity as at 1st January,2021	476,956	1,867,095	-	197,992	32,631,725	34,777,784
Adjustment	-	-		197,992	-	197,992
Transaction with shareholders	-	-		197,992	-	197,992
Profit for the period	-	-		-	14,043,493	14,043,493
Dividend paid					- 6,677,370	- 6,677,370
Comprehensive income for the year	-	-	-	-	7,366,123	7,366,123
Equity as at 31st December,2021	476,956	1,867,095	-	-	39,997,848	42,341,899

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	Dec-21	Dec-20
Cash flow from operating activities		
Profit on continuing operations before tax	14,240,769	8,845,550
Adjustments for items not involving movement of cash		
Depreciation	2,805,489	2,302,951
Profit on disposal of fixed assets	-	-
Movement in working capital		
Increase in inventory	- 140,469	- 1,076,709
Increase in trade receivables	- 161,421	- 1,493,176
Other receivables	370,376	- 29,337
Increase/ (decrease) in trade payables	6,173,377	1,006,895
Other payables	1,380,131	2,161,921
Tax paid	- 599,014	- 1,232,688
Net cash inflow from operating activities	<u>24,069,238</u>	<u>10,485,407</u>
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 12,782,298	- 7,029,361
Pre cropping expenditure incurred(Biological assets)	- 770,343	- 2,061,656
Proceed from disposal of assets	-	-
Net cash outflow from investing activities	<u>- 13,552,641</u>	<u>- 9,091,017</u>
<u>Cash flow from financing activities</u>		
New Loans	2,000,000	3,115,816
Loans reimbursement	- 389,517	- 719,080
Dividend paid	- 6,677,370	- 1,907,820
Statue barred dividend received	-	-
Net cash inflow/(outflow) from financing activities	<u>- 5,066,887</u>	<u>488,916</u>
Net cash inflow in the year	5,449,710	1,883,306
Cash and cash equivalent as at the 1/1/2020	<u>4,567,367</u>	<u>2,684,061</u>
Cash and cash equivalent as at 31/12/2020	<u><u>10,017,077</u></u>	<u><u>4,567,367</u></u>
<u>Cash and casn equivalent</u>		
Cash and bank balance	10,017,077	4,567,367
Fixed deposit	-	-
	-	-
	<u><u>10,017,077</u></u>	<u><u>4,567,367</u></u>

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF VALUE ADDED FOR THE YEAR ENDED DECEMBER 31,2021

	Dec-21	Dec-20
	N'000	N'000
Revenue from sale of products	37,456,917	23,410,680
Other Income	<u>1,223,184</u>	<u>2,328,980</u>
	38,680,101	25,739,660
Bought in materials and services	<u>- 11,518,277</u>	<u>- 13,345,762</u>
Value added	<u><u>27,161,824</u></u>	<u><u>12,393,898</u></u>
 Distribution of value added		
To employee and directors:		
Employees, cost (including director's remuneration)	1,312,666	1,193,333
To government:		
Government as taxes	2,243,902	1,065,031
To providers of capital:		
Interest on Loan	78,904	52,064
Dividend	6,677,370	1,907,820
For replacement of property and equipments:		
Depreciation on property, plant and equipment	1,749,044	1,435,653
Depreciation on bearer biological asset	1,056,445	867,298
Retained earnings	<u>14,043,493</u>	<u>5,872,699</u>
	<u><u>27,161,824</u></u>	<u><u>12,393,898</u></u>
 Other income comprises:		
Other work performed by the entity	770,343	2,061,655
Other income	<u>452,841</u>	<u>267,325</u>
	<u><u>1,223,184</u></u>	<u><u>2,328,980</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 62.6% the Company's shares with Nigerians owning the balance of 37.47%.

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	Dec-21	Dec-20
Turnover represents the invoice value of goods and services rendered to third parties during the year	N'000	N'000
Local sales	31,893,442	20,502,379
Export sales	<u>5,563,475</u>	<u>2,908,301</u>
	<u>37,456,917</u>	<u>23,410,680</u>
3 COST OF SALES		
Oil Palm	9,789,756	6,680,497
Rubber	<u>1,867,776</u>	<u>1,017,448</u>
	<u>11,657,532</u>	<u>7,697,945</u>
4 OPERATING EXPENSES		
Total net operating expenses	9,699,417	6,804,083
5 FINANCE INCOME		
Interest on fixed Deposit A/C and others	0	0
Exchange gain	331,275	796
Other finance income	<u>48,915</u>	<u>6,331</u>
	<u>380,190</u>	<u>7,127</u>
6 Gain on disposal of Assets		
Sale of scraps	<u>0</u>	<u>0</u>
7 FINANCE COST		
Exchange loss	113,858	18,165
Interest on Long Term Loans	<u>78,904</u>	<u>52,064</u>
	<u>192,762</u>	<u>70,229</u>
8 Other comprehensive income		
Actuarial gains	<u>-</u>	<u>- 393,135.00</u>
9 TAXATION		
Profit and Loss Account		
Provision for Edu. tax	90,541	66,564
Income Tax	1,758,111	998,467
Tax paid prior years	395,251	0
	<u>2,243,903</u>	<u>1,065,031</u>

THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS

10 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, 2021	17,016,396	5,943,751	2,933,923	6,021,638	2,051,165	10,922,097	1,349,130	2,837,953	425,292	3,631,244	53,132,589
Additions	272,057	498,286	307,939	1,534,602		11,001,886	57,984	713,814	97,746	-931,673	13,552,641
Disposal											-
Transfer											-
As at December 31, 2021	17,288,453	6,442,037	3,241,862	7,556,240	2,051,165	21,923,983	1,407,114	3,551,767	523,038	2,699,571	66,685,230
Depreciation											
As at January 1, 2021	2,006,131	1,558,603	2,351,003	1,602,289		3,739,504	712,765	1,991,806	258,372	-	14,220,473
Charge for the period	825,599	230,846	224,774	320,132		603,510	90,656	472,020	37,952		2,805,489
Adjustments											
Disposal	0	0	0								0
As at December 31, 2021	2,831,730	1,789,449	2,575,777	1,922,421	-	4,343,014	803,421	2,463,826	296,324	-	17,025,962
Net Book Value											
As at December 31, 2021	14,456,723	4,652,588	666,085	5,633,819	2,051,165	17,580,969	603,693	1,087,941	226,714	2,699,571	49,659,268
Net Book Value											
As at December 31, 2020	15,010,265	4,385,148	582,920	4,419,349	2,051,165	7,182,593	636,365	846,147	166,920	3,631,244	38,912,116

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

	Dec-21 N'000	Dec-20 N'000
11 STOCK		
Raw materials and consumables	234,178	390,501
General Stores and agricultural consumables	3,166,974	2,287,407
Finished Goods-Palm & Rubber Products	1,465,324	504,779
Goods-in-transit	85,437	1,628,756
	<u>4,951,913</u>	<u>4,811,443</u>
12 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	383,870	10,422
Advances paid to suppliers	477,991	5,716,858
Intercompany receivables	0	518,525
Other receivables	238,376	475,117
	<u>1,100,237</u>	<u>6,720,922</u>
13 BANK AND CASH BALANCES		
Cash and Bank balances	10,017,077	4,567,367
Fixed deposits	-	-
Dividends bank accounts	-	-
	<u>10,017,077</u>	<u>4,567,367</u>
Amount falling due within one year		
14 Current Liabilities		
Trade Payables	1,754,088	1,152,874
Other current payables	4,497	60,455
Advances from customers	695,335	1,097,984
Taxation	2,803,675	979,913
Intercompany payables	406,723	161,517
Current provisions and accruals	1,451,550	2,423,027
Borrowings	537,739	429,405
	<u>7,653,607</u>	<u>6,305,175</u>
15 DEFERRED TAXATION		
At January 1	1,651,512	1,684,600
Net Charged for the period		
Adjustments(other comp.income)	0	-117,940
As At the end of the period	<u>1,651,512</u>	<u>1,566,660</u>

**THE OKOMU OIL PALM COMPANY P . Its secured
NOTES TO THE FINANCIAL STATEMENTS CONT'D**

	Dec-21 N'000	Dec-20 N'000
16 Term Loans		
Amount falling due after one year		
Zenith Bank CACS Loan	2,000,000	0
Zenith Bank DCRR Loan	10,000,000	10,000,000
Bank of Industry	403,409	941,202
	<u>12,403,409</u>	<u>10,941,202</u>
16.1 Long Term Loans		
Zenith Bank Plc Loan		
The Zenith Bank Plc loan represents a =N= 2 billion commercial agricultural credit loan received under a scheme of the Federal government intervention which was obtained by the company through Zenith Bank Plc. The total amount was drawn down in November 2021 and bears interest rate of 8% per annum. The facility has a repayment period of 5 years in 60 consecutive monthly repayments of principal and interest ending in July 2027. This facility was obtained to finance the Extension 2 Oil mill with additional boiler. 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.		
17 SHARE CAPITAL		
17.1 AUTHORISED	N'000	N'000
1,200,000,000 Ord. Shares of 50k each	<u>600,000</u>	<u>600,000</u>
17.2 ISSUED AND FULLY PAID		
Existing 953,910,000 Ord. Shares of 50k each	<u>476,955</u>	<u>476,955</u>
18 SHARE PREMIUM		
Share Premium	1,867,096	1,867,096
19 REVENUE RESERVES		
At 1st January	32,631,725	26,759,026
	<u>32,631,725</u>	<u>26,759,026</u>
Retained Profit for the period	14,043,493	7,780,519
	<u>46,675,218</u>	<u>34,539,545</u>
Dividend paid	-6,677,370	-1,907,820
Interim dividend paid	0	0
Unclaimed dividend		
As at December 31 2021	<u>39,997,848</u>	<u>32,631,725</u>
20 Non-distributable reserves		
As at 1st January	-197,992	77,203
Addition during the year:		
Actuarial (Loss) / gain		-393,135
Deferred tax on actuarial loss / gain		117,940
Adjustment	197,992	
As at 31st December	<u>0</u>	<u>-197,992</u>
21 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.		