

THE OKOMU OIL PALM COMPANY PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2016

OKOMU OIL PALM COMPANY PLC

Financial report for the year ended 31st December, 2016

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OKOMU OIL PALM COMPANY PLC

Corporate information

Directors

Chairman	Mr. G. Oyeboode MFR	
Managing Director	Dr. G. D. Hefer	(South African)
Finance Director/Chief Financial Officer	Mr. A. Mary	(French)
Non Executive Directors	Dr. L. J. J Boedt Chief D.U. Edebiri OON Mr. P.A.E Eguasa JP Mr. H.Fabri Mr. Ph.de Traux de Wardin Mr. R. Helmoortel Mr. S. F. Claeys	(Belgian) (Belgian) (Belgian) (Belgian) (Belgian)

Independent Director Mr. A. Ighodalo

Company Secretary Mr. C. J. Mariere

Registered office and principal place of business Okomu Oil Palm Estate
Okomu-Udo
Edo State

Auditors Horwath Dafinone
Chartered Accountants
16 Wharf Road, Apapa, Lagos

Bankers

- **Nigerian**

Access Bank Plc
Skye Bank
Stanbic IBTC Bank Plc
Sterling Bank Plc
Zenith Bank Plc
Guaranty Trust Bank Plc

- **Foreign**

Banque Cantonale de Fribourg
Freiburger Kanonal Bank

Solicitors Chief Charles Adogah & Co
(Solicitors & Advocates)
34 Oziegbe Street, New Benin
Benin City

Registrars Cardinalstone Registrars Ltd.
358, Herbert Macaulay Way
Yaba,
Lagos

Managing agent Socfinco F.R. S.A
Square des Places 3
1700
Fribourg
Switzerland

RC No. 30894

OKOMU OIL PALM COMPANY PLC

Chairman's report

Distinguished Shareholders, Guests of Honour, Ladies and Gentlemen you are all welcome to the 37th Annual General meeting of our Company. It is once again my pleasure to present to you the annual report and financial results for the year ended 31st December 2016.

THE OPERATING & ECONOMIC ENVIRONMENT 2016

The past year was conceivably the most difficult time in many years for Nigeria, what with the low crude oil prices, the devaluation of the Naira, an ongoing paucity of foreign exchange and an increase in inflation to record highs, which together, formed a perfect storm which led the economy into recession this year. Notwithstanding these strong headwinds, our company, aided somewhat by the currency devaluation, continued fiscal discipline by management and Government policies, managed to perform admirably under the circumstances. Rubber prices, whilst still off their 2013/14 highs, showed a slight improvement, allowing it to remain positive at the operational level in 2016. This enabled the company to bring in valuable foreign currency from rubber exports at a time when foreign exchange to pay for the importation of critical goods and materials required by the company is very scarce. Local crude palm oil (CPO) prices, mainly as a result of changes in policy, combined with the effects of devaluation and inflation, resulted in an average increase in the Naira price of CPO by 55% in 2016 over that of 2015.

Aside from the price, some other positive milestones that should be highlighted in 2016 include the following, namely: the company produced and processed a new record tonnage of 169,898t of fresh fruiting bunches (FFB), up 5% on 2015 tonnages, thereby surpassing last year's record; it planted the first 4,000ha of palm in the new Extension 2; it received its Environmental Impact Assessment (EIA) certificate from the Federal Ministry of Environment for Extension 2; it had its ISO9001 and ISO14001 certifications for quality and environment renewed whilst also obtaining a new certification through OHSAS 18001 for safety in the workplace. The company also reported a profit on continuing operations after tax of N4.9 billion, even under the prevailing challenging business conditions, which propelled it into one of the top 10 companies with the highest turnover on the Nigerian Stock Exchange in 2016.

However, the euphoria of this very positive bottom line for 2016 should be tempered by the fact that this was achieved mainly through the devaluation of the Naira after June and ongoing cost cutting measures by management, both which are becoming increasingly difficult to manage or curtail. Runaway costs and high inflationary pressures through our raw material supply chain have become a norm and are of serious concern going forward. Cash flows at year end of N3.2 billion, up from N905 million in 2015, will continue to assist in the funding of developments, such as the planting of a further 4,000ha in Extension 2 and the expansion of the banga production facilities at the oil mill to meet increased demand of the product and the refurbishment of our oil mill and rubber factory effluent ponds, amongst others in 2017. Despite the need for continued fiscal prudence, the Board of Directors have still recommended a dividend payment of N 1.50k per share, which would translate into a total payment to shareholders in 2016 of nearly N 1.43 billion.

THE COMPANY'S OPERATIONAL PERFORMANCE FOR 2016

OIL PALM

Total oil palm area, including that of Extension 2, was 14,463ha. No palm was replanted and immature area totaled 4,590ha as at the end of 2016.

Total FFB production for 2016, including Extension 2, was 169,898t which was 5% higher than that produced in 2015 and represented an average FFB yield of 17.2t/ha. Plantation costs were 14% higher than for the prior year.

OKOMU OIL PALM COMPANY PLC

Chairman's report (continued)

The oil mill processed 168,501t of the FFB in 2016, resulting in a record 36,260t CPO being produced. Oil extraction rates averaged 21.5% for 2016. Furthermore, oil mill costs for 2016 were 5% higher than for the corresponding period in 2015.

Net CPO sales for the past year were 57% higher than in 2015. The average sales price for CPO in 2016 was N 310,705/t, up by 55% (cf. N 200,120/t) on 2015's average annual price.

Total palm oil products revenue at N 12.2 billion was 57% higher than that of 2015, whilst profit derived from palm product operations was N 3.6 billion, up by 70% on the corresponding period in 2015 (N 2.1 billion).

RUBBER

Of the total area of 7,335ha (cf. 7,863ha in 2015), 4,345ha was mature in 2016, the decline being due to tree loss mainly from wind damage and fire from militants in December 2015. The area under new plantings was 201ha.

Wet cup lump production (on an average dry rubber equivalent) was 6,634t. The average yield of dry rubber was 1.53t/ha which was 6% lower than 2015 (1.62t/ha in 2015).

The rubber factory processed 7,140t of dry rubber last year, which was 9% down on that processed in 2015.

The average rubber price in 2016 for processed rubber was N 308,107/t, up 22% on 2015's prices.

Rubber factory costs declined by 7%, when compared to the 2015 figures whilst total rubber revenue increased by N 204 million when compared with 2015's figures to N 2.2 billion, and profit derived from rubber increased by 20% over that of 2015 to N 649 million.

CONSOLIDATED FINANCIAL RESULTS

During the year under review, the consolidated results of the Company recorded combined revenues totaling N 14.3 billion (cf: N 9.7 billion in 2015), this being nearly 48% higher than for 2015.

Consolidated costs of sales were less than 1% higher than 2015 at N 3.6 billion (cf: N 3.4 billion in 2015) as management continued to hold down escalating costs.

The Company paid nearly N 140 million in consolidated company and consumption taxes to Federal agencies in 2016 (cf: N 659 million in 2015). This translated into a total comprehensive income for 2016 of N 4.9 billion, nearly 58% better than the N 2.7 billion profit in 2015.

Board, ever mindful of the importance of dividend payouts to you, have tried to balance the above extrinsic factors, together with the cash requirements of the company and the ongoing expansions that will add future shareholder value, and have duly recommended a dividend payment of N 1.50k share, which would translate into a total payment to shareholders in 2016 of nearly N 1.43 billion.

ENVIRONMENT, HEALTH, EDUCATION & SAFETY

The company prides itself in being one of the leading proponents of environmental conservation, health, education and safety standards in Nigeria which assist in the mitigation and minimisation of impacts to our staff, their families, communities and the surrounding biodiversity within our jurisdiction. This pride is premised upon the company's ongoing re-certification as an ISO9001:2008 Company in 2016, ensuring that our customers are once again guaranteed only the highest quality products at all times.

OKOMU OIL PALM COMPANY PLC

Chairman's report (continued)

Also, the Company once again retained the coveted ISO14001:2004 certification, re-confirming that our endeavours to minimize any negative impacts of our business footprint on the environment has been duly recognised. Furthermore, the company obtained another accolade when it was presented the OHSAS18001 certificate on safety in the workplace. To top it off, NAFDAC and SON certifications were once again renewed on the company's products. The company, believing in the adage of "continuous improvement" has also embarked upon certification with the Roundtable on Sustainable Palm Oil (RSPO) on all of its plantations by 2017. This is well on its way to completion, with nearly 90% of the RSPO requirements having been complied with. By this time next year, I hope to be able to announce that our company is the first company in Nigeria to be certified RSPO compliant.

The Company spent N 35 million on staff health, safety and welfare programmes in 2016, this being up by 40% on 2015 spend (2015: N 25 million).

Thanks to the ongoing dedication from the Health, Safety and Environment Department (HSE), the Federal Ministry of Environment, after completing their annual, as well as their quarterly audits, gave the Company a clean bill of health in this regard in 2016.

This year, I am also pleased to announce, that, thankfully, there was a marked absence of any untoward activities of violence, unrest or militancy within or surrounding our various plantations and the company and its neighbouring communities enjoyed a successful year working together in harmony and unity with each other. Where differences in opinion arose, these were handled, maturely and peacefully, through dialogue. I am sure that you will all join with me in congratulating both the company and the communities concerned in working together in this manner this past year and we look forward to more of the same in 2017. Ongoing training, projects, bursaries, skills acquisition programmes, assistance and the like to the value of N 125 million were also made to both communities and Government departments in 2016, up by nearly 32% when compared with the prior year (2015: N 95 million).

Total fulltime employees on Okomu's payroll as at December 2016 were 534 (2015: 563). The company continued with employee training as part of its ongoing improvement programme by investing N 21.8 million in skills development in 2016 (2015: N 21.6 million).

FUTURE EXPANSION & DEVELOPMENT PLANS

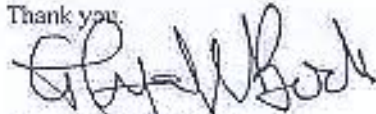
Extension 2 has been transformed, what with the attainment of the Federal Ministry of Environment's EIA certification and the subsequent planting of the first 4,000ha palm. In 2017 another 4,000ha of palm will be planted and in 2018 the last 1,000ha will be planted to give a total area of about 9,000ha under palm. As at the end of 2016 the company had spent nearly N 4.5 billion in developments on the project, both biological or otherwise. In 2018 the most important project to be taken on at Extension 2 will be the funding of the new oil mill which would need to be built in 2019 in anticipation of it being commissioned in 2020. The company will also replant about 500ha of oil palm at Okomu and around 700ha of rubber in Extension 1, if all environmental certification has been granted in 2017. The company is hoping to connect to the national grid in 2017 after having conducted a test run with the Benin Electricity Distribution Company (BEDC) in 2016 to see how sustainable the provision of electricity was through their grid. Based upon the BEDC's promise of Okomu obtaining priority status, I am happy to announce that over the past 4 months, the average, downtime was less than 25%. We will integrate the BEDC power with our current gensets in 2017 which will then allow us to seamlessly change over between our gensets and BEDC power without affecting productivity or downtime in the future. This should lower the cost of power from the current N 106/KWhr to around N 40/KWhr, a significant saving indeed. Extension 1 will also be serviced through this grid by the crection of overhead lines to it in 2017.

OKOMU OIL PALM COMPANY PLC

Chairman's report (continued)

In conclusion, ladies and gentlemen, I am sure that you can see that, despite the current turbulent times in the Country, our company has prevailed. This has not been without the spilling of "blood, sweat and tears", and I would like to thank all those of you, and more especially the management and staff of the company, who have, against all odds, this past year contributed tremendously to our highly commendable performance. That also includes, you, our shareholders, who have been our rock in difficult times such as we are now experiencing. I know that you are expecting greater things in 2017 for our company and by God's grace, this will surely be so. Thank you for your attendance at our Annual General Meeting this year and I wish you well for 2017.

Thank you.



Mr. G. Oyebode MFR
Chairman

OKOMU OIL PALM COMPANY PLC

Directors' report

The directors present their annual report together with the audited financial statements report for the year ended 31st December, 2016.

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.

Results for the period

These are as set out on page 20 of these financial statements.

Future prospects & review

The review of the company's activities for the year is as set out within the Chairman's statement. The reports should be read in conjunction with this report.

Dividend

The directors recommend, in respect of the year ended 31st December 2016, the declaration of a dividend of N 1.430 billion (note 41) (2015: N 95.39 million) subject to the deduction of withholding tax at the appropriate rate.

Directors' responsibilities

The Companies and Allied Matters Act, CAP C20, LFN 2004, and the Financial Reporting Council Act No. 6 of 2011 require the directors to prepare the financial statements in respect of each financial year, that give a true and fair view of the statement of financial position of the company as at the end of the year and of the profit and statement of comprehensive income generated by the company for the year ended on that date together with the relevant notes to the financial statements.

In preparing the financial statements, the directors were required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure that the applicable International Financial Reporting Standards have been followed and in the case of any material departures from there, ensure that these have been fully disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is deemed inappropriate to assume that the company shall continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any point in time, the financial position of the company to enable them ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Financial Reporting Council Act No. 6 of 2011, the requirements and regulations of the Stock Exchange and the Securities and Exchange Commission together with the applicable International Financial Reporting Standards.

The directors are also responsible for safeguarding the assets of the company, and for therefore ensuring that all reasonable steps have been taken to prevent and detect fraud and other irregularities.

Creditors payment policy

The company's code in respect of its practices on payments are to settle the supplier's accounts in accordance with the individual contractual terms of business agreed with each organisation to whom it is liable. Trade payables amounted to 68 days on average during the year (2015: 95 days).

OKOMU OIL PALM COMPANY PLC

Directors' report (continued)

Management and Technical Service Provider Okomu Oil Palm Company Plc receives technical support from Socfinco F.R. S. A. The agreements are made with the approval of the National Office for Technology Acquisition and Promotion (NOTAP).

Properties, plant and equipment These are set out in note 21 to this financial report.

Bearer biological assets These are set out in note 22 to this financial report.

Research and development The activities of the company did not necessitate any expenditure on research and development during the year under review as the research into its biological assets is carried out by the technical partners as part of the provisions of the technical support.

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

- Mr. G Oyebo MFR Chairman
- Dr. G. D. Hofer Managing Director (South African)
- Mr. A. Mary Finance Director (French)
- Chief D.U Edebiri OON
- Mr. H. Fabri (Belgian)
- Mr. R. Helmoortel (Belgian)
- Dr. L. J. J. Boedt (Belgian)
- Mr. P. A. E. Eguasa JP
- Mr. A. Ighodalo
- Mr. Ph.de Traux de Wardin (Belgian)
- Mr. S. F. Claeys (Belgian)

Directors retiring In accordance with Section 259 (1) of the Companies and Allied Matters Act, CAP C20 LFN, 2004, 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 are: Dr. L. J. J. Boedt, Mr. P. A. E. Eguasa, Mr. A. Ighodalo.

History of share capital

Year	Authorised share capital number	Value N	Issued & fully paid shares	Value N	Remarks
1989	68,000,000	34,000,000	50,700,000	500,000	Initially the share of the company were 10k/share
1989	68,000,000	34,000,000	50,700,000	25,350,000	By Ord. Resolution passed on 27/04/1990, 340,000,000 ord. Shares of 10k was consolidated and divided into 68,000,000 shares of 50k each.
1991	68,000,000	34,000,000	55,200,000	27,600,000	Listed on Stock Exchange on 8 March 1991
1992	68,000,000	34,000,000	66,240,000	33,120,000	

OKOMU OIL PALM COMPANY PLC

Directors' report (continued)

History of share capital (continued)

Year	Authorised share capital number	Value N	Issued & fully paid shares	Value N	Remarks
1993	80,000,000	40,000,000	79,884,000	39,120,000	Bonus shares of 1 for 5 held issued and fully paid
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 and Rights issue of 1 for 3 held
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 Authorised Share capital & a rights issued of 2 for 1 held
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	
2013	1,200,000,000	600,000,000	953,910,000	476,956,000	Increase in share capital & Bonus issue of 1:1
2014	1,200,000,000	600,000,000	953,910,000	476,956,000	
2015	1,200,000,000	600,000,000	953,910,000	476,956,000	
2016	1,200,000,000	600,000,000	953,910,000	476,956,000	

Directors' interest

The directors' 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 Sections 275 and 276 of the Companies and Allied Matter Acts, CAP C20 LFN 2004 are as follows:

Held as at:	31 st December, 2016		31 st December, 2015	
	Direct Number	Indirect Number	Direct Number	Indirect Number
Mr. G. Oyeode MFR	35,938,136	5,345,978	35,938,136	5,345,978
Mr. P.A.E. Eguasa JP	9,165,000	-	9,090,000	75,000
Mr. A. Ighodalo	-	1,060,000	-	1,060,000

Shareholding

The shares of Okomu Oil Palm Company Plc are 62.69% owned by Socfinaf S.A which is incorporated under the laws of Luxembourg and 37.31% 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.

OKOMU OIL PALM COMPANY PLC

Directors' report (continued)

Employment of physically challenged persons	The company's policy is to give equal consideration to all persons, including the physically challenged persons, in all matters of employment, after taking cognisance 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. There was no physically challenged person in the employment of the company.															
Employee Involvement and training	The company provides all of the appropriate training for its employees through the acquisition of the relevant experience that they obtain whilst working and through their attendance at other relevant external courses. The company incurred N 24.5 million (2015: N 21.6million) in providing training during the year.															
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 also provides medical facilities to all levels of employees. The company incurred N 35 million (2015: N 25.0 million) during the year.															
Corporate governance	The corporate governance report and the director's responsibilities are set out on pages 8 to 14 and form an integral part of this report.															
Charitable donations	<p>The company made charitable gifts and donations of N 124.96 million during the year (2015: 94.73 million). These comprised:</p> <table><thead><tr><th></th><th>2016 N '000</th><th>2015 N '000</th></tr></thead><tbody><tr><td>• Community projects</td><td>122,564</td><td>91,715</td></tr><tr><td>• Scholarships given</td><td>2,400</td><td>2,260</td></tr><tr><td>• Donation to the Edo State Police</td><td>-</td><td>759</td></tr><tr><td></td><td><u>124,964</u></td><td><u>94,734</u></td></tr></tbody></table>		2016 N '000	2015 N '000	• Community projects	122,564	91,715	• Scholarships given	2,400	2,260	• Donation to the Edo State Police	-	759		<u>124,964</u>	<u>94,734</u>
	2016 N '000	2015 N '000														
• Community projects	122,564	91,715														
• Scholarships given	2,400	2,260														
• Donation to the Edo State Police	-	759														
	<u>124,964</u>	<u>94,734</u>														
Statement of disclosure to auditors	<p>In accordance with Section 369 (1(a) & (b)) & 369(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, each and all of the directors, as at the date of approval of this report confirms that:</p> <ul style="list-style-type: none">- So far as he is or they are aware, there is no information, which would be required by the company's auditors in connection with their compilation of their audit report, of which the auditors have not been made aware; and- Each director has taken all of the reasonable steps that he ought to have taken as a director to make himself aware of any such information, and to establish that the auditors are aware of such information.															

OKOMU OIL PALM COMPANY PLC

Directors' report (continued)


Analysis of shareholding

	Range	No. of holders	Percent	Unit	Percent
1	-50	264	1.615	6,846	0.001
51	-100	314	1.920	27,304	0.003
101	-500	3,098	18.948	1,115,307	0.117
501	-1000	3,552	21.725	2,856,437	0.299
1001	-5000	5,812	35.547	14,164,963	1.485
5001	-10000	1,358	8.306	10,011,824	1.050
10001	-50000	1,442	8.820	32,021,238	3.357
50001	-100000	229	1.401	16,625,971	1.743
100001	-500000	207	1.266	47,965,203	5.028
500001	-1000000	35	0.214	25,156,952	2.637
1000001	-953910000	39	0.239	803,957,955	84.280
	Grand Total	16,350	100	953,910,000	100

Audit Committee Pursuant to Section 359(4) of the Companies and Allied Matter Act, CAP C20, LFN 2004, the company established an audit committee comprising of an equal number of the representatives of both the Directors and the Shareholders. The members of the Committee are: Chief D.U. Edebiri OON, Mr. L. A. Ohenhen, Mr. P. A. E Eguasa, Mr. M. Igbude, Mr. A. Imadu and Dr. Luc Boedt.

Auditors Messrs Horwath Dafinone, Chartered Accountants, having indicated their willingness, to continue in office, shall do so in accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

By Order of the Board


Mr. C. J. Mariere
Company Secretary
Okomu-Oil Palm Estate
Okomu-Udo
Edo State

16th March, 2017

FRC Number: FRC/2017/HSA/00000016477



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Grant Thornton Nigeria
3rd & 4th Floors
294 Herbert Macaulay Way
Sabo - Yaba
P.O. Box 9995
Surulere, Lagos
Nigeria
T +23417744070

Report of the External Consultants on Okomu Oil Palm Company Plc's Board of Directors' Appraisal

We have completed our procedures for Okomu Oil Palm Company Plc's board of directors' appraisal for the year ended 31 December 2016 in accordance with the Securities and Exchange Commission's (SEC) Code of Corporate Governance 2011 for public companies in Nigeria.

The scope of our review focused on all the relevant sections of SEC's Code.

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 Securities and Exchange Commission's Code of Corporate Governance 2011 for public companies in Nigeria.

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 for expression or approval of matters not specifically mentioned therein.

The review was concluded in January 2017. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the board of directors.


(Chartered Accountants)

27 February 2017

Partners
Peter M. Odu (Executive Chairman)
Isaac C. Eze
Njoku A. Ogun
Oy J. Okpoko
Victor O. Odu
Nwachukwu Akab

Audit Tax Advisory
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OKOMU OIL PALM COMPANY PLC

Corporate governance

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 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.

This section together with the Directors' report on pages 6 to 10 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, one Independent Non-Executive Director, seven Non-Executive directors and two Executive Directors.

The posts of Chairman and Managing Director are separated 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 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 plans and budgets;
- Approval of the annual results, interim management statements, accounting policies and the appointments and, subject to shareholder approval, remuneration of the external auditors;

OKOMU OIL PALM COMPANY PLC

Corporate governance (continued)

Functioning of the Board (continued)

- 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.

At its meetings during the year, the Board discharged the duties above and received update on the following financial performance; 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.

The Board has delegated authority to certain committees to carry out specified objectives which are defined by their terms of reference. Additional information on the responsibility of each the Board Committees are outline on pages 8 to 12.

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.

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 committee performance and also 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.

Directors' 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.

OKOMU OIL PALM COMPANY PLC

Corporate governance (continued)

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 2016 are as follows:-

S/N	Name of Director	Board of Directors	Audit committee	Risk management committee	Governance/ Remuneration committee
Number of meetings held		4	4	3	4
1.	Mr. G. Oyeboode	4 C	-	-	-
2.	Dr. G. Hefer	4	-	3	-
3.	Dr. L. J. J Boedt	4	4	-	-
4.	Mr. P. A. E Eguusa	4	4 C	3 C	4
5.	Mr. P. De Traux	4	-	-	3
6.	Mr. H Fabri	4	-	-	-
7.	Mr. R. Helsnoortel	4	-	-	4
8.	Chief D. U Edebiri	4	4	3	4
9.	Mr. A. Ighodalo	4	-	-	4 C
10.	Mr. A. Mary	4	-	3	-
11.	Mr. S F. Clacys	4	-	3	-

- Non member C Chairman

- (j) Mr. A. Mary and Dr. G. Hefer were requested to be in attendance at the audit committee meetings to provide the appropriate information required by the committee.

In line with the provisions of Section 258(2) of the companies and Allied Matters Act 2004, the record of directors' attendance at board meetings is 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 committee meetings, their comments on the paper to be considered at that meeting are relayed in advance to the Chairman of that meeting, or an alternate is produced were 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 for ensuring that Board procedures are duly followed. The officer is also 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 & company secretary and through him have access to independent professional advice in respect of their duties at the company's expense.

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 principal committees of the Board are as follows:

OKOMU OIL PALM COMPANY PLC

Corporate governance (continued)

Name	Risk management	Governance/ Remuneration
Mr. G. Oyeohode MFR	-	-
Dr. L.JJ Boedt	-	-
Chief D. U. Edebiri OON	M	M
Mr. P. A. E Eguasa	C	M
Mr. H. Fabri	-	-
Dr. G.D Hefer	M	-
Mr. R. Helsmoortel	-	M
Mr. A. Ighodalo	-	C
Mr. A. Mary	M	-
Mr. P.de Traux de Wardin	-	M
Mr. S. F. Clueys	M	-

Keys

- Non-member
- M Member
- C Chairman of Committee

Risk Management Committee

The Risk management committee is charged with the responsibility for acknowledging and identifying risk in the work place and the operating environment, evaluating and prioritizing such risks that may arise and advising the company on how to avoid, modify and manage all of the risks the company may encounter. During the year, the committee was chaired by Mr. P. A. E Eguasa with two other non-executive directors as members. The committee met 3 times in 2016.

Audit Committee

The Committee comprises of three non-executive directors and three elected members of the shareholders as shown below:-

Mr. P.A.E. Eguasa	Director	Chairman
Mr. L.A. Okenhen	Shareholder	Member
Mr. M. Igbudo	Shareholder	Member
Rev. A. Imadu	Shareholder	Member
Dr. L. J. J. Boedt	Director	Member
Chief D.U Edebiri, OON	Director	Member

It was chaired by Mr. P. A. E. Eguasa from October, 2014 to October, 2015 and Mr. A. Imadu from October 2015 to October 2016. The committee met four times during the year. At the meetings, the Managing Director, Finance Director, representative of External Auditors, the internal Auditor and the company secretary were all in attendance. The Board considers that the members of 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.

OKOMU OIL PALM COMPANY PLC

Corporate governance (continued)

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 information and support from 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 comprises four non-executive directors and an Independent Director. The Independent non-executive director Mr. Asue Ighodalo, chairs the committee. The company secretary provides secretarial and related advisory services to the committee as necessary.

The committee's principal responsibilities are to determine the company policy on senior management remuneration and approve appropriate salary packages of Senior Nigerian Management staff and non-executive Board allowances. The committee (excluding the non-executive chairman) 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 member of the company's Non-Executive Board.

OKOMU OIL PALM COMPANY PLC

Corporate governance (continued)

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.

The Annual General Meeting (AGM) provides the Board with a valuable opportunity to communicate with private 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, CAP C20, LFN 2004. In accordance with the Articles, electronic and proper proxy appointments and voting instructions must be received not later than 7 days 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 organisational 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 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 there from;
- Management's own assessment of the performance of the system of risk management and internal control during 2016; 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.

OKOMU OIL PALM COMPANY PLC

Corporate governance (continued)

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 breach, or otherwise, and who may wish to ensure that 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 and the management has produced 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.


Mr. Christian J. Mariere
Company Secretary
By the Authority of the Board
Okomu-Udo

Edo State

ERC NUMBER: FRC/2017/NBA/0000016477

16th March, 2017

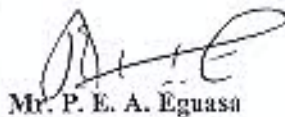
OKOMU OIL PALM COMPANY PLC

Report of the Audit Committee

In compliance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, 1990, we, the members of the Audit Committee of 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 audited financial statements for the year ended 31st December, 2016 are in accordance with legal requirements and agreed ethical practices.

We confirm that the external auditors, Messrs Horwath Dafinone, Chartered Accountants have issued an unqualified opinion on the Company's financial statements for the year ended 31st December, 2016.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2016 were adequate and we confirm that the responses by the management to the external auditors findings on Management matters were satisfactory.



Mr. P. E. A. Eguasa
Chairman, Audit Committee

FRG/2014/GISN/00000010321

Dated this 15th March, 2017

Members of the Audit Committee:

Mr. P. E. A. Eguasa (JP) MBA (Finance and Accountant)	-	Chairman	(Director)
Rev. A. Imadu	-	Member	
Mr. M. Igbrude	-	Member	
Chief D. U. Edebiri OON	-	Member	(Director)
Mr. L. A. Ohenhen (JP)	-	Member	
Dr. L. J. Boedt	-	Member	(Director)

The Company Secretary, Mr. C. J. Mariere, acted as the Secretary to the Committee.


OKOMU OIL PALM COMPANY PLC

Report of the Audit Committee (continued)


**CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT
NO. 29 OF 2007**

We the undersigned hereby certify the following with regards to our financial reports for the year ended 31 December, 2016 that:-

- a) We have reviewed the report
- b) To the best of our knowledge, the report does not contain;
 - i. Any untrue statement of material effect, or
 - ii. Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the period presented in the report.
- d) We:-
 - i. Are responsible for establishing and maintaining internal controls;
 - ii. Have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within entities particularly during the period in which the periodic reports are being prepared;
 - iii. Have evaluated the effectiveness of the Company's internal controls as the date within 90 days prior to the report;
 - iv. Have presented in the report our conclusions about the effectiveness of the company's internal control based on our evaluation as of that date;
- e) We have disclosed to the Auditors and Audit Committee:-
 - i. Significant deficiencies in the design and operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - ii. Any fraud whether or not material, that involved management or other employees who have significant role in the company's internal controls.
- f) 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 weakness.



Dr. Graham D. Hefel
Managing Director/CEO
FRC/2013/IODN/00000002460



Mr. Alain Mary
Chief Finance Officer
FRC/2013/IODN/00000002461

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OKOMU OIL PALM COMPANY PLC**

Report on the financial statements

We have audited the financial statements of Okomu Oil Palm Company Plc for the year ended 31st December, 2016 which are set out on pages 26 to 63 and which comprise the statement of profit and loss and comprehensive income for the year then ended, the statement of financial position, the statement of changes in equity, the cash flow statement for the year then ended, the summary of significant accounting policies and other explanatory notes to the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Okomu Oil Palm Company Plc as at 31st December, 2016 and of its financial performance and its cash flows for the year then ended on that date, and comply with the Companies and Allied Matters Act CAP C20 LFN 2004, and the Financial Reporting Council Act No. 6 of 2011, the listing requirements of the Nigerian Stock Exchange together with the applicable International Financial Reporting Standards.

Basis of opinion

An audit involves performing appropriate procedures so as to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers the internal controls that are relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the information contained within the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate as to provide a reasonable basis for our audit opinion.

Key audit matters

Key audit matters are those matters, that in our professional judgment, were of significant importance in the performance of our audit of the financial statements. These matters were fully addressed during the audit of the financial statements as a whole and in forming our opinion. We do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OKOMU OILPALM COMPANY PLC (continued)**

Key audit matters

Revenue

The primary determinant and key performance indicator of both the financial position and performance is the revenue generated given the nature of its business. The Revenue this year was N 14.4 billion (2015: N 9.7 billion) (notes 6).

Our audit performed and responses thereon

We have tested and relied on the accounting systems and internal controls pertaining to the processing, delivery, receipt and recording of income in respect of such revenue. The results of the tests provided evidence that reliance could be placed on such systems.

The substantive tests in respect of revenue and the trade debts existing as at the reporting date were carried out and we obtained written confirmation from the related parties of amounts sold through the related parties.

We reviewed the sectoral analysis of the income and the basis of their allocation to determine if it was appropriate and had been properly applied. Appropriate test were made to ensure compliance with the sectoral policy.

No evidence of any error in respect of the amounts disclosed as revenue or the related debts came to our attention.

Biological assets impairment review

Bearer Biological assets

The company's assets comprise land and the natural production assets in the form of rubber and oil palm trees. These are set out in notes 21 and 22.

The value of these assets as at the reporting date was N 9.4 billion.

We carried out tests on the current existing bearer biological assets to obtain assurance as to their cost. The amounts incurred in creation of the immature parts of the plantation were subject to tests of accuracy and authenticity.

We examined the current economic pricing of the output of the plantation and have reached the conclusion that no provision for impairment of these assets, given the overall market conditions is required as at the date of our opinion.

Having reviewed the technical reports, we have no evidence to support the presence of material misstatement in these accounts.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OKOMU OILPALM COMPANY PLC (continued)**

Other information other than the financial statements and auditor's report

The Directors report, Chairman's statement, and other information contained therein are the responsibility of management. Our opinion does not cover these reports and accordingly we do not express any form of assurance or conclusion thereon.

It is our responsibility under the Companies and Allied Matters Act CAP C20 LFN 2004, to read the other information issued in conjunction with these financial statements and in doing so, consider whether the information is materially inconsistent with the financial statements or with the knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work, we conclude that there is a material misstatement of the other information, we are required to report the fact in our audit report. We have nothing to report in this regard.

Directors and management's responsibility for the financial statements

The directors and the management are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, the listing requirements of the Stock Exchange, the Code of Corporate Governance, the regulation and provisions of the Investment Securities Act 2011, and the Companies and Allied Matters Act, CAP C20, LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OKOMU OILPALM COMPANY PLC (continued)**

Auditor's responsibility

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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to such in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- 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.
- Our sufficient appropriate audit evidence regarding the financial information of the business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit and remain solely responsible for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OKOMU OILPALM COMPANY PLC (continued)**

Compliance with the relevant legislation and regulations

In accordance with Sections 360 (1) and (2) of the Companies and Allied Matters Act CAP C20 LFN 2004, we confirm that the financial statements are in agreement with the accounting records, which have been properly kept.

In accordance with Section 359(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, we confirm that we received all of the information and explanations that were required for the purpose of the audit.

Lagos, Nigeria
16th March, 2017

Babatunde Lawal
Engagement Partner
for: Horwath Dafinone
Chartered Accountants
FRC/2012/ICAN/0000000357



OKOMU OIL PALM COMPANY PLC

Year ended: 31st December, 2016

Statement of profit or loss and comprehensive income

	Notes	2016 N '000	2015 N '000
Revenue	5(i), 6	14,364,736	9,738,015
Other work performed by the entity capitalised	7	2,293,362	1,448,193
Changes in inventories of the finished goods and work in progress		145,543	(41,178)
Raw materials and consumables used	8	(3,305,572)	(1,803,655)
External charges	9	(2,656,780)	(2,685,254)
Employees' expenses	10	(750,476)	(728,505)
Depreciation on property, plant and equipment	21	(960,311)	(916,706)
Depreciation on bearer biological assets	22	(234,786)	(226,288)
Administrative expenses	11	(2,016,548)	(1,490,374)
Other income	12	114,734	196,413
Operating profit before tax, finance and other related costs		6,951,562	3,278,181
Finance income	15	291,273	43,111
Gain on disposal of assets	16	4,206	6,534
Finance costs	17	(1,340,588)	(429,181)
Profit from continuing operations before other comprehensive income and tax	18	5,906,453	2,898,645
Companies income tax charge	19.1	(996,180)	(239,030)
Deferred tax charge	19.2	-	-
Profit from continuing operations after taxation	5(iii)	4,910,273	2,659,607
Other comprehensive income			
Actuarial gains	33	73,599	94,872
Deferred tax on actuarial gains	19.2	(22,200)	(28,462)
Total comprehensive income		4,962,072	2,726,017
Basic earnings per share (Naira)	20	5.15	2.79

The general information and significant accounting policies that are set out on pages 30 to 41 and the notes on pages 30 to 61 form integral parts of the financial statements.


OKOMU OIL PALM COMPANY PLC

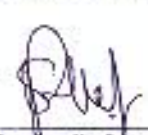
Year ended: 31st December, 2016


Statement of financial position

	Notes	2016 N '000	2015 N '000
Assets			
Non-current assets			
Property, plant and equipment	21	9,217,423	9,848,681
Bearer biological assets	22	9,399,803	7,395,989
		<u>18,617,226</u>	<u>17,244,670</u>
Current assets			
Inventories	23	1,719,080	1,490,595
Trade receivables	24	121,086	62,856
Other receivables	26	384,643	296,592
Cash and bank balances	27	3,198,251	905,527
Intercompany receivables	25	467,379	-
		<u>5,890,439</u>	<u>2,755,570</u>
Total assets		<u>24,507,665</u>	<u>20,000,240</u>
Equity and liabilities			
Share capital			
Share capital	29(b)	476,955	476,955
Share premium	30	1,867,096	1,867,096
Revenue reserves	31	14,667,990	9,801,309
		<u>17,012,041</u>	<u>12,145,360</u>
Non-current liabilities			
Deferred tax liabilities	19.4	1,755,473	1,733,273
Post-employment benefits obligation	33	315,965	352,650
Borrowings	34	2,416,252	3,386,168
		<u>4,487,690</u>	<u>5,472,091</u>
Current liabilities			
Trade payables	35	641,148	886,636
Other payables	36	114,829	67,477
Provisions and accruals	37	429,810	483,085
Borrowings	34	372,351	340,417
Tax payable	19.3	1,386,231	530,201
Dividend payable	38	63,465	63,465
Intercompany payables	25	-	9,508
		<u>3,007,934</u>	<u>2,382,789</u>
Total liabilities		<u>7,495,624</u>	<u>7,854,880</u>
Total equity and liabilities		<u>24,507,665</u>	<u>20,000,240</u>

The general information and significant accounting policies that are set out on pages 30 to 41 and the notes on pages 30 to 61 form integral parts of the financial statements.


 Mr. G. Ovesode MFR
 Chairman
 FRC/2013/NBA/00000002546


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


 Mr. Alain Maréchal
 Chief Finance Officer
 FRC/2016/IODN/00000002461

Approved by the Board of Directors on 16th March, 2017

OKOMU OIL PALM COMPANY PLC

Year ended: 31st December, 2016

Statement of changes in equity

	Note	Share Capital M '000	Share premium M '000	Non distributable reserves M '000	Distributable Revenue reserves M '000	Total M '000
Equity as at 31 st December, 2014		476,955	1,867,096	124,365	7,189,405	9,657,821
Transactions with shareholders						
Dividends paid	32	-	-	-	(238,478)	(238,478)
		-	-	-	(238,478)	(238,478)
Profit for the year		-	-	-	2,659,607	2,659,607
Actuarial gains	33	-	-	94,672	-	94,672
Deferred tax on actuarial gains	19.2	-	-	(28,462)	-	(28,462)
Comprehensive income for the year		-	-	66,410	2,659,607	2,726,017
Equity as at 31 st December, 2015		476,955	1,867,096	190,775	9,610,534	12,145,360
Equity as at 1 st January, 2016		476,955	1,867,096	190,775	9,610,534	12,145,360
Transactions with shareholders						
Dividends paid	32	-	-	-	(95,391)	(95,391)
		-	-	-	(95,391)	(95,391)
Profit for the year		-	-	-	4,910,273	4,910,273
Actuarial gains	33	-	-	73,999	-	73,999
Deferred tax on actuarial gains	19.2	-	-	(22,200)	-	(22,200)
Comprehensive income for the year		-	-	51,799	4,910,273	4,962,072
Equity as at 31 st December, 2016		476,955	1,867,096	242,574	14,425,416	17,012,041

The movement from distributable revenue profits to non distributable profits arises from the requirements of Section 380 of the Companies and Allied Matters Act, CAP C20, LFN 2004 which do not allow the distribution of dividends from gains arising from the revaluations of non-current assets and actuarial gains on post-employment benefits.

The general information and significant accounting policies that are set out on pages 30 to 41 and the notes on pages 30 to 61 form integral parts of the financial statements.

OKOMU OIL PALM COMPANY PLC

Year ended: 31st December, 2016

Statement of cash flows

	Notes	2016 N '000	2015 N '000
Cash flow operating activities			
Profit on continuing operations before tax	18	5,906,453	2,698,645
Adjustments for items not involving movement of cash			
Depreciation	21	960,333	916,786
Profit on disposal of fixed asset	16	(4,206)	16,534
Depreciation of bearer biological assets	22	234,786	228,286
Write-off-infected rubber plantation		59,180	107,823
		<u>7,155,546</u>	<u>4,144,208</u>
Movement in working capital			
Increase in inventories	23	(228,485)	(75,043)
Increase in trade receivables	24	(58,230)	42,448
Inter-company receivables	25	(476,887)	1,500
Other receivables and prepayments	26	(98,051)	330,283
Trade and other payables		(200,036)	86,312
Provisions and accruals	37	(53,275)	123,757
Retirement benefits	33	37,314	(48,734)
		<u>6,087,896</u>	<u>4,604,811</u>
Net cash generated from operating activities			
Tax paid	19.3	(140,150)	(656,552)
		<u>5,947,746</u>	<u>3,948,259</u>
Cash flow from investing activities			
Acquisition of property, plant and equipment	21	(333,469)	(929,347)
Pre-cropping expenditure incurred	22	(2,293,062)	(2,309,422)
Proceeds from disposal of property, plant and equipment		4,882	14,751
		<u>(2,621,649)</u>	<u>(3,123,718)</u>
Net cash outflow from investing activities			
Cash flow from financing activities			
Loans and borrowings		(937,962)	1,845,280
Dividends paid	32	(195,391)	(238,478)
		<u>(1,033,373)</u>	<u>1,610,802</u>
Net cash generated from financing activities			
Net cash inflow in the year			
Cash and cash equivalent as at the beginning of the year		305,527	(1,527,816)
		<u>3,198,251</u>	<u>905,527</u>
Cash and cash equivalent as at the end of the year*	27	<u>3,198,251</u>	<u>905,527</u>

* Cash and cash equivalents as at the end of the year comprise cash and bank balances only.

The general information and significant accounting policies that are set out on pages 32 to 41 and the notes on pages 30 to 61 form integral parts of the financial statements.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016

1. General information

The company was incorporated as a private limited liability company on 3rd December, 1979.

It was converted to a public limited company on 19th September, 1997 under the Companies and Allied Matters Act CAP C20 LFN, 2004.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are as set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Going concern

These financial statements have been prepared on the going concern basis. Management has no doubt that the company would remain in existence after 12 months. The company has no intention or need to substantially reduce its business operations. The management believes that the going concern assumption is appropriate for the company due to sufficient capital adequacy and projected liquidity, based on historical experience that its short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the company is carried out by the company to ensure that there are no impediments to the operations of the company.

2.1.1 Basis of preparation and measurement

The principal accounting policies adopted in the preparation of the financial statement are as set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Compliance with International Financial Reporting Standards

The financial statements have been prepared in compliance with the Companies and Allied Matters Act (CAMA) and the International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

Use of significant estimates, assumptions and management's judgement

The preparation of financial statements, in conformity with generally accepted accounting principles under IFRS, requires management to make estimates and assumptions that affect the reported amounts of 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 management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Functional and presentation Currency

These financial statements are presented in Nigerian Naira because it is the functional currency of the primary economic environment in which the company operates.

The financial statements were authorised for issue by the Board of Directors on _____, 2017. The shareholders of Okomu Oil Palm Company Plc do not have the right to amend the issued financial statements after they have been approved by the Board and accepted by the shareholders at the Annual General Meeting.

The financial statements have been prepared using a rounding level to the nearest N 1000.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.1 Going concern (continued)

2.1.1 Basis of preparation and measurement (continued)

Basis of measurement

The financial statements have been prepared on a historical cost basis except for the fair value basis that has been applied to certain non-current assets.

2.1.2 Changes in accounting policy and disclosures

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 31 December 2016 and have not been early adopted.

None of these is expected to have a material impact on the financial statements of the company.

IFRS 9, 'Financial Instruments' (effective for periods beginning on or after 1 January 2018).

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Okomu Oil Palm Company Plc. The company operates only one line of business.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which Okomu Oil Palm Company Plc operates ('the functional currency'). The functional currency of Okomu Oil Palm Company Plc is the Nigerian Naira. The financial statements are also presented in Naira.

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement under 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement under 'other (expenses)/income – net'. Translation differences related to changes in amortised cost are recognised in profit or loss.

The company has applied IAS 21 for the treatment of foreign currency translation.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.4 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Prior to the assets being brought into operation the amounts incurred are recorded as part of capital work-in-progress.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Leaschold land is depreciated over the applicable lease period. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

<u>Class of asset</u>	<u>Rate</u> %
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

The company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Also, when parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated based on their different useful lives. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate. Items classified as capital work in progress are not depreciated.

Impairment of property, plant and equipment

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

Impairment of property, plant and equipment (continued)

All repairs, maintenance and renewal expenses shall be charged to the statement of income during the period in which they are incurred.

Capital Work in progress (CWIP) shall be stated at cost. When ready for intended use CWIP shall be transferred to property, plant and equipment and depreciated in accordance with company's policy. Interest costs on borrowings to finance the construction of property, plant & equipment shall be capitalised as part of the cost of the asset.

Disposal

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.5 Bearer biological assets

Biological assets comprise the land and associated natural assets situated on such. These assets are initially recognized at their historic cost. The historic cost comprises the amounts incurred from the stage of pre-cropping, land clearing, agricultural labour, the costs of materials and the other expenditure incurred to bring the biological assets to the point of maturity.

Each group of biological assets is grouped in to the year in which the cultivation of the biological assets commences. The groups of assets are segregated according to the year and the product type. The biological assets are first recognised as immature until classified as mature.

Biological assets 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 includes expenditures that are directly attributed to the planting and nurturing of the bearer plant prior to the asset being tapped and harvested the amounts 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.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost over their estimated useful lives as follows:

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.5 Bearer biological assets (continued)

Class of asset	Rate
Palm plantation	5%
Rubber plantation	5%

Useful lives of the assets are reviewed annually and adjusted if appropriate. Items classified as immature plantations are not depreciated.

Impairment of Biological bearer plant

Where an indication of impairment exists, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

All maintenance expenses shall be charged to the statement of income during the period in which they are incurred.

Immature plantation shall be stated at cost when ready for tapping and harvesting they shall be transferred to matured plantation and depreciated in accordance with company's policy.

Disposal

The gain or loss arising on the disposal or retirement of the asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income.

2.6 Financial instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.6.1 Classification

Management determines the classification of its financial instruments at initial recognition.

The company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative financial assets

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets or liabilities held for trading. A financial asset or liability is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.6 Financial instruments (continued)

2.6.1 Classification (continued)

Non-derivative financial assets (continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

(c) Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(d) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the directors have the positive intention and ability to hold to maturity, other than:

- (a) those that the group upon initial recognition designates as at fair value through profit or loss;
- (b) those that the group designates as available-for-sale; and
- (c) those that meet the definition of loans and receivables.

2.6.2 Recognition and measurement

(a) Financial assets at fair value through profit or loss

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of income. Gains and losses arising from changes in fair value are presented in the consolidated statement of income within "other gains and losses (net)" in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term. Interest swaps and warrants are classified as current.

(b) Loans and receivables

Loans and receivables are initially recognised at fair value including transaction cost and subsequently they are carried at amortised cost using the effective interest method.

Loans and receivables include cash and cash equivalents, and trade and other receivables.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 365 days overdue) are considered indicators that the trade receivable is impaired.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.6 Financial instruments (continued)

2.6.2 Recognition and measurement (continued)

Trade and other receivables (continued)

The amount of the provision is the difference between the assets' carrying amount and the recoverable amount net of any costs that may be incurred in recovering the debt. The recoverable amount, if the receivable is more than one year is equal to the present value of expected cash flows, discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognized as an expense in profit or loss.

Bad accounts shall be written off when there is no possibility of recovery.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in profit or loss.

Cash, cash equivalents and bank overdrafts

Cash and cash equivalents shall comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

For the purpose of the Statement of cash flows, cash and cash equivalents comprise of: cash in hand, cash at bank, short term bank deposits, domiciliary account balance and bank overdraft.

(c) *Available-for-sale investments*

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from remeasurement are recognized in other comprehensive income except for exchange gains and losses on the translation of debt securities, which are recognized in the consolidated statement of income. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the income statement. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months.

(d) *Held-to-maturity investments*

Held-to-maturity investments are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Non-derivative financial liabilities

Financial liabilities at amortized cost include trade and other payables, bank overdraft, short and long term borrowings.

Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

Bank debt and long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.6 Financial instruments (continued)

2.6.2 Recognition and measurement (continued)

(d) *Held-to-maturity investments (continued)*

Borrowings

Borrowings are recognized initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortized cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Deposit for shares

Deposit received from existing shareholder, against future allotment is included in non-current liabilities in company's financial statements in the period in which they are received.

2.6.3 Impairment of financial assets

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result an event that occurred after the initial recognition of the asset and that loss event has an impact n the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor is experiencing financial difficulty, default in interest or principal payments, or the probability that they will enter bankruptcy and where there is an indication of a decrease in the estimated future cash flows.

For loans and receivables, the amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.6 Financial instruments (continued)

2.6.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.7 Inventories

Agricultural inventories held at the reporting date in respect of both rubber and oil palm is valued at the net realisable value. Agricultural inventories are passed to the manufacturing processes at these values.

Palm oil products, rubber products and work in progress that are subject to the manufacture or refining process are valued at the value of direct materials and the labour plus appropriate amount attributable to production overheads based on the normal levels of production capacity.

All inventories are evaluated for any impairment in value whether arising from a deficit of net realisable value, obsolescence or other technical factors. The risk crystallising from the risk of impairment from whatever cause is recognised in the profit and loss account as a charge against profit.

2.8 Finance income and finance cost

Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss on the date that the company's right to receive payment is established.

Finance cost

Finance cost comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration. They are recognised in profit or loss.

Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, (i.e. Capitalised) until such time as the assets are substantially ready for their intended use or sale

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.9 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is probable that the company will be required to settle that obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.10 Income tax

The tax for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The tax currently payable is based on taxable profit for the year and education tax. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Tax payable is provided in accordance with the provisions of the Companies Income Tax Act (as amended) and Education Tax Decree (as amended) on the profits as adjusted for that purpose.

Withholding taxes are recognised as a taxable asset on the occurrence of the receipt of the evidence of withholding tax certificates from the tax authority.

Withholding tax for which the tax certificates are available and for which no recovery is foreseen by the Directors, through the offset against the company's income tax liability is charged against the profits of the company through the tax charge in the year the loss is foreseen.

Deferred tax

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax liabilities on a net basis.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.11 Employee benefits

(a) Defined Contribution scheme

The company operates a defined contributory pension scheme in line with the provisions of the Pension Reform Act 2004. The employer's contributions are recognised as employee benefit expenses when they are due. The employer and the employee contributes 8% and 10% respectively of the employees' total emolument. The fund is independently managed by a Pension Fund Administrator in line with the Act. The company has no further payment obligation once the contributions have been paid.

(b) Defined benefit gratuity scheme

The service gratuity plan provided a defined terminal benefit to the employees based on the salary and years of employment and was calculated annually by independent actuaries using the projected unit credit method. The liability recognised in the statement of financial position in respect of the service gratuity scheme is the present value of the defined benefit obligation at the reporting date, together with adjustments for actuarial gains/losses and past service cost. The plan was unfunded.

Actuarial gains and losses were recognized in full in the period in which they occurred, in other comprehensive income and cumulated in other reserves without recycling to profit or loss in subsequent periods. Current service cost, the recognized element of any past service cost and the interest expense arising on the pension liability are included in the comparative period in the same line items in profit or loss as the related compensation cost.

2.12 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

Operating lease

Leases where the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on straight line basis over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Finance lease

Finance leases that transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance cost in the income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

2. Significant accounting policies (continued)

2.12 Leases (continued)

Finance lease (continued)

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Leases of items by the company where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.13 Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

3. Financial risk management

3.1 Financial risk factors

The Company's business activities expose it to a variety of financial risks:

- market risk (including foreign exchange, interest rate, and price);
- credit risk; and
- liquidity risk

The objective of the Company's risk management programme is to minimise potential adverse impacts on the Company's financial performance.

Risk management framework

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.

The Company's financial instruments consist of trade and other receivables and trade and other payables, bank overdraft, cash and cash equivalents and loan.

(a) 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.

(i) Currency 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 raw materials 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 the US dollar.

Management's approach to managing foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for these transactions.

(ii) Price risk

The Company is not exposed to price risk as it does not hold any equity instruments.

(iii) Interest rate risk

The Company's interest rate risk arises from trade finance. The Company's policy on managing interest rate risk is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for its overdrafts and trade finances.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

Risk management framework (continued)

(b) Credit risk

Credit risk is the risk that a counterparty 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.

The Company uses policies to ensure that sales of products are 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. At the year end, Okomu Oil Palm Company Plc considered that there were no material credit risks that had not been covered by doubtful debt provisions.

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.

The maximum exposure to credit risk for trade receivables approximates the amount recognized on the statement of financial position. The Company does not hold any collateral as security.

The table below analyses the company's financial assets into relevant maturity groupings as at the reporting date.

	Neither past due nor impaired		Past due		Impaired M '000
	1-30 days M '000	30 to 60 days M '000	61-360 days M '000	Over 360 days M '000	
31st December, 2016					
Financial assets:					
Cash and cash equivalents	3,198,251	-	-	-	-
Trade receivables	121,086	-	-	-	-
	<u>3,319,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31st December, 2015					
Financial assets:					
Cash and cash equivalents	505,527	-	-	-	-
Trade receivables	62,056	-	-	-	-
	<u>567,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

3. Financial risk management (continued)

(b) Credit risk

Impaired losses

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	2016 M '000	2015 M '000
Balance as at 1 st January,	-	9,934
Impairment loss recognised	-	-
Amounts written off	-	(9,934)
	<u> </u>	<u> </u>
Balance as at 31 st December,	-	-
	=====	=====

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times so that the Company does not breach borrowing limits on any of its borrowing facilities. The Company manages liquidity risk by effective working capital and cash flow management.

The table below places the Company's financial liabilities into relevant maturity classes based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows

	Less than 1 year M '000	Between 1 and 2 years M '000	Over 2 years M '000	Total M '000
31st December, 2016				
Financial liabilities:				
Trade and other payables	756,077	-	-	756,077
Borrowings (principal and interest)	372,351	372,351	2,043,901	2,788,603
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,128,428	372,351	2,043,901	3,544,680
	=====	=====	=====	=====
31st December, 2015				
Financial liabilities:				
Trade and other payables	956,113	-	-	956,113
Borrowings (principal and interest)	340,417	340,417	3,045,752	3,726,586
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,296,530	340,417	3,045,752	4,682,699
	=====	=====	=====	=====

3.2 Capital management

The objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.

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 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.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

3. Financial risk management (continued)

3.2 Capital management (continued)

The gearing ratios at the end of the year are as follows:

	31 st December, 2016 M	31 st December, 2015 M
Total debts	2,788,603	3,726,585
Less cash and cash equivalent	(3,198,251)	(905,527)
	<u>(1409,648)</u>	<u>2,021,058</u>
Total equity	17,012,041	12,145,360
Gearing ratio	(2%)	23%

3.3 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

	31 st December, 2016		31 st December, 2015	
	Carrying value M	Fair value M	Carrying value M	Fair value M
Financial assets:				
Cash and bank balances	3,198,251	3,198,251	905,527	905,527
Trade receivables	121,086	121,086	62,855	62,856
Other receivables	384,663	384,663	296,592	296,592
Intercompany receivables	467,379	467,379	-	-
	<u>4,171,379</u>	<u>4,171,379</u>	<u>1,264,975</u>	<u>1,264,975</u>
Financial liabilities:				
Trade payables	641,148	641,148	888,636	888,636
Intercompany payables	-	-	9,508	9,508
Borrowings	2,788,603	2,788,603	3,726,585	3,726,585
Other payables	114,929	114,929	57,477	57,477
Dividend payables	63,465	63,465	63,465	63,465
	<u>3,608,145</u>	<u>3,608,145</u>	<u>4,755,671</u>	<u>4,755,671</u>

(b) Fair value hierarchy

IFRS 7 requires disclosures for all financial instruments measured at fair value.

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (that is, as prices) or indirectly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

3. Financial risk management (continued)

3.3 Fair value of financial assets and liabilities (continued)

(c) Fair valuation methods and assumptions

(i) Cash and bank balances

Cash and bank balances represent cash held with various banks of the various jurisdictions in which the company operates. The fair value of these balances is their carrying amounts.

The following table presents the Company's assets that are measured at fair value at 31st December, 2016.

	Level 1 M '000	Level 2 M '000	Level 3 M '000
Assets			
Cash and bank balances	3,198,251	-	-
Trade and other receivables	121,086	-	-
	<u>3,319,337</u>	<u>-</u>	<u>-</u>

The following table presents the Company's assets that are measured at fair value at 31st December, 2015.

	Level 1 M '000	Level 2 M '000	Level 3 M '000
Assets			
Cash and bank balances	985,527	-	-
Trade and other receivables	62,856	-	-
	<u>960,303</u>	<u>-</u>	<u>-</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market (for example, unquoted equities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. For unquoted equities where the fair value cannot be reliably estimated, they are carried at cost.

Unquoted equities where the fair value cannot be reliably determined are carried at cost.

3.4 Financial instruments which are carried at other than fair value

The carrying value of all financial assets and financial liabilities is a reasonable approximation of fair value. No further disclosure is required.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

4. Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. No significant accounting judgments and estimates was made by the management in the preparation of this financial statements.

5. Segment information

IFRS 8 'Operating segments requires the operating segments to be based on the Company's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Board of Directors which includes executive directors and other key management. It is the Board of Directors that has responsibility for planning and controlling the activities of the Company.

The company's reportable segment has been identified on a product basis based on the manufacturing and distribution of palm and rubber products. The Company is a two segment business.

There are no customer sales greater than 10% of sales of the Company except the export sales of rubber which are sold to Sogescol FR SA.

Revenue is generated from both local and international sales. The analysis based on the geographical location of the customer is as set out below:

Segmental information

For management purposes, the company's revenue can be derived through its product type and the final geographical location of its customers.

The company's plantation carries on the business of oil palm and rubber cultivation. These are processed and the refined palm oil products and its by products are sold locally. The processed rubber product is exported.

(i) Analysis of the revenue by product:

	2016 M '000	2015 M '000
Palm oil products	12,164,748	7,742,484
Rubber products	2,199,988	1,995,531
	<u>14,364,736</u>	<u>9,738,015</u>

(ii) Profitability by product

	Palm Oil		Rubber	
	2016 M '000	2015 M '000	2016 M '000	2015 M '000
(i) Total revenue	12,164,748	7,742,484	2,199,988	1,995,531
Profit from continuing operations before tax, finance cost and other related cost	5,886,916	2,606,410	1,064,646	671,771
Finance income	246,663	34,277	64,610	0,034
Finance cost	(1,135,274)	(341,232)	(205,314)	(87,949)
Taxation/tax credit	(996,180)	(239,030)	-	-
Gain on disposal of assets	3,562	5,195	644	1,339
Profit on continuing operations	<u>4,005,687</u>	<u>2,065,612</u>	<u>904,586</u>	<u>593,995</u>

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

5. Segmental information (continued)

(ii) Profitability by product (continued)

	2016 N '000	2015 N '000
(ii) Profit summary by product		
Derived from palm oil	3,588,847	2,091,967
Derived from rubber	649,059	539,178
	<u>4,237,905</u>	<u>2,631,145</u>

6. Revenue

The turnover by geographical destination and operations is:

Local (palm oil)	12,164,748	7,742,484
Export (rubber)	2,199,988	1,995,531
	<u>14,364,736</u>	<u>9,738,015</u>

7. Other work performed by the entity capitalised

Palm immature	1,929,785	1,308,764
Rubber immature	364,277	439,429
	<u>2,293,062</u>	<u>1,448,193</u>

Other work capitalised relates to overhead cost incurred on Immature biological assets during the year that was earlier expensed and capitalised in line with the relevant standard.

8. Raw materials and consumables used

Upkeep of matured plantation	220,153	190,073
Harvesting and collection	369,742	327,976
Tapping and purchases of rubber lump	17,872	13,955
General overheads	2,698,805	1,271,651
	<u>3,305,572</u>	<u>1,803,655</u>

9. External charges

Transport	622,137	437,752
Wages	1,900,652	2,061,119
Technical assistance	25,282	13,877
Export expansion grant impairment (i)	52,546	274,271
Provision for exceptional risk (ii)	58,180	98,236
	<u>2,658,797</u>	<u>2,885,255</u>

(i) Export Expansion Grants represent the grants by the Federal Government of Nigeria to those companies that export goods from the country and comply with the regulations towards the repatriation of the foreign exchange funds. The impairment represents the additional 5% provision on the principal amount due that was made in the year due, the extent to which they can be utilized, and the delay in recovery have impeded the recoverability of these amounts.

(ii) The provision for exceptional risk represents the extent of the loss suffered by the company arising from the damage by fire to the rubber plantation.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 M '000	2015 M '000
10. Employees' expenses		
(Excluding directors' remuneration):		
Staff salaries	516,989	468,106
Staff welfare	20,861	22,360
Medical	-	365
Pension - employer's contribution	45,180	47,132
Training	2,715	4,160
Gratuity	72,069	64,444
Production bonus	132,662	122,322
	<u>790,476</u>	<u>729,905</u>
11. Administrative expenses		
Management fees*	723,264	444,623
Directors fees and expenses	36,391	34,194
Security and safety expenses	399,044	290,547
Repairs and maintenance	115,486	101,251
Rent and rates	29,032	18,166
Professional and legal fees	139,091	183,593
Auditors remuneration	23,000	23,000
Donations and subscriptions	128,873	96,533
Overseas travel	64,986	43,032
Training	21,779	17,473
Third party taxes	39,425	-
Others	295,377	233,162
	<u>2,016,548</u>	<u>1,490,374</u>

*Management fees comprises of management and technical fees for the year. The management fees is 3% of the profit before tax of the company while the technical fees is 3% of net sales of the company.

	2016 M '000	2015 M '000
12. Other income		
Insurance claim compensation (note (i))	8,279	5,647
Sales of other products (note (ii))	80,931	74,201
Other revenues	25,525	35,368
Write back on provision	-	71,197
	<u>114,734</u>	<u>186,413</u>

(i) *Insurance claims*

Insurance claims represent the compensation received from the insurance in respect of damages caused by natural disasters on electronic installations as well as on work related accidents.

(ii) *Sale of other products*

This represents what the company is reimbursed by its clientele and staff when petroleum products (diesel and kerosene) are used by its clients, suppliers or staff.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 N '000	2015 N '000
13. Sectorial analysis		
13.1 Cost of sales		
Oil Palm	2,734,859	2,495,478
Rubber	854,631	929,739
	<u>3,589,490</u>	<u>3,425,217</u>
13.2 Gross profit		
By products:		
Oil Palm	9,429,889	5,247,006
Rubber	1,345,357	1,065,792
	<u>10,775,246</u>	<u>6,312,798</u>
14. Information regarding directors and employees		
a) Director's emoluments		
Fees	15,336	13,680
Other emoluments and expenses	21,055	20,514
	<u>36,391</u>	<u>34,194</u>
b) Emoluments:		
Chairman	5,160	5,328
Highest paid director	5,160	5,328
c) Scale of other directors' remuneration (excluding the chairman)	Number	Number
N 150,000 - N 700,000	-	2
N 3,000,001 and above	9	0
	--	--
d) Employees remunerated at higher rate:		
N 200,000 - N 500,000	403	472
N 500,001 - N 1,000,000	60	50
N 1,000,001 and above	58	16
	<u>521</u>	<u>538</u>
e) Average number of persons employed	521	538
	<u>521</u>	<u>538</u>
	N '000	N '000
15. Finance income		
Interest income on fixed deposit	177,434	-
Foreign exchange gains	113,839	43,111
	<u>291,273</u>	<u>43,111</u>

OKOMU OIL PALM COMPANY PLC
Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 M '000	2015 M '000
16. Gain on disposal of assets		
Sale of scrap	4,206	6,534
	=====	=====
17. Finance costs		
Gross interest on long term loans	300,284	366,625
Interest on overdraft	-	33,444
Foreign exchange losses	1,040,304	29,112
	-----	-----
	1,340,588	429,181
	=====	=====
<p>(i) The interest on long term loans received during the year to 31st December, 2015 has been capitalised as the loan was granted to purchase the extension to the oil mill.</p>		
	2016 M '000	2015 M '000
18. Profit from continuing operations before other comprehensive income and tax	5,906,453	2,898,645
	-----	-----
Is stated after charging/crediting):		
Depreciation on property, plant and equipment	960,333	916,786
Depreciation on bearer biological assets	234,785	228,288
Auditors' remuneration	23,000	23,000
Directors' emoluments and expenses	36,391	34,194
Finance cost (note 17)	1,340,588	429,181
Finance income (note 15)	(291,273)	(43,111)
	-----	-----
19. Taxation		
Income taxes relating to continuing operations		
19.1 Income tax recognised in profit or loss		
Current tax		
Expense in respect of the current year	807,800	151,538
Education tax	118,380	87,500
Under provision in prior years	70,000	-
	-----	-----
	996,180	239,038
Deferred taxation		
Deferred tax expense recognised in the current year	22,200	28,462
	-----	-----
Total income tax expense recognised in current year relating to current operations	1,018,380	267,500
	=====	=====
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	5,906,453	2,898,645
	-----	-----
Expected income tax expense calculated at 30% (2015: 30%)	1,771,936	869,594
Education tax expense calculated at 2% (2015: 2%) of assessable profit	118,380	87,500
Effect of revenue/expenses that are not deductible or chargeable in determining the taxable profit	(964,136)	(718,056)
Write-off of tax credit	-	-
Deferred tax relating to actuarial gains	22,200	28,462
Adjustment recognised in the current year in relation to prior years	70,000	-
	-----	-----
	1,018,380	267,500
	=====	=====
Effective tax rate	17%	9%
	====	==

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

19. Taxation (continued)

19.1 Income tax recognised in profit or loss (continued)

The tax rate used for 2016 and 2015 reconciliation above is the company income tax rate of 30% which is based on the current provisions of the Companies Income Tax Act, CAP C21, LFN 2001, as amended. The rate of 2% for education tax is based on the current provisions of the Tertiary Education Tax Act, CAP E4, LFN 2004.

	2016 N '000	2015 N '000
19.2 Income tax recognised in other comprehensive income		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:	-	-
Arising from actuarial (gain)/losses on staff retirement benefit plan	22,200	28,462
	-----	-----
19.3 Current tax payable		
As at the beginning of the year	530,201	949,715
Income tax expense recognised in current year	926,180	239,038
Payments during the year	(140,150)	(658,552)
Under provision in prior years	70,000	-
	-----	-----
As at 31 st December	1,386,231	530,201
	-----	-----

19.4 Deferred tax liabilities

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The analysis of the deferred tax liabilities after the offset presented in the statement of financial positions:

	2016 N '000	2015 N '000
Deferred tax liabilities		
As at the beginning of the year	1,733,273	1,704,811
Recognised in statement of profit or loss	-	-
Recognition in other comprehensive income	22,200	28,462
	-----	-----
As at 31 st December,	1,755,473	1,733,273
	-----	-----

20. Basic earnings per share

Basic earnings per 50kobo ordinary share	5.15	2.79
	-----	-----

Basic earnings per share are calculated using the profit on continuing operations after tax and the 953,910,000 ordinary shares that were issued as at 31st December.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

21. Property, plant and equipment

	Machinery & equipment M '000	Land & building M '000	Palm mill M '000	Rubber mill M '000	Vehicle M '000	Furniture & equipment M '000	Work-in-progress M '000	Total M '000
COST								
As at 1 st January, 2016	1,996,379	4,819,591	5,297,342	971,126	966,432	219,969	241,411	14,612,200
Additions	33,310	4,615	58,350	13,642	109,201	35,140	99,395	333,469
Reclassification/ transfer	34,347	52,846	45,341	1,396	16,800	9,113	(159,843)	-
Transfer to biological assets	-	-	-	-	-	-	(3,718)	(3,718)
Disposals	(735)	-	-	-	(2,817)	(17,047)	-	(20,699)
As at 31st December, 2016	2,063,309	4,977,002	5,400,841	986,164	1,009,516	227,175	177,245	14,921,252
As at 1 st January, 2016	1,083,962	659,299	1,800,721	367,811	681,375	170,351	-	4,763,519
Charge for the year	267,437	142,008	340,758	53,680	143,260	13,190	-	960,333
Eliminated on disposal	(731)	-	-	-	(2,246)	(17,040)	-	(20,023)
As at 31st December, 2016	1,350,668	801,307	2,141,479	421,491	822,391	166,493	-	5,703,829
Net Book Value								
As at 31 st December, 2016	712,641	4,175,695	3,259,362	564,673	267,125	60,682	177,245	9,217,423
As at 31 st December, 2015	912,417	4,260,242	3,496,621	603,315	285,057	49,610	241,411	9,848,691

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	Oil palm Plantation M '000	Rubber Plantation M '000	Total M '000
22. Bearer biological assets			
COST			
As at 1 st January, 2015	4,750,017	4,482,408	9,232,425
Additions	1,928,785	354,277	2,293,062
Transfer	3,719	-	3,719
Disposals *	-	(104,163)	(104,163)
As at 31st December, 2016	6,682,520	4,742,522	11,425,042
Depreciation			
As at 1 st January, 2016	823,324	1,013,112	1,836,436
Charge for the year	110,125	124,661	234,786
Elimination on disposals *	-	(45,883)	(45,883)
As at 31st December, 2016	933,449	1,091,790	2,025,239
Net Book Value			
As at 31 st December, 2016	5,749,071	3,650,732	9,399,803
As at 31 st December, 2015	3,926,693	3,469,296	7,395,989
	Palm Plantation M '000	Rubber Plantation M '000	Total M '000
(ii) Analysis by maturity			
Matured plantation	1,366,647	1,740,247	3,106,894
Immature plantation	4,380,929	1,911,982	6,292,909
	5,747,574	3,652,229	9,399,803

* The disposal is in respect of the infected plantation arising from a fungus which occurred during the year.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 M '000	2015 M '000
23. Inventories		
Raw materials and consumables	183,394	66,511
General stores and agricultural consumables	1,263,347	1,168,674
Finished goods	232,746	204,045
Goods-in-transit	39,593	51,365
	<u>1,719,080</u>	<u>1,490,595</u>
24. Trade receivables		
Trade receivables	61,200	9,752
Advances to suppliers	59,886	53,104
	<u>121,086</u>	<u>62,856</u>
Less: allowance for impairment	-	-
	<u>121,086</u>	<u>62,856</u>
	-----	-----
<p>Trade receivables represent the amounts due from the trade customers as at the end of the year. The company's operational policy is not to give credit, but those with a significant volume of business are given and they have an average credit period of between 7 to 15 days.</p> <p>Trade receivables are those that are neither past due nor impaired and are credit worthy debtors with past payment records with the company. The majority of the trade receivables arise from customers who have a business relationship with the company that is greater than 2 years.</p>		
	2016 M '000	2015 M '000
25. Intercompany receivables/(payables)		
Sogesco (note 39(i))	315,350	300,647
Socfinco (note 39(ii))	(110,293)	(34,439)
Sodimex (note 39(iii))	265,963	(140,992)
Socfindo (note 39(iv))	-	(126,724)
Socfin Agricultural Company	434	-
Induservices Fribourg	(4,075)	-
	<u>467,379</u>	<u>(9,508)</u>
	-----	-----
26. Other receivables		
Staff loans and advances	91,570	65,032
Government grants(a)	157,630	210,177
Other receivables	114,869	18,443
Prepaid rent	139	2,900
Deferred income	20,439	-
	<u>384,637</u>	<u>296,552</u>
	-----	-----
(a) Government grants		
Export Expansion Grant as at 1 st January	1,050,883	1,059,885
Utilised in the year	-	(9,002)
	<u>1,050,883</u>	<u>1,050,883</u>
Export Expansion Grant as at 31 st December	(893,253)	(843,706)
Less: Impairment (note 9 (i))	-	-
	<u>157,630</u>	<u>210,177</u>
	-----	-----

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 N '000	2015 N '000
27. Cash and cash equivalent		
Cash and bank balances	649,903	807,080
Dividend bank account(s)	98,447	98,447
Fixed deposits with local banks	2,449,901	-
	<u>3,198,251</u>	<u>905,527</u>

(a) Dividend bank balance represents the returns on the company's portfolio with Stanbic IBTC in respect of unclaimed dividend

28. Financial statistics

Deposits with licensed banks are placed at the following rate for the following maturities.

	Weighted average Interest rate	Average maturity period
Deposit with licensed banks in Nigeria	(15% - 17%)	(31 days - 90 days)

	2016 N '000	2015 N '000
29. Share capital		
(a) Authorised:		
1.2 billion ordinary shares of 50kobo each	600,000	600,000

The members, by an ordinary resolution which was passed on the 13th June, 2012 increased the company's authorised share capital from N 300,000,000 to N 600,000,000 by the creation of 600,000,000 ordinary shares of N 0.50 each. The filing of the notification shares with Corporate Affairs Commission was completed on 4th February, 2013.

	2016 N '000	2015 N '000
(b) Issued called up share capital		
953,910,000 ordinary shares of 50 kobo each	476,955	476,955

At the Annual General Meeting of the company, which was held on 5th of June 2013, the shareholders approved the amount of N 228,478,000, which was standing to the credit of the company be distributed among the existing shareholders in proportion to the respective holdings as bonus shares in the ratios of one share for every one ordinary share held as at 14th May 2013.

	2016 N '000	2015 N '000
30. Share premium		
As at 31 st December	1,867,096	1,867,096

Share premium is the excess of value paid by shareholders over the nominal value for their shares.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 N '000	2015 N '000
31. Revenue reserves		
At the beginning	9,801,309	7,313,770
Dividend paid (32)	(85,391)	(238,478)
	<u>9,705,918</u>	<u>7,075,292</u>
Reserve as restated	9,705,918	7,075,292
Retained profit for the year	4,910,273	2,659,607
Actuarial gains	51,799	66,410
	<u>14,667,990</u>	<u>9,801,309</u>
	=====	=====
32. Dividend paid		
Dividends paid during the year comprises:		
Final dividend 2014 (N 0.25 per share)	-	238,478
Final dividend 2015 (N 0.10 per share)	95,391	-
	<u>95,391</u>	<u>238,478</u>
Paid during the year to 31 st December, 2016	95,391	238,478
	=====	=====
33. Post employment benefit obligation		
Present value of unfunded obligation		
Liability in the balance sheet	315,965	352,650
	<u>315,965</u>	<u>352,650</u>
	=====	=====
Movement in the present value of the gratuity scheme in the current year were as follows:		
	2016 N '000	2015 N '000
Defined benefit obligation as at the beginning of the year	352,650	495,256
Current service cost	14,155	17,097
Interest cost	57,914	47,347
Remeasurement losses/(gains) arising from past service cost including curtailment gains	(73,999)	(94,872)
Benefits paid	(34,755)	(113,170)
	<u>315,965</u>	<u>352,650</u>
	=====	=====
The amount recognised in comprehensive income in respect of the gratuity scheme is as follows:		
Current service costs	14,155	17,097
Net interest expense	57,914	47,347
	<u>72,069</u>	<u>64,444</u>
Amounts recognised in the income statements	72,069	64,444
Remeasurement of the defined benefit obligation actuarial losses/(gains) arising	(73,999)	(94,872)
	<u>(73,999)</u>	<u>(94,872)</u>
Amounts recognised in other comprehensive income	(73,999)	(94,872)
Total	(1,930)	(30,428)
	=====	=====
Actuarial gains	73,999	94,872
	=====	=====

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

33. Post employment benefit obligation (continued)

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. The actuarial valuation was carried out by Messrs. Pension Architects.

The current service cost and the net interest expense for the year are included in the employee benefit expense as surplus or loss. The entire net interest expense for the year has been included in administration costs.

The principal actuarial assumptions were as follows:

	2016 M '000	2015 M '000
Average discount rate (p.a.)	18.16%	12.92%
Average salary increase rate (p.a.)	5.25%	5%

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and expected salary increase. The sensitivity analyses below has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease to N 305.48 million (increase to N 338.29 million).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase to N 327.47 million (decrease to N 368.18 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised the statement of financial position.

Exposure of risk

The risks faced by the group as a result of the defined benefit obligation can be summarised as follows:

- Liquidity risk: Given that the benefits are unfunded, the company would need enough liquid assets in order to pay the gratuity benefits.
- Salary increases: Higher than expected salary increases would result in higher liabilities and gratuity payments. There is in addition the further risk that the company would not be able to pay the benefits.
- Discount rate (and other economic assumptions): Adverse movement in the discount rate (and other economic assumptions) would increase the liability, leading to statement of financial position volatility for the company.

The gratuity provision for the year was based upon the independent actuarial valuation. The last actuarial valuation was carried out as at 31st December, 2016.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 N '000	2015 N '000
34. Borrowings		
Foreign loan SOCFINAF	1,243,514	1,641,075
Zenith Bank Plc (ii)	1,545,089	1,885,506
	<u>2,788,603</u>	<u>3,726,586</u>
As at 31 st December	2,788,603	3,726,586
	=====	=====
The financial liability is disclosed as follows:		
Current	372,351	340,417
Non-current	2,416,252	3,386,169
	<u>2,788,603</u>	<u>3,726,586</u>
	=====	=====

(i) SOCFINAF S. A

The company entered into a 10 million Euro term loan agreement with SOCFINAF S.A in 2015 to finance capital investment in its extension (referred to as Extension 2) and working capital in order to facilitate the smooth and efficient operation of the company's business at a coupon rate of 8% per annum. The repayment period, excluding the moratorium was five years. The final instalment of the loan was received by the company in January, 2016 and the repayment is present in to commence in December 1st 2017 in five equal instalments of 2 million Euros. However the company has commenced repayment from February, 2016.

(ii) Zenith Bank Plc loan

The Zenith Bank Plc loan represents N2 billion commercial agricultural credit loan received under a scheme of the Federal Government, which was obtained by the company through Zenith Bank Plc. The total amount was drawn down in August 2016 and bears interest at the rate of 9% per annum. The facility has a repayment period of 5 years in 60 consecutive monthly repayment of principal and interest ending in August 2020. This facility was obtained to finance the development of the newly acquired 11,416 hectares oil palm plantation situated at Uhiere, Ovia North East local Government Area in Edo state. It is secured by a legal mortgage over the land (11,416 hectares plantation).

	2016 N '000	2015 N '000
35. Trade payables		
Trade creditors	318,735	716,640
Advances from customers	322,413	171,780
	<u>641,148</u>	<u>888,636</u>
	=====	=====
36. Other payables		
Value Added Tax	5,191	4,765
Withholding tax	29,431	60,300
Third parties taxes (a)	80,307	-
Deferred income	-	2,412
	<u>114,929</u>	<u>67,477</u>
	=====	=====

(a) The amount represents provision made on tax investigation on PAYE and WHT for the period 2007-2012.

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 N '000	2015 N '000
37. Current provisions and accruals		
Provision for management fees payable	78,272	19,690
Provision for audit and professional fees	39,000	25,000
Accruals	117,445	232,308
Pension liabilities	15,912	18,436
Accrued interest	179,181	177,651
	<u>429,810</u>	<u>482,085</u>

38. Dividend payable

As at the beginning and end of the year (a)	63,465	63,465
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(a) The amount represents unclaimed dividends declared up to and including the 2004 financial year. Section 379-386 of Companies and Allied Matters Act, CAP C20 LFN 2004, stipulates that where dividends remain unclaimed for more than twelve (12) years, such amounts revert back to the company.

39. Related party transactions

The company entered into the following material transactions during the year with the under listed related companies.

(i) SOGESCOL FR SA

The company exports its rubber to SOGESCOL FR S.A (a related company). Sales during the current year amounted to N 2.200 billion (2015: N 1.996 billion) 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 N 315 million (2015: 300 million).

(ii) SOCFINCO FR

SOCFINCO FR SA has exclusive rights to know-how and manages the affairs of the company. In consideration of the provision to the company of this technical know-how, management fees and other support charges are paid to SOCFINCO FR SA. The fees are calculated at an aggregate rate equal to 3% of the company's net sales and 3% of profit before tax. The technical know-how and management service agreements are made with the approval of the National Office for Technology Acquisition and Promotion (NOTAP). The company incurred N 723 million (2015: N 403 million) on management and technical fees during the year. These fees were incurred on an arm's length basis. The amount due to the company at the yearend was N 110million (2015: N 34 million).

(iii) SODIMEX S.A/BXL

The company purchases a large amount of its equipment and spare parts from SODIMEX S.A/BXL (a related company). During the year under review, the company incurred N 76 million (2015: N 91 million) in costs to procure capital assets and spare parts and these were carried out on an arm's length basis. The amount due to SODIMEX S. A/BXL from the company as at the end of the year was N 265 million (2015 due from: N 149 million).

OKOMU OIL PALM COMPANY PLC

Notes to the financial statements for the year ended 31st December, 2016 (continued)

39. Related party transactions (continued)

(iv) SOCFINDO S.A.

The company purchased palm seeds from SOCFINDO S.A (a related company). During the year under review, the company incurred N 170.8 million (2015: N 173.8 million) to procure the seeds on an arm's length basis. The amount due to SOCFINDO S. A. from the company as at the end of the year was Nil (2015 due from: N 127 million).

(v) SOCFIN AGRICULTURAL COMPANY

The company purchases mucuna seeds from Socfin Agricultural Company. The amount due from Socfin Agricultural Company is N 0.434 million (2015 due from: nil).

(vi) INDUSERVICES FRIBOURG

Induservices Fribourg provides internet services for the company. The company incurred N 10.9 million to procure internet services. The amount due to the company as at the end of the year was N 4.08 million (2015 due to: nil).

40. Ultimate holding company

The ultimate holding company is SOCFINCO FR SA which is incorporated under the laws of Switzerland.

41. Proposed dividend to be declared

The Board of Directors recommend a dividend of N 1.50 per ordinary share (2015: N 0.10 per ordinary share) held, subject to the payment of withholding tax at the appropriate rate.

	2016 N '000	2015 N '000
42. Capital commitments		
As at 31 st December	1,607,219 -----	- -----

43. Comparative figures

Certain comparative figures have been reclassified in line with the current year's presentation wherever this has been deemed necessary to ensure compliance with International Financial Reporting Standards.

44. Financial Reporting Council waiver

The company applied, on the 24th March, 2017 and was granted on the 30th March, 2017, a waiver from the requirement that the Chief Financial Officer, Mr. Alain Mary and the Chairman of the Audit Committee, Mr. Peter E. A. Eguasa, sign the financial statements and the Audit Committee Report using their Financial Reporting Council registration numbers. The company has undertaken that the requirements waived shall be complied with by the time the date of signing the 2017 financial statements.

OKOMU OIL PALM COMPANY PLC

Statement of value added for the year ended 31st December, 2016

	2016 N '000	%	2015 N '000	%
Revenue from sales of products	14,364,736		9,738,015	
Other income	2,407,796		1,634,606	
	<u>16,772,532</u>		<u>11,372,621</u>	
Bought in materials and service	(9,509,031)		(6,249,003)	
	<u>8,263,501</u>	100	<u>5,123,618</u>	100
Distribution of value added				
To employees and directors:				
Employees, costs (including director's remuneration)	826,867	10	763,099	15
To government:				
Government as taxes	996,180	12	239,038	5
To providers of capital:				
Interest on loan	335,062	4	316,600	6
Dividend	1,430,865	17	95,391	2
For replacement of property and Equipment				
Depreciation on property, plant and Equipment	960,333	12	916,786	18
Depreciation on bearer biological asset	234,786	3	228,288	4
Retained earnings	3,479,408	42	2,564,216	50
	<u>8,263,501</u>	100	<u>5,123,618</u>	100
*Other income comprises				
Other work performed by the entity	2,293,062		1,446,193	
Other income	114,734		186,413	
	<u>2,407,796</u>		<u>1,634,606</u>	

This statement represents the distribution of the wealth created through the use of the company's assets and its employee's efforts.

OKOMU OIL PALM COMPANY PLC

Five year financial summary

Year ended 31st December	2016 M '000	2015 M '000	2014 M '000	2013 M '000	2012 M '000
Profit and loss account					
Revenue	14,364,736	9,738,015	8,655,719	8,060,425	10,146,164
Profit before continuing operations before gain/loss in fair value taxation	6,951,562	3,278,181	1,951,837	2,595,663	4,181,957
Profit before taxation	5,906,453	2,898,645	1,904,496	2,687,301	4,172,189
Tax charge	(996,180)	(219,038)	(344,541)	(324,381)	(547,865)
Deferred tax	-	-	(230,000)	(277,000)	(208,038)
Profit on continuing Operations	4,910,273	2,659,607	1,329,955	2,085,920	3,416,286
Other comprehensive income					
Actuarial gains	73,999	94,872	177,664	-	-
Deferred tax on actuarial gains	(22,200)	(28,462)	(53,299)	-	-
Profit after tax	4,962,072	2,726,017	1,454,320	2,085,920	3,416,286
Balance sheet					
Property plant & Equipment	9,217,423	9,048,681	10,255,455	6,507,126	4,325,947
bearer biological assets	9,399,003	7,395,969	5,111,060	4,677,285	4,073,901
Current assets	5,890,439	2,755,570	2,505,013	3,050,611	5,719,860
Total assets	24,507,665	20,000,240	17,872,328	15,035,022	14,119,708
Non current liabilities	4,487,690	5,472,091	3,870,372	3,348,178	1,761,670
Current liabilities	3,007,934	2,382,789	4,589,434	2,582,732	2,007,416
Total liabilities	7,495,624	7,854,880	8,267,806	5,930,910	3,769,086
Share capital	476,955	476,955	476,955	476,955	230,477
Share premium	1,867,096	1,867,096	1,867,096	1,867,096	1,867,096
Reserves	14,669,990	9,801,309	7,260,471	6,760,061	8,245,049
Total equity and reserves	17,012,041	12,145,360	9,604,522	9,104,112	10,350,622
Total equity and liabilities	24,507,665	20,000,240	17,872,328	15,035,022	14,119,708
Basic earnings per share (Naira)	5.15	2.79	1.39	2.19	7.16
Net assets per share (Naira)	18	13	10	10	22

OKOMU OIL PALM COMPANY PLC

Schedules to the financial statements for the year ended 31st December, 2016

Other expenses

	2016 N '000	2015 N '000
Management fee	723,264	444,623
Directors' fees and expenses	36,391	34,194
Overseas travelling	64,986	43,032
Donations and subscriptions	129,873	96,533
Professional and legal fees	136,091	189,993
Security and safety expenses	399,844	290,947
Repairs and maintenance	115,486	101,251
Rent and rate	29,032	16,166
Training	26,457	17,473
	<u>1,661,424</u>	<u>1,234,212</u>
Corporate Governance/Audit committee expenses	-	4,194
Insurance and licences	35,891	41,800
Transportation and travelling local	43,780	36,107
Auditors' remuneration	25,000	23,000
Printing and stationery	32,938	33,961
Postage, telephones and telex	28,872	27,435
Hotel accommodation	73,519	43,922
Bank charges	27,380	20,971
Power & electricity	11,723	119
Drugs	34,732	24,654
Public relations	1,864	-
Third party taxes	39,425	-
	<u>2,016,548</u>	<u>1,490,374</u>
	=====	=====