



**THE OKOMU OIL PALM COMPANY PLC**

RC: 30894-

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## **UNAUDITED FINANCIAL STATEMENTS**

**FOR 3 MONTHS**

**ENDED MARCH 31, 2022**

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**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%

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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.

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**(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, 2022**


	Note	Mar-22 N'000	Mar-21 N'000
Turnover	2	20,485,804	12,554,136
Cost of Sales	3	<u>2,892,979</u>	<u>478,906</u>
<b>Gross Profit</b>		<b>17,592,825</b>	<b>12,075,230</b>
Net Operating expenses	4	<u>3,891,380</u>	<u>5,082,371</u>
<b>Profit from continuing operations before tax changes in fair value</b>		<b>13,701,445</b>	<b>6,992,859</b>
Finance Income	5	<u>3,877</u>	<u>1,411</u>
		13,705,322	6,994,270
Finance Costs	6	<u>134,903</u>	<u>23,655</u>
<b>Profit on continuing operation b4 tax</b>		<b>13,570,419</b>	<b>6,970,615</b>
Taxation	8	<u>4,072,304</u>	<u>1,699,345</u>
<b>Profit on continuing operation after tax</b>		<b>9,498,115</b>	<b>5,271,270</b>
<b>OTHER COMPREHENSIVE INCOME</b>	7		
Actuarial gains		-	-
		-	-
<b>Total comprehensive income</b>		<b><u>9,498,115</u></b>	<b><u>5,271,270</u></b>
Earnings Per Share (EPS): Basic (K)		<b><u>996</u></b>	<b><u>553</u></b>

**THE OKOMU OIL PALM COMPANY PLC**  
**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022**

	NOTE	Mar-22 N'000	Dec-21 N'000
<b>FIXED ASSETS</b>	9	49,707,454	49,658,869
Biological Asset		289,523	289,523
Right of use asset		<u>126,830</u>	<u>126,830</u>
		<b><u>50,123,807</u></b>	<b><u>50,075,222</u></b>
<b>CURRENT ASSETS</b> (Amount falling due within one year)			
Inventory	10	5,814,440	4,717,732
Biological assets	10.1	727,172	234,177
Trade Receivables and others	11	647,177	789,644
Prepayments		1,350	482
Bank and Cash	12	<u>23,561,653</u>	<u>9,955,188</u>
		<u>30,751,792</u>	<u>15,697,223</u>
<b>CURRENT LIABILITIES</b> (Amount falling due within one year)			
Trade Payables and others	13	<u>14,394,285</u>	<u>8,844,843</u>
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		16,357,507	6,852,380
Deferred Taxation	14	<u>9,851,484</u>	<u>9,851,484</u>
<b>Amount falling due after one year</b>			
Retirement Benefits/Gratuity		1,737,995	1,682,398
Long Term Loans	15	11,262,731	11,262,731
Lease liabilities		<u>79,032</u>	<u>79,032</u>
		<u>13,079,758</u>	<u>13,024,161</u>
<b>Total Net Assets</b>		<b><u>43,550,072</u></b>	<b><u>34,051,957</u></b>
<b>FINANCED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Share Capital	16	476,956	476,956
Share Premium Account	17	1,867,095	1,867,095
Revenue Reserves	18	41,456,523	31,958,408
Non-distributable reserves	19	<u>-250,502</u>	<u>-250,502</u>
		<b><u>43,550,072</u></b>	<b><u>34,051,957</u></b>

Approved by the Board of Directors on the 27th of April, 2022

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

  
**Mr. P.A.E Eguasa**  
**Director**  
 FRC/2020/002/00000010321

**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	
<b>Balance as at 1st January,2021</b>	<b>476,956</b>	<b>1,867,095</b>		<b>- 811,189</b>	<b>27,096,809</b>	<b>28,629,671</b>
Other comprehensive income	-	-		<b>560,687</b>	-	<b>560,687</b>
<b>Transaction with shareholders</b>	-	-		<b>560,687</b>	-	<b>560,687</b>
Profit for the period					11,538,968	11,538,968
Dividend paid					- 6,677,370	- 6,677,370
Deferred tax on actuarial gain						-
<b>Comprehensive income for the year</b>	-	-		-	<b>4,861,598</b>	<b>4,861,598</b>
<b>Equity as at 31st December,2021</b>	<b>476,956</b>	<b>1,867,095</b>		<b>- 250,502</b>	<b>31,958,407</b>	<b>34,051,956</b>
<b>Equity as at 1st January,2022</b>	<b>476,956</b>	<b>1,867,095</b>		<b>- 250,502</b>	<b>31,958,407</b>	<b>34,051,956</b>
Other comprehensive income	-	-		-	-	-
<b>Transaction with shareholders</b>	-	-		-	-	-
Profit for the period	-	-		-	9,498,115	9,498,115
Dividend paid					-	-
<b>Comprehensive income for the year</b>	-	-		-	<b>9,498,115</b>	<b>9,498,115</b>
<b>Equity as at 31st December,2022</b>	<b>476,956</b>	<b>1,867,095</b>		<b>- 250,502</b>	<b>41,456,522</b>	<b>43,550,071</b>

**THE OKOMU OIL PALM COMPANY PLC**  
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31,2022**

	<b>Mar-22</b>	<b>Mar-21</b>
receipts from customers	21,261,589	12,561,846
Payments to suppliers	- 4,018,452	- 2,362,554
Payment to employees	- 215,754	- 193,276
Payment of operating expenses	- 2,104,784	- 1,584,225
Payment of taxes:CIT	-	-
Value added tax	- 61,088	- 18,597
Withholding tax	- 291,547	- 193,875
Other receipts	<u>149,193</u>	<u>94,243</u>
<b>Net cash inflow from operating activities</b>	<b><u>14,719,157</u></b>	<b><u>8,303,562</u></b>
<b><u>Cash flow from investing activities</u></b>		
Acquisition of PPE	- 727,029	- 1,193,387
Proceeds from disposal of PPE	-	-
Finance income received	-	-
Pre cropping expenditure incurred(Biological assets)	- <u>167,736</u>	- <u>257,514</u>
<b>Net cash outflow from investing activities</b>	<b><u>- 894,765</u></b>	<b><u>- 1,450,901</u></b>
<b><u>Cash flow from financing activities</u></b>		
Interest paid	- 134,554	- 16,110
New Loans	-	-
Loans reimbursement	- 97,366	- 97,387
Dividend paid	<u>-</u>	<u>-</u>
<b>Net cash inflow/(outflow) from financing activities</b>	<b><u>- 231,920</u></b>	<b><u>- 113,497</u></b>
Net cash inflow in the year	13,592,472	6,739,164
Cash and cash equivalent as at the 1/1/2022	<u>9,955,188</u>	<u>4,558,759</u>
<b>Cash and cash equivalent as at 31/03/2022</b>	<b><u><u>23,547,660</u></u></b>	<b><u><u>11,297,923</u></u></b>
<b><u>Cash and cash equivalent</u></b>		
Cash and bank balance	23,547,660	11,297,923
Fixed deposit	-	-
	<b><u><u>23,547,660</u></u></b>	<b><u><u>11,297,923</u></u></b>



**THE OKOMU OIL PALM COMPANY PLC**  
**STATEMENT OF VALUE ADDED FOR THE YEAR ENDED MARCH 31,2022**

	<b>Mar-22</b>		<b>Dec-21</b>
	<b>N'000</b>		<b>N'000</b>
Revenue from sale of products	20,458,691		37,394,507
Brought in materials and services:			
Local	- 5,525,904		- 16,384,182
Foreign			
	<u>14,932,787</u>		<u>21,010,325</u>
Finance Income	<u>-</u>	0%	<u>48,915</u>
Value added	<u><u>14,932,787</u></u>	100	<u><u>21,059,240</u></u>
 <b>Applied as follows:</b>			
<b>To Employees:</b>			
- as salaries, wages and other staff costs	312,586	2%	1,294,000
- Directors remuneration	-	0%	109,971
 <b>To Providers of finance:</b>			
- Financial cost and similar charges	203,602	1%	671,586
 <b>To Government as:</b>			
- Income tax expenses	4,072,304	27%	1,836,770
- Deferred tax expenses	-	0%	2,739,040
 <b>Retained in the business:</b>			
To maintain and replace			
- Depreciation and amortisation	846,180	6%	2,868,905
- To augment reserves	<u>9,498,115</u>	64%	<u>11,538,968</u>
	<u><u>14,932,787</u></u>	100%	<u><u>21,059,240</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 Companies and Allied Matters Act, 1990. It is a member of Socfinal group of Luxembourg 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.

<b>2 TURNOVER</b>	<b>Mar-22</b>	<b>Mar-21</b>
Turnover represents the invoice value of goods and services rendered to third parties during the year	<b>N'000</b>	<b>N'000</b>
Local sales	18,875,217	11,332,360
Export sales	<u>1,610,587</u>	<u>1,221,776</u>
	<b><u>20,485,804</u></b>	<b><u>12,554,136</u></b>
<b>3 COST OF SALES</b>		
Oil Palm	2,008,887	432,299
Rubber	<u>884,092</u>	<u>46,607</u>
	<b><u>2,892,979</u></b>	<b><u>478,906</u></b>
<b>4 OPERATING EXPENSES</b>		
Total net operating expenses	<b>3,891,380</b>	<b>5,082,371</b>
<b>5 FINANCE INCOME</b>		
Interest on fixed Deposit A/C and others	1,280	1,411
Exchange gain	<u>2,597</u>	<u>-</u>
	<b><u>3,877</u></b>	<b><u>1,411</u></b>
<b>6 FINANCE COST</b>		
Exchange loss	349	3,201
Interest on Long Term Loans	<u>134,554</u>	<u>20,454</u>
	<b><u>134,903</u></b>	<b><u>23,655</u></b>
<b>7 Other comprehensive income</b>		
Actuarial gains	<u>-</u>	<u>-</u>
<b>8 TAXATION</b>		
<b>Profit and Loss Account</b>		
Provision for Edu. tax	254,519	106,209
Income Tax	<u>3,817,785</u>	<u>1,593,136</u>
	<b><u>4,072,304</u></b>	<b><u>1,699,345</u></b>

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
<b>Gross Book Value</b>											
As at January 1, 2022	17,288,453	6,268,126	3,124,283	7,555,881	2,051,165	21,914,847	1,407,114	3,338,307	504,329	2,699,171	66,151,676
Additions	67,636	100,100	14,082	50,379		109,461	25,676	61,300	20,315	445,816	894,765
Disposal											
Transfer											
As at March 31, 2022	<b>17,356,089</b>	<b>6,368,226</b>	<b>3,138,365</b>	<b>7,606,260</b>	<b>2,051,165</b>	<b>22,024,308</b>	<b>1,432,790</b>	<b>3,399,607</b>	<b>524,644</b>	<b>3,144,987</b>	<b>67,046,441</b>
<b>Depreciation</b>											
As at January 1, 2022	2,831,730	1,615,537	2,458,197	1,922,064		4,333,880	803,420	2,250,366	277,613		16,492,807
Charge for the period	207,724	56,003	58,820	93,133		278,819	22,893	117,467	11,321		846,180
Adjustments											
Disposal											
As at March 31, 2022	<b>3,039,454</b>	<b>1,671,540</b>	<b>2,517,017</b>	<b>2,015,197</b>		<b>4,612,699</b>	<b>826,313</b>	<b>2,367,833</b>	<b>288,934</b>		<b>17,338,987</b>
<b>Net Book Value</b>											
As at March 31, 2022	<b>14,316,635</b>	<b>4,696,686</b>	<b>621,348</b>	<b>5,591,063</b>	<b>2,051,165</b>	<b>17,411,609</b>	<b>606,477</b>	<b>1,031,774</b>	<b>235,710</b>	<b>3,144,987</b>	<b>49,707,454</b>
<b>Net Book Value</b>											
As at December 31, 2021	<b>14,456,723</b>	<b>4,652,589</b>	<b>666,086</b>	<b>5,633,817</b>	<b>2,051,165</b>	<b>17,580,967</b>	<b>603,694</b>	<b>1,087,941</b>	<b>226,716</b>	<b>2,699,171</b>	<b>49,658,869</b>

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

	<b>Mar-22</b>	<b>Dec-21</b>
	<b>N'000</b>	<b>N'000</b>
<b>10 STOCK</b>		
General Stores and agricultural consumables	4,151,077	3,166,971
Finished Goods-Palm & Rubber Products	1,581,403	1,465,324
Goods-in-transit	81,960	85,437
	<u><b>5,814,440</b></u>	<u><b>4,717,732</b></u>
<b>10.1 BIOLOGICAL ASSETS</b>		
<b>Non Current:</b>		
At 1 January	289,523	162,051
change in fair value on biological assets(P&L)		127,472
At 31 December	<u><b>289,523</b></u>	<u><b>289,523</b></u>
<b>Current:</b>		
Fresh Fruit Bunches (FFB)	581252	-
Raw Rubber (Latex)	145,920	234,177
	<u><b>727,172</b></u>	<u><b>234,177</b></u>
<b>11 TRADE RECEIVABLES AND OTHERS</b>		
Trade Receivables	48,498	897
Advances paid to suppliers	5,540	111,849
Intercompany receivables	438,394	384,359
Other receivables	46,077	150,313
Staff loans and advances	108,668	142,226
	<u><b>647,177</b></u>	<u><b>789,644</b></u>
<b>12 BANK AND CASH BALANCES</b>		
Bank balances	23,547,660	9,948,569
Cash balances	13,993	6,619
	<u><b>23,561,653</b></u>	<u><b>9,955,188</b></u>
<b>Amount falling due within one year</b>		
<b>13 Current Liabilities</b>		
Trade Payables	1,584,366	1,214,700
Other current payables	159,386	1,376,382
Advances from customers	2,101,322	747,951
Taxation	6,289,974	2,233,376
Intercompany payables	36,287	406,722
Accruals	2,384,562	850,560
Statutory liability	141,291	220,689
Lease liabilities	67,548	67,548
Interest bearing loan	837,831	935,197
Government Grant	791,718	791,718
	<u><b>14,394,285</b></u>	<u><b>8,844,843</b></u>
<b>14 DEFERRED TAXATION</b>		
At January 1	9,851,484	6,872,149
Net Charged for the period		2,739,040
Tax expenses		240,295
As At the end of the period	<u><b>9,851,484</b></u>	<u><b>9,851,484</b></u>

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

	Mar-22 N'000	Dec-21 N'000
<b>15 Term Loans</b>		
<b>Amount falling due after one year</b>		
Interest - bearing loans and borrowings	7,959,534	7,959,534
Government Grant	<u>3,303,197</u>	<u>3,303,197</u>
	<u><b>11,262,731</b></u>	<u><b>11,262,731</b></u>
<b>15.1 Long Term Loans</b>		
<b>Zenith Bank Plc Loan</b>		
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.		
<b>Bank of Industry</b>		
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.		
<b>Zenith Bank Plc Loan</b>		
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.		
<b>16 SHARE CAPITAL</b>		
<b>16.1 AUTHORISED</b>	N'000	N'000
1,200,000,000 Ord. Shares of 50k each	<u>600,000</u>	<u>600,000</u>
<b>16.2 ISSUED AND FULLY PAID</b>		
Existing 953,910,000 Ord. Shares of 50k each	<u>476,956</u>	<u>476,956</u>
<b>17 SHARE PREMIUM</b>		
Share Premium	1,867,095	1,867,095
<b>18 REVENUE RESERVES</b>		
At 1st January	31,958,408	27,096,809
	<u>31,958,408</u>	<u>27,096,809</u>
Retained Profit for the period	9,498,115	12,099,655
	<u>41,456,523</u>	<u>39,196,464</u>
Dividend paid		-6,677,370
Actuarial gain/ (loss)		-560,686
Unclaimed dividend		-
As at March 31 2020	<u>41,456,523</u>	<u>31,958,408</u>
<b>19 Non-distributable reserves</b>		
As at 1st January	-250,502	-811,189
Actuarial (Loss) / gain		560,687
As at 31st December	<u>-250,502</u>	<u>-250,502</u>
<b>20 COMPARATIVE FIGURES</b>		
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.		