



OKOMU
THE OKOMU OIL PALM COMPANY PLC
(RC 30894)

ISO 9001

BUREAU VERITAS
Certification

BEL09000955



**ANNUAL REPORT
& ACCOUNTS
2013**



...creating wealth from the soil

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Mission Statement



To be Nigeria's leading agro-business, through the efficient and effective management of our various plantations by a highly motivated workforce, working in harmony with our other stakeholders, and continuously returning favourable results to our shareholders.



Notice of Annual General Meeting



NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting of the company will be held at the Transcorp Hilton, 1 Aguiyi Ironsi street, Maitama Abuja on Wednesday, 11th of June, 2014 at 9.30.am to transact the following:

ORDINARY BUSINESS

1. To receive and consider the audited accounts for the year ended 31st December 2013, together with the reports of the Directors, Auditors and Audit committee thereon.
2. To declare a dividend.
3. To elect/re-elect directors.
4. To authorize the directors to fix the remuneration of the auditors.
5. To elect members of the audit committee.

SPECIAL BUSINESS

6. To fix the remuneration of the directors.

PROXY

A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. Executed forms of proxy should be deposited at the office of the Registrars, City Securities Ltd, 358, Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time of the meeting. To be valid, Proxy cards should be duly stamped by the Commissioner of stamp duties.

NOTES:

1. **QUALIFICATION DATE FOR DIVIDEND**
QUALIFICATION DATE IS MONDAY 12 MAY, 2014.
2. **CLOSURE OF REGISTER AND TRANSFER BOOKS**
Notice is hereby given that the register of members and transfer books of the company will be closed from Tuesday 13th May to Friday 16th May 2014 (both days inclusive) to enable the Registrar to prepare for the payment of dividends.
3. **PAYMENT OF DIVIDEND**
If a dividend is approved at the meeting, payment will be made on Monday 16th June, 2014 to shareholders whose names appear on the register of members at the close of business on Monday 12 May, 2014.
4. **NOMINATION FOR THE AUDIT COMMITTEE**
In accordance with section 359(5) of the Companies and Allied Matters Act 2004, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual general meeting.

By order of the Board

Mr. Christian J. Mariere
Company Secretary

Dated this 13th day of March 2014.

REGISTERED OFFICE:

Okomu Oil Palm Estate
Okomu-Udo,
Ovia South West L.G.A
Edo State.



Mr. Christian J. Mariere
Company Secretary



Results At A Glance



THE OKOMU OIL PALM COMPANY PLC

	2013 N '000	2012 N '000
TURNOVER	8,860,425	10,146,164
Profit on ordinary activities before tax	2,693,555	4,356,435
TAX CHARGES - Income	(324,181)	(547,865)
- Deferred	(277,000)	(208,038)
Profit on ordinary activities after Tax	2,092,174	3,590,763
NET ASSETS'	30,050,647	31,054,673
Employees' costs	774,433	834,616
NUMBER OF EMPLOYEES	693	717
Basic earnings per 50 kobo share (naira)	2.91	7.53
Net asset per 50 kobo share (naira)	32	65
Stock exchange quotation as at 31, December (naira)	45.85	39.90



DIRECTORS

CHAIRMAN

Mr. Gbenga Oyeboode MFR

MANAGING DIRECTOR

Dr. G. D. Hefer (South African)

FINANCE DIRECTOR

Mr. Alain Mary (French)

NON EXECUTIVE DIRECTORS

Dr. L. J. J Boedt (Belgian)
 Chief D. U. Edebiri OON
 Mr. P. A. E Eguasa JP
 Mr. H. Fabri (Belgian)
 Mr. Ph. de Traux de Wardin (Belgian)
 Mr. R. Helmoortel (Belgian)
 Mr. S. Claeys (Belgian) appointed 13/3/13

INDEPENDENT DIRECTOR

Mr. A. Ighodalo

COMPANY SECRETARY

Mr. C. J. Mariere

AUDIT COMMITTEE

Mr. M. Igbrude	(Shareholder)	(Chairman)
Dr. L. J. J. Boedt	(Director)	(Member)
Chief D. U. Edebiri, OON	(Director)	(Member)
Mr. P. A. E. Eguasa JP	(Director)	(Member)
Rev. A. Imadu	(Shareholder)	(Member)
Rev. L. A. Ohenhen	(Shareholder)	(Member)

RISK MANAGEMENT COMMITTEE

Mr. P. A. E. Eguasa JP (Chairman)
 Dr. L. J. J. Boedt
 Mr. Sven Claeys
 Chief D. U. Edebiri, OON
 Dr. G. D. Hefer
 Mr. A. Mary

GOVERNANCE/REMUNERATION COMMITTEE

Mr. A. Ighodalo (Chairman)
 Chief D. U. Edebiri, OON
 Mr. P. A. E. Eguasa JP
 Dr. G. D. Hefer
 Mr. R. Helmoortel
 Mr. Ph. de Traux de Wardin

REGISTERED OFFICE

Okomu Oil Palm Estate
Okomu-Udo
Edo State

AUDITORS

Horwath Dafinone
Chartered Accountants

BANKERS

- **Nigerian**
 Access Bank Plc
 Mainstreet Bank Limited
 Stanbic IBTC Bank Plc
 Sterling Bank Plc
 Zenith Bank Plc

- **Foreign**
 Fortis Bank

SOLICITORS

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

REGISTRARS

City Securities (Registrars) Ltd
358, Herbert Macaulay Way,
Yaba, Lagos

MANAGING AGENT

Socfinco F.R. S.A
24 Rue de Roman
1700
Fribourg
Switzerland

RC No.
30894



Chairman's Statement



Distinguished Shareholders, Guests of Honour, Ladies and Gentlemen. You are all welcome to the 34th Annual General meeting of our Company. It is my pleasure to present to you the annual report and financial results for the year ended 31st December 2013.

THE OPERATING & ECONOMIC ENVIRONMENT 2013

The operating environment in 2013, especially for agri-processing companies like ours, was not an easy one. All commodity prices, including those of rubber and oil palm, continued to decline significantly in 2013, just as was the case in 2012; more specifically a drop of 12% and 17%, respectively, in crude palm oil (CPO) and rubber prices in 2013 from those of the prior year occurred. Since our company is essentially a price taker in the international market, this, along with the concomitant increase in operating costs and depreciating exchange rate associated with a developing Country such as Nigeria, all had a corresponding negative effect on revenue streams for the company in 2013. Having said this, barring any unforeseen crises in the world, we expect prices to stabilize around their current levels in the immediate future.

Whilst prospects may not currently seem too optimistic, your Board feels that there is still underlying potential for development of the Company within Nigeria and opportunities are there to our shareholders that can effect better returns to them in the future. That is why we have begun the expansion of the current oil mill from a 30t/hr to 60t/hr. This will effectively make it one of the largest mills in Africa, and certainly the one with the newest technology, featuring tilting sterilisers, and which is scheduled for completion in 2014 and is a N2.5 billion project. Furthermore, the Company purchased an 11,400ha plantation in Edo State's Ovia NE LGA and this is due for immediate development, which will effectively double the Company's current CPO volumes in the next 5 years.

All of the above mentioned developments have been instituted in order to unlock greater returns to you, the shareholder, in the near future and is very positive in terms of future added value to our shareholders, I am sure you will agree.

THE COMPANY'S OPERATIONAL PERFORMANCE FOR 2013

OIL PALM

Total oil palm area remained substantially similar to that in 2012, namely 9,718ha, with mature area totaling 8,493ha. The remainder consisted of new and immature palm totaling 1,224ha. Re-planting of older palms continued in 2013 with 498ha being planted to new clones.



Mr. G. Oyebode M.F.R.
Chairman

Total FFB production for 2013 was 129,660 t which was substantially similar to that produced in 2012 and represented an average FFB yield of nearly 15.3 t/ha.

Notwithstanding the lower yields, increased milling efficiencies allowed the oil mill to process 27,319 t CPO, this being 2% higher than in 2012. This fact was evidenced by a higher oil extraction rate, which averaged 21.22% for 2013, this being 0.53% higher than in 2012.

Total revenue for all palm products in 2013 totaled N5.62 billion, which was 13% lower than for the prior year, whilst cost of sales were 3% lower than 2012 at N2.45 billion. Gross profit was 21% lower than for the corresponding period 2012 at N3.16 billion.

CPO prices, as I mentioned earlier, declined by an average of 12% in 2013, when compared to that of 2012.

Profit on continuing operations for palm products declined by 41%, to N1.32 billion (2012: N2.26 billion).



RUBBER

The total mature area under rubber increased by 5% from 6,649ha in 2012 to 7,572ha in 2013, with 5,139ha being classified as mature plantings. The area under new and immature plantings as at the end of 2013 was 2,433ha. Wet cup lump production (on an average dry rubber equivalent) was 7,874 t, which was 3% higher than in 2012. The average yield of dry rubber for 2013 was 1.53 t/ha, this being 2% lower than for 2012.

The rubber factory processed 8,320 t dry rubber in 2013, this tonnage being 1% higher than in 2012.

Total rubber revenues, at N3.23 billion, were 13% lower than in 2012, whilst cost of sales were marginally higher in 2013 by 7% than for 2012. Gross profit declined by 22%, to N1.82 billion over that of the corresponding period 2012.

Rubber prices have, since the highs of 2011, dropped by nearly 50% since then, with a drop of 29% in 2012, followed by another 17% drop in prices in 2013.

Due mainly to the above, profit on continuing rubber operations for 2013 was N765 million, this being 42% lower than in 2012.



CONSOLIDATED FINANCIAL RESULTS

During the year under review, the consolidated results of the Company recorded a combined turnover of N8.86 billion (cf: N10.1 billion in 2012), this being 13% lower than for 2012, largely due to lower than average commodity prices and/or volumes, as already stated herein.

Management kept consolidated costs of sales well in check for 2013, with an increase of only 1% over those in 2012, whilst consolidated profit from continuing operations before gains or losses on changes in fair value of non-current biological assets, tax, finance and other related costs declined by 40% from N4.35 billion in 2012 to N2.60 billion in 2013. Consolidated profit before tax was 19% down on 2012 at N2.69 billion.

The Company paid nearly N325 million in company and consumption taxes to both Federal and State agencies in 2013, this despite reduced revenues due to the price/cost squeeze that the Company currently finds itself in.

The Company's net profit for 2013 on continuing operations was N2.09 billion, this being 42% lower than 2012.

Notwithstanding the drop in our commodity prices, the Company continues to be managed exceptionally well, especially so under these trying times and continues to generate profits and returns, albeit lower, to her shareholders. This is evidenced in the price of our shares which have not seen any significant decline in their value. On the contrary, they have remained essentially stable, despite the current negative economic environment. Also, despite the result, the Board of Directors have recommended a dividend payment of N1.00/50k share, which would translate into a total payment to shareholders in 2013 of nearly N1,000,000,000.00.

In conclusion, Ladies and Gentlemen, my Board and I would like to thank you for your continued support, safe in the knowledge that we are ensuring that you obtain the best possible returns, notwithstanding the external environmental factors which are currently impacting on the Company's profits. We are confident that in the near future, prices will rebound and our Company will be there at the forefront to take advantage of this change in circumstances. I would like to thank all Management and staff concerned for their continued outstanding commitment and loyalty to the Company in the past year, especially under trying circumstances.

ENVIRONMENT, HEALTH, EDUCATION, CORPORATE SOCIAL RESPONSIBILITY & SAFETY

The Company continually aspires to attain the highest levels of environmental conservation, health, education and safety to ensure any negative impacts on our staff, their families, communities and the surrounding biodiversity within our sphere of influence are minimized.

The Company was again certified as a ISO9001:2008 Company in 2013 to ensure that customers are guaranteed only the highest quality products at all times. Furthermore, NAFDAC and SON certifications were renewed on the Company's products.



The Company also continued to support their staff in health and welfare programmes in 2013. In this regard, health and welfare of Company staff amounted to N10.0 million in 2013 (2012:N14.1 million).

The Company also made charitable donations and gifts worth nearly N282.5 million (2012: N55.9 million) available for its ongoing corporate social responsibility (CSR) programmes in 2013 (see photographs included in this annual report). This was more than 5 fold increase in charitable donations and CSR in 2013 over that of 2012.

CSR included the following:

	N'000's
• Community projects and support to Udo & other Communities*	279,213
• Scholarships to students of Okomu & Udo Communities**	1,600
• Other charitable donations	1,660
	282,473
	=====

* Communities to benefit included those of Udo, Marioghionba (AT&P), Inikorogha, Ofunama, Gbelebu, Amadagbayo, Gbole-Uba, Opauma, Aighobahi, Utese and Okomu Ijaw, as well as the Okomu national Park, Department of Basic Education, Edo State and Iguobazuwa Police station.

** Communities benefitted from 20 bursaries worth N80,000.00 each and 5 youth from participating communities were given a month's skills acquisition at Don Bosco technical school at the cost of the Company.

A monthly health, safety and environment interdepartmental meeting, along with the Company's environmental consultants, has continued to ensure that all levels of compliance are adhered to within the various departments, as well as ensuring that all laws, permits and certificates required and implemented by Government are updated timeously, on an ongoing basis. The Federal Ministry of Environment audited areas within the Company and found nothing wanting pertaining to environmental issues in 2013.

STAFF & SECURITY

Security, whilst still focused on protecting staff against criminal elements, such as kidnappers, is also focusing on anti theft measures to protect our rubber and palm fruit which is increasingly becoming an issue for the Company to control.

Total fulltime employees on Okomu's payroll as at December 2013 was 698 (2012: 784). The Company also trained 11 industrial trainees in 2013.

In terms of training, the Company once again invested in skills development of their staff in 2013. In this regard, more than 500 people were trained, at a total cost to Company of N13.1 million (2012: N20.9 million).

FUTURE EXPANSION & DEVELOPMENT PLANS

As mentioned earlier, the Company purchased 11,400ha of land in Ovia NE L.G.A of Edo State and intends to plant at least 10,000ha of oil palm on the land within 3 years. Thereafter, a new 60t/hr oil mill will be erected on this site to process the FFB produced. The total cost of this development to the Company over the next 4 years will be in the region of N8 billion.

The expansion of Extension 1 under rubber will also continue in 2014. A total of 700ha of rubber is to be planted in Extension 1 in 2014.

The Company will continue its replant programme with another 500ha of oil palm in 2014 and a similar amount will be replanted in 2015.

The Company will also clear and plant 100ha of rubber on the main plantation in 2014.

Along with the ISO9001 quality certification which the Company already possesses, it will also be preparing to be ISO14001certified in May 2014. This will mean that the Company will aspire to the highest environmental certification standards within the ISO.

In conclusion, I would like to again thank all those who have this past year contributed to the highly commendable performance of the Company in achieving these results, especially under the current trying economic circumstances and to thank you, the shareholder for your consistent support to your Board, and the Company.

I also wish to thank you for your attendance at our Annual General Meeting this year and wish you well in 2014.

Thank you.

Board of Directors



Mr. G. Oyebode MFR
Chairman

Name: **Gbenga OYEBODE MFR**

Residence: Nigeria

Appointment: Non Executive Director

Qualification: LLB, BL LLM

Work experience and occupation

Managing partner: Aluko & Oyebode (Barristers Solicitors and Trade Mark Agents)

Chairman: Okomu Oil Palm Company Plc Access Bank Plc

Director: MTN Nigeria

Member: Nigerian Bar Association, American Bar society of International Law.

Name: **Graham HEFER**

Residence: Nigeria

Appointment: Managing Director

Qualification: Msc. Agric, PHD. Agric

Work experience and occupation

Lecturer/Research fellow: University of Natal

Agricultural director: Tongaat Cotton Ltd

Executive director: Noordelike Sentrale katoen(PTY)

Managing Director: Okomu Oil Palm Company Plc



Dr. G. D. Hefer

Name : **Hubert FABRI**

Residence : Switzerland

Appointed: Non Executive Director

Qualification: Bsc. Business administration

Work expérience and occupation

Chairman : Socfin, Socfinaf, Socfinasia, Liberian Agricultural Corporation (LAC)

Manager : Brabanta

Director : Plantations des Terres Rouges, Compagnie du Cambodge, Bolloré, Financière Moncey, Financière de l'Odet, Forestière Equatoriale, Société Anonyme Forestière et Agricole « SAFA » , Société Industrielle et Financière de l'Artois, PT Socfin Indonesia « Socfindo » , Okomu Oil Palm Company Plc, SAFA Cameroun, Société des Palmeraies du Cameroun « Socapalm » , (through PF Représentation) So.G.B., Sud Comoe Caoutchouc (SCC), Socfin Agricultural Company Limited (SAC SL), Socfin KCD



Mr. H. Fabri



Board of Directors



Name: **Philippe de TRaux de WARDIN**

Residence: Switzerland

Appointment: Non Executive Director

Qualification: Bsc. Applied Economic Science

Work experience and occupation

Director: Socfin, Socfinaf, Socfinasia, Okomu Oil Palm Company Plc S.O.G.B, Socapalm (Soc. Des Plameraies du Cameroun), SCC (Sud Comoe Caoutchouc), LAC (Liberian Agricultural Corporation), SAC SL (Socfin Agricultural Company Limited), Socfin KCD, Manager Brabanta

Mr. Ph.de Taux de Wardin

Name: **Luc BOEDT**

Residence: Belgium

Appointed: Non Executive Director

Qualification: PHD. Agronomy sciences

Work experience and occupation

Chairman: Terres Rouges Consultant S.a.s. (trc) Safacam

Salala Rubber Corporation (SRC)

General Manager: Socfinco

Manager: Brabanta

Director: Socfinaf, Socfinasia, Socapalm, Sud Comoe Caoutchouc (S.C.C.),

Okomu Oil Palm Company Plc, Socfin Kcd, S.A.C. (SL) Limited (Socfin

Agricultural Company), L.A.C. (Liberian Agricultural Coporation), PT Socfin

Indonesia (SOFINDO), IFC (Institut Français de Caoutchouc)

Managing Director : S.O.G.B



Dr. L. J. J. Boedt



Name: **David U. EDEBIRI OON**

Residence: Nigeria

Appointed: Non Executive Director

Qualification: Dip. Journalism

Work experience and occupation

Public relations/information officer in the Civil Service, Chairman of various committees including Palace Committee on Benin traditional sports and games. Author of a number of books on Benin kingdom, General business and fish farming.

Director: Okomu Oil Palm Company Plc

Chief D. U. Edebiri OON

Name: **Regis HELSMOORTEL**

Residence: Belgium

Appointed: Non Executive Director

Qualification: BSc Industrial Management, MSc Agricultural Engineering

Work experience and occupation

Head: Agronomy Department. Socfinco SA (Socfin Group) - Belgium

Director: Okomu oil Palm Company Plc



Mr. R. Helsmoortel



Board of Directors



Name: **Peter A.E EGUASA**
Residence: Nigeria
Appointed: Non Executive Director
Qualification: BBA General Management Science,
MBA Finance & Accounting
Work experience and occupation
Managing Director: Perfect Securities & Investment Ltd
Director: Okomu Oil Palm Company Plc
Fellow: Institute of Stockbrokers, Nigeria

Mr. P. A. E. Eguasa, JP



Name: **Alain MARY**
Residence: Nigeria
Appointment: Finance Director
Qualification: HED. Accounting
Work experience and occupation
Finance Director: Flour Mill, Mauritania
Escofier Technologie
Filatures de Chenimenil
Okomu Oil Palm Company Plc

Mr A. Mary



Name: **Sven. R.F CLAEYS**
Residence: Belgium
Appointment: Non-Executive Director
Qualification: Msc. Agric Engineering, M.A International Policy
Work experience and occupation
Plantation Manager, SOGB, Grand Bereby, Cote 'd'Ivoire, Safacam, Edea,
Cameroun
Director: Okomu Oil Palm Company Plc

Mr. S. R. F. Claeys



Name: **Asue IGHODALO**
Residence: Nigeria
Appointment: Independent Director
Qualification: Bsc. Economics, LL.B, BL
Work experience and occupation
Founding Partner: Banwo & Ighodalo (Law Firm)
Director: Christopher Kolade Foundation, Dangote Flour Mills Plc, FATE
foundation Main Street Technologies Ltd, Nigerian Economic Summit group,
Piling Engineering Company Ltd, Nigerian Leadership Initiative, Union Bank
(UK) Plc, Kakawa Discount House, University of Ibadan Advancement Board,
Okomu Oil Palm Company Plc

Mr. Asue Ighodalo





The directors present their annual report together with the audited financial statements report for the year ended 31st December, 2013.

1. 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.

2. RESULTS FOR THE PERIOD

These are set out on page 24 of these financial statements.

3. FUTURE PROSPECTS & REVIEW

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

4. DIVIDEND

The directors recommend, in respect of the year ended 31st December 2013, the declaration of a dividend of ₦953.91 million (note 35) (2012: ₦3,338.68 million) subject to the deduction of withholding tax at the appropriate rate.

5. DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act, CAP C20 LFN 2004, and the Financial Reporting Council Act No. 6 of 2011 requires the directors to prepare the financial statements in respect of each financial year, which 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 these financial statements.

In preparing these financial statements, the directors are 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, 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 will 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, the Securities and Exchange Commission and the relevant International Financial Reporting Standards.

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

6. 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 29 days on average during the year (2012: 11 days).

7. MANAGEMENT AND TECHNICAL SERVICE PROVIDER

Okomu Oil Palm (Nigeria) 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).

8. PROPERTIES, PLANT AND EQUIPMENT

These are set out in note 14 to this financial report.

9. BIOLOGICAL ASSETS

These are set out in note 15 to this financial report.

10. 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.



11. DIRECTORS

The directors of the company who held office during the year under review were:

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

12. 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: Messrs. L.J.J. Boedt, P. A. E. Eguasa and A. Ighodalo

13. DIRECTORS' SHAREHOLDINGS 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 Section 275 and 276 of the Companies and Allied Matter Acts, CAP C20 LFN 2004 are as follows:

Held as at:	31 st December, 2013		31 st December, 2012	
Name	Direct Number	Indirect Number	Direct Number	Indirect Number
Mr. Gbenga Oyebode MFR	35,938,136	5,345,978	17,969,068	2,672,989
Mr. P.A.E Eguasa JP	9,015,000	150,000	4,507,500	75,000

13.(i) SHAREHOLDING

Okomu Oil Palm Company Plc is owned 62.69% 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.

14. 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 disability. There was no physically challenged person in the employment of the company.

15. 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 ₦13.1million (2012: ₦20.9million) in providing training during the year.

16. HEALTH, SAFETY AND WELFARE

Health, and safety regulations are in force within the company, and are displayed safety on various notice boards within the premises. The company has three staff clinics and welfare and also provides medical facilities to all levels of employees. The company incurred ₦10.01 million (2012: ₦14.1 million) during the year.

17. CORPORATE GOVERNANCE

The corporate governance report and the director's responsibilities are set out on pages 17 to 21 and form a part of this report.



18. DONATION

The company made charitable gifts donations of ₦282,473 million during the year (2012: ₦55.9 million). These comprise:

	N'000
• Community projects and support to Udo & other Communities*	279,213
• Scholarships to students of Okomu & Udo Communities**	1,600
• Other charitable donations	1,660
	282,473
	=====

19. ANALYSIS OF SHAREHOLDINGS

Register Range Analysis As At: December 31st 2013

Holdings	Range	Number of Holders	Percentage %	Unit	Percentage %
1	50	151	0.9299	4205	0.0004
51	100	237	1.4595	20337	0.0021
101	500	2947	18.1488	1066861	0.1118
501	1,000	3489	21.4866	2800334	0.2936
1,001	5,000	5891	36.2791	14360858	1.5055
5,001	10,000	1417	8.7264	10485040	1.0992
10,001	50,000	1510	9.2992	33817724	3.5452
50,001	100,000	265	1.632	19887106	2.0848
100,001	500,000	245	1.5088	59454580	6.2327
500,001	1,000,000	47	0.2894	32662775	3.4241
1,000,001	953,910,000	39	0.2402	779350180	81.7006
Grand Total		16238	100	953910000	100

20. AUDIT COMMITTEE

Pursuant to Section 359(5) of the Companies and Allied Matter Act, CAP C20 LFN 2004, the company has an audit committee comprising of Directors and Shareholders. They are: Chief D.U Edebiri OON, Mr L.A Ohenhen, Mr .P.A.E Eguasa, Mr M. Igbrude and Mr A. Imadu.

21. AUDITORS

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

By Order of the Board

Company Secretary
Okomu-Udo
Edo State
13th March, 2014



Building a better
working world

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Report of External Consultants on the Board Performance Appraisal.

We have completed our procedure for the appraisal of the Board of Directors (the Board) of Okomu Oil Palm Company Plc. For the year ended December 31, 2013, in compliance with the Security Exchange Commission Code of Corporate Governance (The SEC Code).

Our approach focused on Board Structure and composition, responsibilities, proceedings, quality of the Board, Risk management activities, standing committees, relations with shareholders, allowance and senior manager remuneration as well as organisational structure.

Based on our review of the corporate governance structure, policies, interviews with management and members of the board as well as analysis of board members self-evaluation forms, nothing has come to our attention which causes us to believe that the board's performance does not comply in any material respect with the criteria set out in the Securities and Exchange Commission (SEC) Codes of Corporate Governance.

The Procedures we performed were limited in nature and as such may not necessarily disclose all significant matters about the company or reveal irregularities, if any, in the underlying information.

Our review was concluded in February 2014. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the Board.

Yours faithfully

Burmi Akinde
Partner, Advisory Services

February 28, 2014



The Board is responsible to 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 13 to 15 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 director's headed by a Chairman with at least one independent director.

It is part of the Board's plan to ensure that it has the blend of skills, experience and independence that it requires 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 solicitor's 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 specifically 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;
- Functioning of the Board (continued)
- Approval of the annual results, interim management statements, accounting policies and the appointment and, subject to shareholder approval, remuneration of the external auditors;
 - Approval of the dividend policy and interim dividends and the recommendation of final dividends;
 - 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 updates on the following: financial performance; key management changes; material new projects; financial plans; legal and regulatory updates, and in particular:

- Passed a special resolution that the sum of ₦238,478,000 be capitalised from the amount standing to the credit of the general reserve in the books of the company into 476,956,000 new ordinary shares of 50k each and the same be allotted and distributed to shareholders whose names appear in the register of members at the close of business on Monday 13th May, 2013 in proportion one new share for every one share held by them, the share so distributed being treated for all purposes as capital and not as income and shall rank pari-passu with the existing shares of the company; and
- Reviewed the strategies and policies being pursued to mitigate risks, particularly those in relation to the new oil mill and the new land acquisition.



As well as the planned briefings, directors are also 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 as defined by their terms of reference. Additional information on the responsibility of each of the Board Committees appears on pages 19 and 20.

BOARD TRAINING

It's the company's policy to send the director's for different training programmes and seminars that would enhance their professional skills and inform them of new developments in the company's business and operating environment.

BOARD PERFORMANCE AND EVALUATION

In the year under review, the Board engaged Ernst and Young, a firm of Chartered Accountants on a three year appointment to undertake an annual independent evaluation of Board and Board Committee performance and to identify areas where performance and procedures might be further improved.

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 authorised in accordance with the Articles by the other Directors. The Board has adopted a set of guiding principles on managing conflicts and approved a process for identifying current and future actual and potential conflicts of interest.

BOARD MEETINGS

During the year the Board held four scheduled meetings. Their attendance at the scheduled committee meetings that were convened in the year ended 31 December 2013 was as follows:

Name of director	Board of directors	Audit committee	Risk management committee	F&GPC (i)	Governance/ Remuneration committee
Number of meetings held	4	4	3	1	4
1.Mr. G. Oyebode	4	-	-	-	-
2.Dr. G. Hefer	4	4	3	1	4
3.Dr.L.J.J Boedt	3	1	-	1	-
4.Mr. P.A.E Eguasa	4	4	3	1	4
5.Mr. Ph. De Traux	2	-	-	1	*
6. Mr J Read (alternate to Mr. Fabri)	2	-	-	-	-
7.Mr. R. Helsmoortel	4	-	-	1	3
8.Chief D. U Edebiri	4	4	3	1	4
9.Mr. A. Ighodalo	4	-	-	1	4
10.Mr. S Claeys	2	-	*	-	-
11. Mr. A. Mary	4	4	3	1	-

Keys

- Non member

*Absent

**Finance and General Purposes Committee.



In line with the provisions of Section 258(2) of the Companies and Allied Matters Act 2004, the record of directors' attendance at the board meetings will be 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.

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's Secretary. The principal committees of the Board are as follows:

Name	F&GP	RISK management	Governance/remuneration
Mr. G. Oyebode MFR	-	-	-
Dr. L. J. J Boedt	M	M	-
Chief D.U. Edebiri OON	C	M	M
Mr. P.A.E Eguasa	M	C	M
Mr. H.Fabri	M	-	-
Dr. G. D. Hefer	M	M	M
Mr.R.Helsmoortel	M	-	M
Mr.A.Ighodalo	M	-	C
Mr. Alain Mary	M	M	-
Mr. Ph.de Traux de Wardin	M	-	M
Mr. Sven Claeys	M	M	-

Keys

- Non member
- M Member
- C Chairman of Committee

RISK MANAGEMENT COMMITTEE

The Board in its meeting of 7th June, 2011 established this committee with the responsibility for acknowledging and identifying risk in the workplace and the operating environment, evaluating and prioritizing such risks that may arise and advising the company on how to avoid, modify and manage all 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 2013.

AUDIT COMMITTEE

ATTENDANCE

The Committee comprised three Non-Executive Directors and included three (3) members of the shareholders. It is chaired by Mr. M. Igbrude. The Committee met four times during the year. The meetings are also attended by the Managing Director, Finance Director, representatives from the Internal and the External Auditors and the Company Secretary. The Board considers that the members of the 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 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 authorised to investigate any matter within its terms of reference and, where necessary, to obtain external legal or other independent professional advice.



The Committee's principal activities during the year have included:

- Reviewing the half year and annual financial statements with particular reference to accounting policies, together with significant estimates and financial reporting judgments 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 audit process;
- Reviewing and assessing the effectiveness of the company's internal financial controls and their application;
- Monitoring and reviewing the effectiveness of 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

The inaugural meeting of this committee was held on the 12th December, 2012 and is comprised of five Non-Executive Directors, chaired by Mr. A. Ighodalo. The Company's Secretary is the secretary to the Committee and also provides such advice to it, as is necessary.

The Committee's principal responsibilities are to determine the company policy on senior management remuneration and to agree the remuneration packages of the senior management staff and members of the company's Non Executive Board. The committee (excluding the Non-Executive Chairman) also 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 company, in terms of recruitment, motivation and retention of high quality employees, the committee is consulted on the remuneration packages of the senior management staff. The committee also reviews the remuneration of the other members of the company's Non-Executive Board.

RELATIONS WITH SHAREHOLDERS

The company recognises 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.
- A company risk management policy which sets out the process for identifying, evaluation and managing the key risks to the company's business objectives, supported by an appropriate organisational structure and clearly defined management responsibilities;
- A company 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 control and the monitoring of internal audits and other sources of assurance on the effectiveness of internal controls.

The Audit Committee, on behalf of the Board, 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;
- Management's own assessment of the performance of the system of risk management and internal control during 2013; and
- Reports from the external auditors only 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.

WHISTLE-BLOWING

The company encourages employees to report concerns which they feel 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 victimisation 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 languages as appropriate) which details the company's commitment and approach to ethical and business conduct.

GOING CONCERN

The Board of directors has undertaken a thorough review of the company's budgets and forecasts and 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.

By the Authority of the Board

Mr. C. J. Mariere
Company Secretary
Okomu Udo
Edo State

13th March, 2014



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, 2013 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, 2013.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2013 were adequate and we confirm that the responses by the Management to the External Auditors findings on Management matters were satisfactory.

Mr. Moses Igbrude
Chairman, Audit Committee
Dated this 13th March, 2014

MEMBERS OF THE AUDIT COMMITTEE:

Mr. M. Igbrude	-	Chairman	
Chief D. U. Edebiri OON	-	Member	(Director)
Mr. L. A. Ohenhen (JP)	-	Member	
Mr. P. E. A Eguasa(JP)	-	Member	(Director)
Mr. A. Imadu	-	Member	
The Company Secretary, Mr. C. J. Mariere,	-	Acted as the Secretary to the Committee.	



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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Okomu Oil Palm Company Plc for the year ended 31st December, 2013 which are set out on pages 24 to 46 and which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the cash flow statement for the year then ended, the summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Accounting Standards and International Financial Reporting Standards. 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and NSAs Nigerian Standards on Auditing issued by Institute of Chartered Accountants of Nigeria (ICAN). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures 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 those risk assessments, the auditor considers internal controls 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

COMPLIANCE WITH LEGISLATION AND REGULATIONS

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

We further report, in accordance with Section 359(2) (Sixth Schedule) of the Companies and Allied Matters Act, Cap C20 LFN 2004 that we received all the information and explanation that were required for the purpose of the audit.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Okomu Oil Palm Company Plc as of 31st December, 2013 and of its financial performance and its cash flows for the year then ended and comply with the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council Act No. 6 of 2011 together with the applicable International Financial Reporting Standards.

Lagos, Nigeria
13th March, 2014


Igbo O. Dafinone
Partner
for Horwath Dafinone
Chartered Accountants
FRC/2012/ICAN/000000622





Year ended: 31st December, 2013
Statement of comprehensive income



	Note	2013 '000	2012 '000
REVENUE	2	8,860,425	10,146,164
Other work performed by entity		152	498,254
Changes in inventories of finished goods and work in progress		(289,244)	(84,378)
Other income	3	1,120,206	516,765
Raw materials and consumables used		(1,589,087)	(1,879,578)
Other external charges		(2,063,217)	(1,875,688)
Employee expenses	4	(774,433)	(834,616)
Depreciation and amortisation expenses		(706,541)	(525,386)
Other expenses		(1,956,344)	(1,605,102)
Profit from continuing operations before gain/(loss) on changes in fair value of non-current biological assets, tax, finance and other related costs	11,8(a)(b)	2,601,917	4,356,435
Finance income	9	102,295	170,075
Gain on disposal of assets		22,896	17,903
Finance costs	10	(33,553)	(197,747)
PROFIT BEFORE TAX		2,693,555	4,346,666
Companies Income Tax charge	12(a)	(324,381)	(547,865)
Deferred Tax Charge	12(b)	(277,000)	(208,038)
PROFIT ON CONTINUING OPERATIONS	8(a)(b)	2,092,174	3,590,763
Other comprehensive income			
(Loss)/gain on changes in the fair value of non-current biological assets		(1,919,339)	5,959,522
Deferred capital gains(credit)/tax on the fair value gain on non-current biological assets		252,257	(595,942)
PROFIT AFTER TAX		425,092	8,954,343
Basic earnings per share (Naira)	13	2.91 ====	7.53 ====

The principal accounting policies on pages 28 to 31 and the notes on pages 32 to 46 form integral parts of these financial statements.



Year ended: 31st December, 2013
Statement of financial position



	Notes	2013 '000	2012 '000
ASSETS			
Non-current assets			
Property, plant and equipment	14	6,507,126	4,325,947
Biological assets	15	19,692,910	21,008,866
		<u>26,200,036</u>	<u>25,334,813</u>
CURRENT ASSETS			
Inventories	16	1,319,903	973,615
Trade receivables	17	133,971	154,277
Intercompany receivables	18	136,810	112,163
Other receivables and short term prepayments	19(i)	1,077,483	557,292
Cash and cash equivalents	20	1,182,444	3,922,513
		<u>3,850,611</u>	<u>5,719,860</u>
TOTAL ASSETS		<u>30,050,647</u> =====	<u>31,054,673</u> =====
Equity and liabilities equity attributable to equity holders of the company			
Share capital	21(ii)	476,956	238,478
Share premium	22	1,867,095	1,867,095
Revenue reserves	23	20,273,107	23,425,178
		<u>22,617,158</u>	<u>25,530,751</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	24	2,924,091	2,899,348
Non-current provisions for post-employment benefit	25	659,999	617,158
Non-current financial liabilities	26	1,266,667	-
		<u>4,850,757</u>	<u>3,516,506</u>
CURRENT LIABILITIES			
Trade payables	27	415,242	299,827
Other current payables	28	179,784	94,461
Current provisions and accruals	29	148,555	113,981
Other current financial liabilities	30	400,000	123,257
Current tax payable	10(c)	1,302,970	1,261,376
Retirement benefit obligations	31	72,716	51,049
Dividend payable	32	63,465	63,465
		<u>2,582,732</u>	<u>2,007,416</u>
TOTAL LIABILITIES		<u>7,433,489</u>	<u>5,523,922</u>
TOTAL EQUITY AND LIABILITIES		<u>30,050,647</u> =====	<u>31,054,673</u> =====

Chairman

Managing Director

13th March, 2014

The principal accounting policies on pages 28 to 31 and the notes on pages 32 to 46 form integral parts of these financial statements.



Year ended: 31st December, 2013
Statement of Changes in Equity



	Share Capital '000	Share premium '000	Distributable reserves '000	Revenue reserves '000	Total '000
BALANCE AS AT 31 DECEMBER, 2011	238,478	1,867,095	10,255,569	6,649,063	19,010,205
Profit for the year	-	-	-	3,590,763	3,590,763
Net fair value adjustment in respect of biological assets transferred to non-distributable reserves	-	-	-	5,363,580	5,363,580
Transfer of gains to non-distributable Reserves (a)	-	-	5,363,580	(5,363,580)	-
COMPREHENSIVE INCOME FOR THE YEAR	-	-	5,363,580	3,590,763	8,954,343
Dividends paid	-	-	-	(1,907,820)	(1,907,820)
Effects from adoption of IAS 41	-	-	-	(525,977)	(525,977)
TRANSACTIONS WITH SHAREHOLDERS	-	-	-	(2,433,797)	(2,433,797)
BALANCE AS AT 31 DECEMBER, 2012	238,478	1,867,095	15,619,149	7,806,029	25,530,751
Profit for the year	-	-	-	2,092,174	2,092,174
Net fair value adjustment in respect of biological assets transferred to non-distributable reserves(a)	-	-	(1,919,339)	-	(1,919,339)
Deferred tax credit	-	-	252,257	-	252,257
	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE YEAR	-	-	(1,667,082)	2,092,174	425,092
Bonus Shares Issued	238,478	-	-	(2,092,174)	-
Dividends paid	-	-	-	(3,338,685)	(3,338,685)
BALANCE AS AT 31 DECEMBER, 2013	476,956	1,867,095	13,952,067	6,321,040	22,617,158

- (a) The movement from distributable revenue profits to non distributable profits arises from the requirement 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 revaluations.

The principal accounting policies on pages 28 to 31 and the notes on pages 32 to 46 form integral parts of these financial statements.



	Note	2013 '000	2012 '000
CASH FLOW OPERATING ACTIVITIES			
Receipts from customers		8,880,731	10,423,854
Payments to suppliers		(1,471,672)	(1,815,657)
Payment to employees		(774,433)	(1,967,444)
Payments of operating expenses		(5,096,212)	(1,944,033)
Payment of taxes: CIT		(33,536)	(57,385)
Valued Added Tax		(2,865)	3,976
Withholding tax		49,297	9,027
Other receipts		1,120,206	516,765
		<hr/>	<hr/>
NET CASH GENERATED FROM OPERATING ACTIVITIES		2,671,516	5,169,103
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(2,887,720)	(1,542,853)
Pre-cropping expenditure incurred		(820,248)	(531,876)
Proceeds from disposal of property, plant and equipment		22,896	17,903
Finance income received	9	102,295	170,075
		<hr/>	<hr/>
Net cash outflow from investing activities		(3,582,777)	(1,886,751)
		<hr/>	<hr/>
Cash flow from financing activities			
Loans and borrowings		1,543,410	(119,233)
Interest paid	10	(33,533)	(197,747)
Dividends paid	23(a)	(3,338,685)	(1,907,820)
		<hr/>	<hr/>
Net cash generated from financing activities		(1,828,808)	(2,224,800)
		<hr/>	<hr/>
Net cash inflow in the year		(2,740,069)	1,057,552
Cash and cash equivalent as at the beginning of the year		3,922,513	2,864,961
		<hr/>	<hr/>
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR	20	1,182,444 =====	3,922,513 =====



Principal Accounting Policies



a) BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRSs) prevailing as at 1st January, 2013, the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011 together with the requirements of the Securities and Exchange Commission and the Nigerian Stock Exchange.

USE OF ESTIMATES AND JUDGEMENTS

The preparations of the financial statements are in conformity with IFRS. This requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the result of which form the bases the judgements in respect of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a going concern basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period; or in the period of revision and future periods, if the revision affects both current and future periods.

Additional disclosures for compliance with the requirements of the listing regulations of the Nigeria Stock Exchange are incorporated within these financial statements.

The financial statements are presented in Naira ("") which is the functional currency of the company and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

b) COMPARATIVE VALUE AMOUNTS

The comparative amounts stated in these financial statements have been derived through the reinstatement of the financial statements for the reporting periods ended 31st December 2010 and 2011 in accordance with the relevant provisions of International Financial Reporting Standard no.1.

c) 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 assets 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.

ANNUAL EVALUATION

These capitalized costs in respect of all of the mature and immature assets are evaluated to determine the fair value of the plantation. The valuations are carried out using the discounted cash flows arising from the evaluation of the estimated production of the groups of biological assets.

The prices utilised in determining the evaluation of the rubber product are the prices available on the global commodity market. The prices in respect of the oil palm product are the prices available on the global market but which are prudently adjusted for any local environmental factors. The interest rates utilised in the discounting cash evaluation represents the current cost of capital to the company.



No consideration is made for the discounted value of the clearance cost at the end of the useful life of the crops as such discounted value, as such is deemed immaterial given the length of future time, which currently is excess of 25 years, that such cost would be incurred.

The difference on evaluation of the biological assets is recognised in the statement of comprehensive income. The losses, if they are reversals of previous gains, are allocated against the non distributable reserves in the statement of changes in equity. Gains passed through the statement of comprehensive income are allocated to a non distributable reserve. Losses which do not reverse a previous gain which was previously in the non distributable reserve are retained within the distributable profits.

d) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property plant and equipment are recognised only when future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All items of property, plant and equipment are initially recorded at cost. Costs comprise the amounts incurred to acquire and bring the asset to its present location and condition. Prior to the assets being brought into operation the amounts incurred are recorded as part of capital work-in-progress

The company has adopted the cost model and accordingly the property, plant and equipment carried at their historical cost less any depreciation computed using the policies set out in these financial statements and after allowances have been made for impairment in the assets.

Upon the asset being brought into use subsequent expenditure on such assets is treated as repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Where future economic benefits are associated with the additional expenditure and the costs and benefits can be reliably measured, such costs are included in the carrying value of the asset and previous amount in the carrying value derecognised.

Property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any accumulated losses.

The cost of freehold land initially acquired is allocated between the land, buildings and biological assets elements in proportion to the relative fair values for the interests in the land element, buildings element and biological asset element. Freehold land has an unlimited useful life and therefore is not depreciated.

Long term leasehold land is depreciated over the period of the lease which ranges from 50 to 99 years. Capital work-in-progress is also not depreciated as these assets are not available for use. Other property, plant and equipment are depreciated by equal annual instalments over their estimated economic lives based upon the original cost or deemed cost on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life. The principal annual depreciation rates used are:

<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 residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net recoverable amount (proceeds), if any and the net carrying amount is recognised in the profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

e) INVENTORIES

Inventories are stated at the lower of the cost or the net realisable value. Cost represents the amounts incurred in bringing the items to their present location and condition. Net realisable value represents the amount realisable less any cost of realisation.

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 this 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.

f) RECEIVABLES

Debtors are stated after the deduction of specific provisions for any debts for which the ultimate realisation is doubtful. Debts are considered doubtful where in the opinion of the directors, there are risks that full collection without undue cost may not occur. Debts are considered bad where the repayment is overdue by more than 365 days and full provision is made for such debts.

g) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are converted into Naira at the exchange rates ruling on the date of the transactions. Assets and liabilities denominated in foreign currencies other than those subject to contracted rates of settlement are converted into Naira at the rate prevailing on the balance sheet date. Exchange differences thus arising are taken to the profit and loss account.

h) DEFERRED BENEFITS

The company operates an unfunded defined benefits gratuity scheme for its permanent staff who was employed prior to 2004. The benefits under this scheme are related to the employees' length of services and remuneration. The benefits payable upon the retirement or resignation of employee are fully accrued over the service lives of the staff of the company. The actuarial valuation is done by the group company on a global basis. The effect of the valuation is included in the employee costs which is within the profit from continuing operations

i) PENSION SCHEME

In line with the provision of the Pension Reform Act 2004, the company has instituted a funded defined contribution pension scheme for its staff. Staff contributions to the scheme are funded through payroll deductions while the company's contributions are charged to the profit and loss account in the year to which they relate.

j) INCOME TAX

Income tax expense is the aggregate charge to profit and loss account in respect of company income tax, education tax, capital gain tax and deferred tax. The components are charged as follows:

- Company income tax is the expected amount of income tax payable on taxable profits determined in accordance with the Company Income Tax Act (CITA) using the statutory tax rate at the balance sheet date.
- Education tax is assessed at 2% of the chargeable profit while capital gains tax is assessed at 10% of the capital gain.



Deferred taxation

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

k) IMPAIRMENT

The carrying value of assets is reviewed at each balance sheet date to determine whether or not there is any indication of impairment. If any such indication exists, the estimated recoverable amount is then determined. Impairment losses are recognised in the profit or loss account.

l) PROVISIONS

Provisions are recognised where in the opinion of the directors, the company has a present obligation whether legal or constructive, as a result of a past event for which it is probable that there will be an outflow of resources.

m) SEGMENT REPORTING

The business is presented by product segments, which is determined by management based on the company's internal reporting structure. The segments are related to its principal products namely rubber and palm oil. Segmented results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

n) LEASE

Operating lease rental expense is recognised in the profit or loss on the basis of the contractual expense incurred over the term of the lease.

o) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank and cash balances (including bank overdrafts), demand deposits and short-term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value.

p) RESEARCH AND DEVELOPMENT

All general research and development costs are expensed as incurred where applicable.

q) GOVERNMENT GRANTS

The export income of the company, where it complies with the terms and conditions set out in the relevant legislation will, upon a claim submitted by the company, yield government grants that support companies who export items from Nigeria. These grants are recognised on an accrual basis.

Provision is made for the discount, given or prevailing, on such certificates to reflect the impairment arising from such discount.

r) TURNOVER

Turnover from the sale of goods is recognised when the significant risk and rewards or ownership of the finished goods have passed to the buyer. These risks and rewards are determined to have passed where the buyer takes physical custody of the product (oil palm and local rubber sales).

Export revenue is recognised when the goods are delivered at the port of embarkation.

Revenue derived from the sale of the fixed assets is recognised at the latter of the physical delivery or the receipt of the funds.



Notes To The Financial Statements

For the Year Ended: 31st December, 2013



1. LEGAL FORM

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. SEGMENTAL REPORTING

The turnover by geographical destination and operations is:

	2013 '000	2012 '000
Local	5,621,311	6,408,454
Export	3,239,114	3,737,710
	<hr/>	<hr/>
	8,860,425	10,146,164
	=====	=====

2.1 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.

The turnover by product revenue is derived as follows:

	2013 '000	2012 '000
Palm products	5,620,821	6,408,454
Rubber products	3,239,604	3,737,710
	<hr/>	<hr/>
	8,860,425	10,146,164
	=====	=====

3. OTHER INCOME

Export incentive subsidies (note (i))	671,843	335,091
Insurance claim compensation (note (ii))	203,072	3,146
Sales of petroleum products (note (iii))	152,761	129,539
Other revenues	92,530	48,989
	<hr/>	<hr/>
	1,120,206	516,765
	=====	=====

(i) Export incentives

Export incentives and subsidiaries are government grants awarded to companies who export their products and repatriate the foreign proceeds to Nigeria. The benefit from the grant is the ability to offset the certificates given against the duty payable on imported goods to the custom and excise.

(ii) Insurance claims

Insurance claims represent the compensation received from the insurance in respect of the fire at the warehouse.



(lii) **Sale of petroleum products**

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

	2013 '000	2012 '000
4. EMPLOYEES' EXPENSES		
(excluding directors' remuneration):		
Staff salaries	483,121	487,893
Staff welfare	21,899	31,475
Medical	10,015	14,085
Pension employer's contribution	34,161	29,820
Training	13,054	20,881
Gratuity	86,243	117,791
Production bonus	125,940	132,671
	<hr/>	<hr/>
	774,433	834,616
	=====	=====
5. COST OF SALES- SECTORIAL ANALYSIS		
Oil Palm	2,457,277	2,531,966
Rubber	1,416,271	1,308,899
	<hr/>	<hr/>
	3,873,548	3,840,865
	=====	=====
6. GROSS PROFIT - SECTORIAL ANALYSIS		
By products:		
Oil Palm	3,163,544	3,982,512
Rubber	1,823,333	2,322,787
	<hr/>	<hr/>
	4,986,877	6,305,299
	=====	=====
7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
(a) Director's emoluments		
Fees	11,400	4,372
Other emoluments	5,297	8,007
	<hr/>	<hr/>
	16,697	12,379
	=====	=====



(b)	Emoluments:		
	Chairman	2,360	1,894
		=====	=====
	Highest paid director	2,360	1,894
		=====	=====
		Number	Number
(C)	Scale of other directors' remuneration (excluding the chairman)		
	150,000 - 700,000	2	-
	700,001 - 1,500,000	-	7
	1,500,001 and above	8	2
		==	==
d)	Employees remunerated at higher rate:		
	200,000 - 500,000	623	214
	500,001 - 1,000,000	53	434
	1,080,001 and above	17	69
		—	—
	Average number of persons employed	693	717
		===	===

8. SEGMENTAL REPORTING: PROFITABILITY

(a.) Profitability by product

	Palm Oil		Rubber	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
Total revenue	5,620,821	6,408,454	3,239,604	3,737,710
Profit from continuing operations before tax, finance cost and other related cost	1,650,588	2,751,583	951,329	1,604,852
Finance income	64,893	107,422	37,402	62,653
Finance cost	(21,285)	(124,900)	(12,268)	(72,847)
Taxation/tax credit	(381,500)	(477,439)	(219,881)	(278,464)
Gain on disposal of assets	14,525	11,308	8,371	6,595
Profit on continuing operations	1,327,221	2,267,974	764,953	1,322,789
	=====	=====	=====	=====

(b.) Profitability by geographical segments

	Nigeria		Europe	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
Total revenue	5,621,311	6,408,454	3,239,114	3,737,710
Profit from continuing operations before tax, finance cost and other related cost	1,650,732	2,751,583	951,185	1,604,852
Finance income	64,899	107,422	37,396	62,653



Notes To The Financial Statements *Cont'd*

For the Year Ended: 31st December, 2013



	Nigeria		Europe <i>Cont'd</i>	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
Finance cost	(21,287)	(124,900)	(12,266)	(72,847)
Taxation/tax credit	(381,534)	(477,439)	(219,847)	(278,464)
Gain on disposal of assets	14,526	11,308	8,370	6,595
	<hr/>	<hr/>	<hr/>	<hr/>
Net profit for the year	1,327,336	2,267,974	764,838	1,322,789
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9. FINANCE INCOME

	31 December 2013 N'000	31 December 2012 N'000
Interest income on fixed deposit	21,673	75,165
Interest on staff loans	-	231
Foreign exchange gain on current assets/liabilities	79,684	93,955
Interest on current account	938	724
	<hr/>	<hr/>
	102,295	170,075
	<hr/> <hr/>	<hr/> <hr/>

10. FINANCE COSTS

	31 December 2013 N'000	31 December 2012 N'000
Interest on long term loans	-	13,937
Foreign exchange loss on current assets/liabilities	33,553	183,810
	<hr/>	<hr/>
	33,553	197,747
	<hr/> <hr/>	<hr/> <hr/>

The interest on long term loans received during the year has been capitalised as the loan was granted to purchase the extension to the oil mill

11. PROFIT FROM CONTINUING OPERATIONS BEFORE Other comprehensive income and tax

Is stated after charging/crediting):

	2013 N'000	2012 N'000
	2,601,917	4,356,435
	<hr/> <hr/>	<hr/> <hr/>
Depreciation and amortisation expense	706,541	525,386
Auditors' remuneration	24,000	24,000
Directors' emoluments and expenses (note 5(a))	71,939	67,144
Finance cost (note 10)	33,553	197,747
Finance income (note 9)	(102,295)	(170,075)
	<hr/> <hr/>	<hr/> <hr/>



Notes To The Financial Statements Cont'd

For the Year Ended: 31st December, 2013



12(a) TAXES

Income tax charge comprise of:

	2013 N'000	2012 N'000
Education tax	51,381	472,711
Company income tax	273,000	75,154
	<u>324,381</u>	<u>547,865</u>
	=====	=====

(b) Deferred tax

Deferred tax comprise of:

	2013 N'000	2012 N'000
Transfer to deferred taxes	277,000	208,038
Deferred tax on changes in fair value	(252,257)	595,942
	<u>24,743</u>	<u>803,980</u>
	=====	=====

(c) Current tax payable

	2013 N'000	2012 N'000
As at 1st January	1,261,376	770,900
Charge for the year (note (a))	324,381	547,865
Payments during the year	(282,787)	(57,389)
	<u>1,302,970</u>	<u>1,261,376</u>
	=====	=====

13. BASIC EARNINGS PER SHARE

	2013 N'000	2012 N'000
Basic earnings per 50kobo ordinary share (Naira)	<u>2.91</u>	<u>7.53</u>
	=====	=====

14. PROPERTIES, PLANT AND EQUIPMENT

	Land & Buildings N'000	Palm Mill N'000	Rubber Mill N'000	Machinery & equipment N'000	Vehicles & Trailers N'000	Fixtures & fittings N'000	Capital work in progress N'000	Total N'000
Cost								
At 1st January, 2013	1,390,154	2,107,988	934,338	1,348,014	734,616	222,523	294,515	7,032,148
Additions	693,602	93,759	5,969	347,905	189,818	11,136	1,545,531	2,887,720
Disposals transfer	(105)	-	-	(73,065)	(145,015)	(53,675)	-	(271,860)
	<u>2,083,651</u>	<u>2,201,747</u>	<u>940,307</u>	<u>1,622,854</u>	<u>779,419</u>	<u>179,984</u>	<u>1,840,046</u>	<u>9,648,008</u>
	=====	=====	=====	=====	=====	=====	=====	=====
Depreciation								
At 1st January, 2013	329,392	1,114,942	215,073	529,171	331,202	186,421	-	2,706,201
Charge for the year	87,278	171,561	49,835	211,455	174,816	11,596	-	706,541
Eliminated on disposal	(105)	-	-	(73,065)	(145,015)	(53,675)	-	(271,860)
	<u>416,565</u>	<u>1,286,503</u>	<u>264,908</u>	<u>667,561</u>	<u>361,003</u>	<u>144,342</u>	<u>-</u>	<u>3,140,882</u>
	=====	=====	=====	=====	=====	=====	=====	=====
Net book value								
As 31st December, 2013	<u>1,667,086</u>	<u>915,244</u>	<u>675,399</u>	<u>955,293</u>	<u>418,416</u>	<u>35,642</u>	<u>1,840,046</u>	<u>6,507,126</u>
	=====	=====	=====	=====	=====	=====	=====	=====
As 31st December, 2012	<u>1,060,762</u>	<u>993,046</u>	<u>719,265</u>	<u>818,843</u>	<u>403,414</u>	<u>36,102</u>	<u>294,515</u>	<u>4,325,947</u>
	=====	=====	=====	=====	=====	=====	=====	=====



PROPERTIES, PLANT AND EQUIPMENT *Cont'd*

The property classified Oil Palm Mill is the subject of a fixed and floating charge in respect of the facility (Agricultural Term Loan facility) granted by Access bank Plc on 15th February, 2013 for a term of 5 years from that date.

15(i) BIOLOGICAL ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Total N'000
Fair value			
At 1st January, 2013	12,815,211	9,257,764	22,072,975
Additions during the year	213,064	607,184	820,248
Fair value loss on biological assets	(526,938)	(1,392,401)	(1,919,339)
Adjustments	(558,955)	(722,019)	(1,280,974)
	<u>11,942,382</u>	<u>7,750,528</u>	<u>19,692,910</u>
	=====	=====	=====
Depreciation			
At 1st January, 2013	469,740	594,369	1,064,109
Charge for the period	89,215	127,650	216,865
Fair value adjustment	(558,955)	(722,019)	(1,280,974)
	<u>-</u>	<u>-</u>	<u>-</u>
	=====	=====	=====
Fair value			
Fair value as at 31st December, 2013	<u>11,942,382</u>	<u>7,750,528</u>	<u>19,692,910</u>
	=====	=====	=====
Fair value as at 31st December, 2012	<u>12,345,471</u>	<u>8,663,395</u>	<u>21,008,866</u>
	=====	=====	=====

In computing the fair value gain/loss of Biological assets under IFRS, the charge on depreciation should be eliminated before the carrying amounts of the assets in the books are adjusted to their fair values. The adjustment of N1,280,974,000 above represents current and accumulated depreciation charge adjusted against the fair value reserves, which were not eliminated in the computation of the fair value gains/losses since the company adopted IFRS.

16. INVENTORIES

	2013 N'000	2012 N'000
Raw materials and consumables	86,413	214,476
General stores and agricultural consumables	1,013,036	538,107
Finished goods	115,438	218,808
Goods-in-transit	105,016	2,224
	<u>1,319,903</u>	<u>973,615</u>
	=====	=====

17 TRADE RECEIVABLES

	2013 N'000	2012 N'000
Trade receivables	797	19,612
Advances to suppliers	143,108	144,599
	<u>143,905</u>	<u>164,211</u>
	(9,934)	(9,934)
Less: allowance for impairment	<u>133,971</u>	<u>154,277</u>
	=====	=====



Trade receivable represent amounts due from trade customers as at the end of the year. The company's operational policy is not to give credit, but those with significant volumes are so given and have an average credit period of between 7 to 15 days.

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 with more than two years' business relationship with the company.

18. INTERCOMPANY RECEIVABLES

	2013 N' 000	2012 N' 000
Sogescol (note 31(i))	168,855	229,246
Socfinco (note 31(ii))	(91,830)	(77,107)
Sodimex (note 31(iii))	59,782	(40,081)
Soca Palm	3	105
	<hr/>	<hr/>
	136,810	112,163
	=====	=====

19. (i) OTHER RECEIVABLES AND SHORT TERM PAYMENTS

Staff loans and advances	26,447	42,710
Government grants(c)	791,450	268,057
Insurance claim receivable on stock loss	-	228,664
Other receivables	9,037	152
Prepaid rent	4,507	17,709
Other advances (a)	153,500	-
Deferred interest (b)	92,542	-
	<hr/>	<hr/>
	1,077,483	557,292
	=====	=====

Other Advances

- (a) This balance represents payment for taxes, stamp duty and other perfection charges that were made towards the acquisition of a new farm plantation.

Deferred interest

- (b) This represents interest write back which the company expects to recover from Access Bank Plc in respect of a loan of ₦2 billion that was obtained in the year. The recovery is dependent on Central Bank providing funds for the repayment of the loan to Access Bank Plc.



	2013 N' 000	2012 N' 000
(c) Government grants		
Export Expansion Grant	1,059,885	335,071
Less: Impairment	(268,435)	(67,014)
	791,450	268,057
	791,450	268,057

Export Expansion Grants represent grants by the Federal Government of Nigeria to companies that export goods from the country and comply with the regulations towards the repatriation of the funds. The impairment represents 30% provision made in the year due to inconsistencies in government policies that may delay the recoverability of these balances.

20. CASH AND CASH EQUIVALENTS

	2013 N' 000	2012 N' 000
Cash and bank balances	1,063,229	3,323,957
Fixed deposits (20.1)	-	500,000
Dividend bank account	119,215	98,556
	1,182,444	3,922,513
	1,182,444	3,922,513

20.1 DEPOSITS WITH LICENSED BANKS ARE AT THE FOLLOWING RATE.

	Weighted average Interest rate		Average maturity period	
	31/12/13	31/12/12	31/12/13	31/12/12
Deposit with licensed banks (foreign)	-	-	-	-
Deposit with licensed banks (local)	15%	-	90 days	-

21. (i) SHARE CAPITAL

	2013 N' 000	2012 N' 000
(i) Authorised:		
1.2 billion ordinary shares of 50kobo each	600,000	300,000
	600,000	300,000
(ii) Movement in authorised share capital		
Balance brought forward	300,000	300,000
Created during the year	300,000	-
	600,000	300,000
	600,000	300,000



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

21. (ii) CALLED UP SHARE CAPITAL

953,910,000 (2012: 476,955,000)
ordinary shares of 50 kobo each

Movement in called up share capital

Balance brought forward
Bonus issue

	2013 N'000	2012 N'000
	476,955 =====	238,478 =====
Balance brought forward	238,478	238,478
Bonus issue	238,478	-
	<u>476,956</u> =====	<u>238,478</u> =====

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

22. SHARE PREMIUM

As at the reporting date

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

31 December 2013 N'000	31 December 2012 N'000
------------------------------	------------------------------

1,867,095 =====	1,867,095 =====
--------------------	--------------------

23. REVENUE RESERVES

At the beginning
Prior year adjustments (note 22(i))

Reserve as restated
Retained profit for the year
Fair value(Loss)/gain

Dividend paid (21(a.))
Unpaid dividends written back
Bounus issue
Deferred tax written back

23,425,178	16,904,632
-	(1,127,817)
<u>23,425,178</u>	<u>15,776,815</u>
2,092,174	3,590,763
(1,919,339)	5,959,522
<u>23,598,013</u>	<u>25,327,100</u>
(3,338,685)	(1,907,820)
-	5,898
(238,478)	-
252,257	-
<u>20,273,107</u> =====	<u>23,425,178</u> =====



	2013 N' 000	2012 N' 000
23(a.) DIVIDEND PAID		
Dividend paid during the year comprises:		
Final dividend 2011 (4 per share)	-	1,907,820
Final dividend 2012 (7 per share)	3,338,685	-
	<hr/>	<hr/>
Paid during the year to 31 st December, 2013	3,338,685	1,907,820
	=====	=====
24. DEFERRED TAX LIABILITIES		
As at 1st January	2,899,348	2,095,368
Net charge ((Note 12(b)))	24,743	803,980
	<hr/>	<hr/>
	2,924,091	2,899,348
	=====	=====
24(i) PRIOR YEAR ADJUSTMENTS: Deferred tax		
Fair value gain on biological asset (a)	-	(1,139,507)
Others	-	11,690
	<hr/>	<hr/>
	-	(1,127,817)
	=====	=====
(a) Provision for deferred tax on fair value Of asset in respect of financial years prior to 31st December, 2011.		
25. NON CURRENT PROVISION FOR POST EMPLOYMENT BENEFIT		
As at 1st January	617,158	589,031
Provision for the year	86,243	117,791
Payment during the year	(43,402)	(89,664)
	<hr/>	<hr/>
As at 31st December	659,999	617,158
	=====	=====

The gratuity provision for the year was based upon independent actuarial valuation and the last actuarial valuation was carried out as at 31st December, 2013.

	2013 N' 000	2012 N' 000
26. NON CURRENT FINANCIAL LIABILITIES		
Foreign loan DEG (26(i))	-	123,257
Access Bank Plc loan (26(ii))	1,666,667	-
	<hr/>	<hr/>
	1,666,667	123,257
	=====	=====



	2013 N' 000	2012 N' 000
The financial liability is disclosed as follows:		
Current	400,000 =====	123,257 =====
Non-current	1,266,667 =====	- =====

(i) Germany Investment & Development Bank (DEG)

The company entered into a ₦697 million term loan agreement with German Investment and Development Bank, in 2003 to provide additional capital to support the expansion programmes at a coupon rate of 8.8% per annum. The repayment period, excluding moratorium, was eight years from the date the initial draw down of each advance. The final instalment of the loan was paid in 2013.

(ii) Access Bank Plc loan

The Access Bank Plc loan represents ₦2 billion commercial agricultural credit loan received under a scheme of the Federal Government, which was obtained by the company through Access Bank Plc. The total amount was drawn down in March 2013 at an interest rate of 15% per annum with an interest draw back of 40% if approved by Central Bank of Nigeria. The facility has a repayment period of 5 years in 60 equal instalments ending in February 2018. This facility was obtained to finance the construction of additional production lines and up grading of the existing oil mill project. It is secured by a specified charge over the oil mill and production lines.

	2013 N' 000	2012 N' 000
27. TRADE PAYABLES		
Trade creditors	329,420	248,027
Advances from customers	85,822	51,800
	-----	-----
	415,242	299,827
	=====	=====
28. OTHER CURRENT PAYABLES		
Value Added Tax	41,701	44,566
Withholding tax	79,869	28,078
Retention fees	31,890	-
Deferred income	26,324	10,312
Other current payables	-	11,505
	-----	-----
	179,784	94,461
	=====	=====
29. CURRENT PROVISIONS AND ACCRUALS		
Provision for management fee	37,305	34,496
Provision for audit fee	24,000	24,000
Provision for interest on loans	-	4,517
Accruals *	87,250	50,968
	-----	-----
	148,555	113,981
	=====	=====



30. OTHER CURRENT FINANCIAL LIABILITIES

Foreign loan DEG (note 26)
Access bank plc

2013 N' 000	2012 N' 000
-	123,257
400,000	-
<hr/>	<hr/>
400,000	123,257
=====	=====

31. RETIREMENT BENEFIT OBLIGATIONS

Pension liabilities
Retirement benefit obligations

2,650	14,836
70,066	36,213
<hr/>	<hr/>
72,716	51,049
=====	=====

32. DIVIDEND PAYABLE

As at the beginning of the year
Write back of unclaimed dividends (a)

63,465	69,364
-	(5,899)
<hr/>	<hr/>

As at the end of the year

63,465	63,465
=====	=====

(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, they revert back to the company.

33. 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 ₦3.2 billion (2012: ₦3.7 billion) and these were carried out at arms length. The amount due to the company from SOGESCOL FR S.A. as at year end was ₦169 million (2012: ₦229 million).

(ii) SOCFINCO FR SA

SOCFINCO FR SA has exclusive rights to know-how and manages the affairs of the company. In consideration 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 ₦429million (2012: ₦463million) on management and technical fees during the year. These fees were incurred on an arm's length basis.



33. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) SODIMEX.SA.

The company purchases a large amount of its equipment and spare parts from SODIMEX S.A (a related company). During the year under review, the company incurred ~~₦~~339 million (2012: ~~₦~~248 million) in costs to procure capital assets and spare parts and these were carried out at arm's length. The amount due to SODIMEX S. A. from the company as at the end of the year was ~~₦~~59.8 million (2012: ~~₦~~40.1 million).

34. ULTIMATE HOLDING COMPANY

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

35. PROPOSED DIVIDEND TO BE DECLARED

The Board of Directors recommend a dividend of ~~₦~~1 per ordinary share (2012: ~~₦~~7 per ordinary share) held, subject to the payment of withholding tax at the appropriate rate.

36. CAPITAL COMMITMENTS

There were no capital commitments as at the balance sheet date.

39. 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.



Statement of Value Added

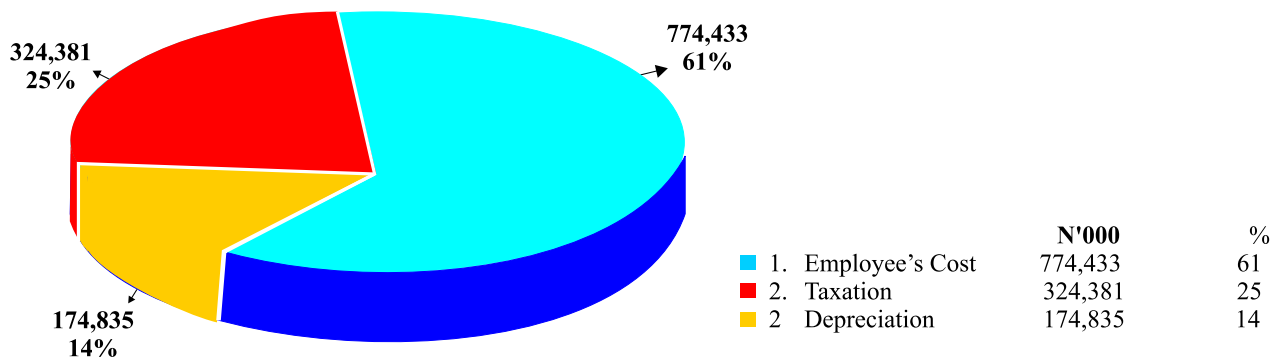
For the Year Ended: 31st December, 2013



	2013 N'000	%	2012 N'000	%
Gross earnings	10,082,926		10,833,004	
Interest expense	-		(13,938)	
	<hr/>		<hr/>	
Bought in materials and service	10,082,926 (8,811,277)		10,819,066 113,700	
	<hr/>	<hr/>	<hr/>	<hr/>
Value added	1,271,649	100	10,932,766	100
	=====	===	=====	===
Distribution of value added				
To employees:				
Employees, costs	774,433	61	834,616	8
To government:				
Government as taxes	324,381	25	547,865	5
For replacement of property and Equipment				
(Depletion)/increment of biological reserves	2,092,174	165	3,590,763	33
	(1,919,339)	(151)	5,959,522	54
	<hr/>	<hr/>	<hr/>	<hr/>
	1,271,649	100	10,932,766	100
	=====	===	=====	===

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

Distribution of Value Added





Five Year Financial Summary



Year ended 31st December	2013 N'000	2012 N'000	2011 N'000	2010 N'000	2009 N'000
Profit and loss account					
Revenue	8,860,425	10,146,164	11,121,011	6,087,836	4,741,217
Profit before continuing operations before gain/loss in fair value taxation	2,601,917	4,356,435	4,562,031	2,031,401	816,821
Profit before taxation	2,693,555	4,346,666	4,658,441	1,971,262	616,741
Tax charge	(324,381)	(547,865)	(784,426)	(44,363)	(22,217)
Deferred tax	(277,000)	(208,038)	49,745	(297,443)	(90,000)
Profit on continuing operations	2,092,174	3,590,763	3,923,760	1,629,456	504,524
Other comprehensive income (Loss)/gain on change in fair value	(1,919,339)	5,959,522	7,327,754	4,067,322	-
Capital gain credit/(tax) on fair value gain on Biological asset	252,257	(595,942)	(732,775)	(406,732)	-
(Loss)/ profit after tax	425,092	8,954,343	10,518,739	5,290,046	504,524
Balance sheet					
Property plant & Equipment	6,507,126	4,325,947	3,308,480	2,761,046	2,759,526
Biological	19,692,910	21,008,866	15,049,344	7,721,690	3,494,166
Current assets	3,850,611	5,719,860	5,007,512	2,252,713	1,726,644
Total assets	30,050,647	31,054,673	23,365,336	12,735,449	7,980,336
Non current liabilities	4,850,757	3,516,506	2,806,527	1,822,416	2,534,157
Current liabilities	2,582,732	2,007,416	1,548,832	979,304	1,092,685
Total liabilities	7,433,489	5,523,922	4,355,359	2,801,720	3,626,842
Share capital	476,956	238,478	238,478	238,478	238,478
Share premium	1,867,095	1,867,095	1,867,095	1,867,095	1,867,095
Revenue reserve	20,273,107	23,425,178	16,904,632	7,828,156	2,247,921
	22,617,158	25,530,751	19,010,205	9,933,728	4,353,494
Total equity and liabilities	30,050,647	31,054,673	23,365,564	12,735,449	7,980,336
Basic (loss)/earnings per share (Naira)	2.91	7.53	22	3.42	1.18
Net assets per share (Naira)	32	65	49	26	17



Proxy Form



I/We* _____
the undersigned being a member/members of the
above named company hereby appoint.

I/We desire this proxy to be used in favour of/or
against the resolution as indicated alongside. Strike
out which ever is not desired.

** _____
or failing him.

** _____
as my/our proxy to vote for me/us and on my/our behalf
at the Annual General Meeting of the company to be
held on the 11th of June, 2014 and at any adjournment
thereof. Unless otherwise instructed, the proxy will
vote or abstain from voting as he thinks fit.

Dated this _____ Day of _____ 2014

Signature _____

NOTES

1. This form of proxy together with the power of attorney of other authority, if any, under which it is signed or a notarially certified copy thereof must reach the Registrars City Securities Limited, 358, Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time of the meeting.
2. Where the appointee is a corporation, this form may be under seal or under hand of an officer or attorney duly authorised.
3. This proxy will be used only in the event of a poll being directly demanded.
4. In the case of joint holder, the signature of any of them will suffice, but the name of all joint holders should be shown.

THE PROXY WILL VOTE (OR ABSTAIN FROM VOTING) AS HE THINKS FIT IN RESPECT OF ANY OTHER BUSINESS PROPOSED AT THE MEETING OF THE OKOMU OIL PALM COMPANY PLC. RC. 30894 (34TH ANNUAL GENERAL MEETING) TO BE HELD AT TRANSCORP HILTON HOTEL, ABUJA ON WEDNESDAY 11TH JUNE, 2014.

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTIONS		
To declare a dividend		
To re-elect Dr. L. J. J. Boedt		
To re-elect Mr. P. A. E. Eguasa JP		
To re-elect Mr. A. Ighodalo		
To authorise the Directors to determine the remuneration of the auditors		
To elect members of the Audit Committee		
Special Business		
To fix the remuneration of Directors		
Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.		

Before posting the above form, please tear off this part and retain it for admission to the meeting.

ADMISSION CARD

THE OKOMU OIL PALM COMPANY PLC. RC. 30894

Number of Shares held _____

Please admit the shareholder named on this form or his duly appointed proxy to the Company's 34th Annual General Meeting to be held at TRANSCORP HILTON HOTEL ABUJA, on Wednesday, June 11th, 2014 at 9.30a.m.

Name of Shareholder:* _____ Signature: _____

Name of Proxy:** _____ Signature: _____

A member (Shareholder) entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member. The Proxy Card has been prepared to enable you exercise your right to vote.

IMPORTANT:

Please insert your name in Block capitals on both proxy and admission cards where (marked)*. Insert the name of any person whether a member of the Company or not who will attend the meeting and vote on your behalf in the blank space (Marked**))





COMMISSIONER OF EDUCATION PRESENTING BOOKS TO UDO PRIMARY SCHOOL ON BEHALF OF OKOMU



COMMISSIONER OF EDUCATION PRESENTING BOOKS ON BEHALF OF OKOMU TO UDO MIXED SECONDARY SCHOOL



BURSARY RECIPIENTS FROM NEIGHBOURING COMMUNITIES (2013)



CONSTRUCTION OF BORE HOLE AND WATER STORAGE SYSTEM AT MARIOGHIONBA



SKILL ACQUISITION TRAINEES(BATCH2) FROM NEIGHBOURING COMMUNITIES BEFORE THEIR DEPARTURE TO DON BOSCO(2013).



**OFFICIAL COMMISSIONING OF THE RESIDENTIAL
QUARTERS AT THE NATIONAL PARK**



FIRST WATER PROJECT AT OFUNAMA



SKILL ACQUISITION TRAINEES (BATCH 1) FROM NEIGHBOURING COMMUNITIES ON THEIR RETURN FROM DON BOSCO(2013)



**COMMISSIONER OF EDUCATION PRESENTING AGRIC
EQUIPMENT ON BEHALF OF OKOMU TO EGBEMA
SECONDARY SCHOOL**



**THANK YOU FOR YOUR KIND HEARTEDNESS,
THE COMMISSIONER OF EDUCATION SEEMS
TO BE SAYING TO GRAHAM HEFER**



**SANITARY PAVILION AT INIKOROGHA
PRIMARY SCHOOL BUILT BY OKOMU**



**SECOND THREE CLASSROOMS BLOCK AT
MAIRIONGHIONBA PRIMARY SCHOOL BUILT
BY OKOMU**



**FIRST SANITARY PAVILION AT AMADAGBAYO
BUILT BY OKOMU**



**TEACHERS' STAFF QUARTERS AT
MARIOGHIONBA BUILT BY OKOMU**



**FIRST TWO CLASS ROOM BLOCK AT
AMADAGBAYO BUILT BY OKOMU**



**INTERIOR OF COMMUNITY HALL AT OFUNAMA
BUILT AND FURNISH BY OKOMU**



Photo Speaks The new Oil Mill



WORK IN PROGRESS IN THE NEW OIL MILL



Mandate for E-Dividend Payment



TO:
 The Registrar
 City Securities (Registrars) Ltd
 358, Herbert Macaulay Way,
 Yaba, Lagos

I hereby request that from now on, all dividends due to me from my holdings in Okomu Oil Palm Company Plc, be paid electronically to my Bank Account as detailed below:

SHAREHOLDER'S FULL NAME: _____
 (Surname First)

ADDRESS _____

SIGNATURE: _____

GSM NUMBER _____

NAME OF BANK _____
BANK BRANCH _____
BRANCH ADDRESS _____
ACCOUNT NUMBER _____
BANK SORTCODE _____

For Bank's use Only

Bank's Official Stamp and Authorised Signature
Page No and Name

We agree to the Customer's request as stated above



REGISTRARS

City Securities (Registrars) Ltd,
358 Herbert Macaulay Way,
Yaba, Lagos
Tel: 017924462

Photo Speaks Rubber Factory





OKOMU
THE OKOMU OIL PALM COMPANY PLC
(RC 30894)