

Okomu – Udo, Ovia South West L.G.A

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MANAGEMENT REPORTS (INTERIM)

FOR 9 MONTHS

ENDED SEPTEMBER 30, 2024

THE OKOMU OIL PALM COMPANY PLC

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

2. TURNOVER

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

3. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

4. DEPRECIATION OF FIXED ASSETS

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

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

5. **STOCK**

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

6. **DEBTORS**

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

7. **FOREIGN CURRENCIES**

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

8. **TAXATION**

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

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

9. **DEFERRED TAXATION**

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

10. **EMPLOYEES' RETIREMENT BENEFITS**

(a) **Gratuity Scheme:**

Lump-sum benefits payable upon retirement or resignation of employment are fully accrued over the service lives of the Nigerian employees. Independent actuarial valuations are performed periodically on a projected benefit obligation

basis. Actuarial gains or losses arising from valuations are charged in full to the profit and loss account.

(b) Pension Scheme:

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

11. CASH AND CASH EQUIVALENTS

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

12. FUNCTIONAL AND PRESENTATION CURRENCY

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

13. DISCLOSURE OF DEALINGS IN ISSUER'S SHARES:

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

- (1) The company has adopted a code of conduct that requires its directors to abide with the standard set by the rules of the exchange and issuer's code of conduct, in line with the approved Security Trading Policy of the company in their security transactions dealing:
- (2) The directors of the company have been abiding by these rules in their dealings with their securities transactions as set out in the listings rules and issuer's code of conduct regarding securities transactions by directors; and
- (3) There is no case of non compliance by the directors on their securities transactions with regards to the rules.

THE OKOMU OIL PALM COMPANY PLC
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED (INTERIM) SEPTEMBER, 2024

	Note	3 MONTHS ENDED		9 MONTHS ENDED	
		Sep-24 N'000	Sep-23 N'000	Sep-24 N'000	Sep-23 N'000
Turnover	2	28,941,385	20,047,958	103,948,989	60,647,046
Cost of Sales	3	14,158,388	7,858,049	44,635,124	18,955,982
Gross Profit		14,782,997	12,189,909	59,313,865	41,691,064
Net Operating expenses	4	4,082,984	5,091,961	18,122,450	14,869,874
Profit from continuing operations before tax changes in fair value		10,700,013	7,097,948	41,191,415	26,821,190
Finance Income	5	2,015,753	97,072	8,237,901	113,064
		12,715,766	7,195,020	49,429,316	26,934,254
Finance Costs	6	1,303,300	874,789	8,747,720	2,082,436
Exceptional Income	7	0	0	0	4,373,556
Profit on continuing operation b4 tax		11,412,466	6,320,231	40,681,596	29,225,374
Taxation	8	3,269,608	1,598,579	12,343,066	8,304,214
Profit on continuing operation after tax		8,142,858	4,721,652	28,338,530	20,921,160
OTHER COMPREHENSIVE INCOME					
Total comprehensive income		8,142,858	4,721,652	28,338,530	20,921,160
Earnings Per Share (EPS): Basic (N)		8.54	4.95	29.71	21.93

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	NOTE	Sep-24 N'000	Dec-23 N'000
FIXED ASSETS	9	66,447,213	59,450,918
Biological Asset		501,883	501,883
Right of use asset		<u>10,053,639</u>	<u>10,053,639</u>
		<u>77,002,735</u>	<u>70,006,440</u>
CURRENT ASSETS (Amount falling due within one year)			
Inventory	10	13,019,316	9,200,870
Biological assets	10.1	552,087	1,011,675
Trade Receivables and others	11	16,196,321	6,430,125
Prepayments		338	338
Bank and Cash	12	<u>5,521,568</u>	<u>8,450,935</u>
		<u>35,289,630</u>	<u>25,093,943</u>
CURRENT LIABILITIES (Amount falling due within one year)			
Trade Payables and others	13	<u>31,905,981</u>	<u>20,542,090</u>
NET CURRENT (LIABILITIES)/ ASSETS		3,383,649	4,551,853
Deferred Taxation	14	<u>13,090,391</u>	<u>13,090,391</u>
Amount falling due after one year			
Retirement Benefits/Gratuity		2,115,887	2,227,844
Long Term Loans	15	7,634,188	9,046,650
Lease liabilities		<u>11,318,878</u>	<u>11,318,878</u>
		<u>21,068,953</u>	<u>22,593,372</u>
Total Net Assets		<u>46,227,040</u>	<u>38,874,530</u>
FINANCED BY			
CAPITAL AND RESERVES			
Share Capital	16	476,956	476,956
Share Premium Account	17	1,867,095	1,867,095
Revenue Reserves	18	44,245,814	36,893,304
Non-distributable reserves	19	<u>-362,825</u>	<u>-362,825</u>
		<u>46,227,040</u>	<u>38,874,530</u>

Approved by the Board of Directors on the 25th of October 2024



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



A. Arhainx
Chief Finance Officer
 FRC/2021/006/00000022972

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CHANGES IN EQUITY

	Share Capital =N='000	Share Premium =N='000	Non- Distributabl e reserves =N='000	Revenue Reserves =N='000	Total =N='000	
Balance as at 1st January,2023	476,956	1,867,095	-	282,928	31,972,743	34,033,866
Other comprehensive income	-	-	-	-	-	-
Transaction with shareholders	-	-	-	-	-	-
Profit for the period					20,646,527	20,646,527
Unclaimed dividend now statute barred					13,549	13,549
Dividend paid					- 15,739,515	- 15,739,515
Comprehensive Income for the year	-	-	-	-	4,920,561	4,920,561
Equity as at 31st December,2023	476,956	1,867,095	-	282,928	36,893,304	38,954,427
Equity as at 1st January,2024	476,956	1,867,095	-	282,928	36,893,304	38,954,427
Other comprehensive income	-	-	-	-	-	-
Transaction with shareholders	-	-	-	-	-	-
Profit for the period					28,338,530	28,338,530
Dividend paid					- 20,986,020	- 20,986,020
Comprehensive Income for the year	-	-	-	-	7,352,510	7,352,510
Equity as at 30th September,2024	476,956	1,867,095	-	282,928	44,245,814	46,306,937

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	Sep-24	Sep-23
receipts from customers	96,793,864	59,633,928
Payments to suppliers	- 36,258,303	- 14,897,179
Payment to employees	- 1,921,096	- 684,878
Payment of operating expenses	- 16,122,450	- 11,811,071
Payment of taxes:CIT	- 11,516,266	- 5,720,793
Value added tax	- 383,580	- 360,947
Withholding tax	- 2,095,502	- 1,185,539
Other receipts	<u>2,075,357</u>	<u>363,742</u>
Net cash inflow from operating activities	<u>30,572,024</u>	<u>25,337,263</u>
<u>Cash flow from investing activities</u>		
Acquisition of PPE	- 8,504,038	- 4,176,387
Proceeds from disposal of PPE	-	-
Finance income received	8,237,901	68,228
Pre cropping expenditure incurred(Biological assets)	<u>- 2,073,519</u>	<u>- 354,549</u>
Net cash outflow from investing activities	<u>- 2,339,656</u>	<u>- 4,462,708</u>
<u>Cash flow from financing activities</u>		
Interest paid	- 8,691,323	- 2,082,436
New Loans	-	-
Loans reimbursement	- 1,484,392	- 874,461
Dividend paid	<u>- 20,986,020</u>	<u>- 11,446,920</u>
Net cash inflow/(outflow) from financing activities	<u>- 31,161,735</u>	<u>- 14,403,817</u>
Net cash inflow in the year	- 2,929,367	6,470,738
Cash and cash equivalent as at the 1/1/2024	<u>8,450,935</u>	<u>5,837,582</u>
Cash and cash equivalent as at 30/09/2024	<u>5,521,568</u>	<u>12,308,320</u>
<u>Cash and casn equivalent</u>		
Cash and bank balance	5,521,568	12,308,320
Fixed deposit		
	<u>5,521,568</u>	<u>12,308,320</u>

THE OKOMU OIL PALM COMPANY PLC
STATEMENT OF VALUE ADDED FOR THE YEAR ENDED SEPTEMBER 30,2024

	Sep-24 N'000		Dec-23 N'000
Revenue from sale of products	103,948,989		75,107,842
Brought in materials and services:			
Local	- 44,217,674		- 27,585,454
Foreign			
	<u>59,731,315</u>		<u>47,522,388</u>
Other Income	8,330,267		10,851,636
Finance Income	4,119	0%	<u>5,217</u>
Value added	<u><u>68,065,701</u></u>	100	<u><u>58,379,241</u></u>
Applied as follows:			
To Employees:			
- as salaries, wages and other staff costs	14,634,786	22%	13,063,646
- Directors remuneration	285,854	0%	532,674
To Providers of finance:			
- Financial cost and similar charges	8,691,323	13%	3,674,129
To Government as:			
- Income tax expenses	12,343,065	18%	11,373,623
- Additional tax liability from prior period	190,881	0%	153,942
- Deferred tax expenses	-		1,664,558
Retained in the business:			
To maintain and replace			
- Depreciation and amortisation	3,581,262	5%	7,270,141
- To augment reserves	<u>28,338,530</u>	42%	<u>20,646,528</u>
	<u><u>68,065,701</u></u>	100%	<u><u>58,379,241</u></u>

THE OKOMU OIL PALM COMPANY PLC
NOTES TO THE FINANCIAL STATEMENTS

1 The Company

1.1 The Legal Form.

The Okomu Oil Palm Company PLC, was incorporated on December 3, 1979 as a private limited liability company. It was converted to a Public Limited Company (PLC) on September 19, 1997 under the Company and Allied Matters Act, 1990. It is a member of Socfinal group of Luxemborg which owns 62.6% the Company's shares with Nigerians owning the balance of 37.47%.

1.2 Principal Activities

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

	3 MONTHS ENDED		9 MONTHS ENDED	
	Sep-24	Sep-23	Sep-24	Sep-23
	N'000	N'000	N'000	N'000
2 TURNOVER				
Turnover represents the invoice value of goods and services rendered to third parties during the year				
Local sales	20,728,862	17,120,378	87,996,607	55,192,045
Export sales	8,212,523	2,927,580	15,952,382	5,455,001
	28,941,385	20,047,958	103,948,989	60,647,046
3 COST OF SALES				
Oil Palm	11,682,445	7,914,556	38,081,834	17,325,467
Rubber	2,475,943	-56,507	6,553,290	1,630,515
	14,158,388	7,858,049	44,635,124	18,955,982
4 OPERATING EXPENSES				
Total net operating expenses	4,082,984	5,091,961	18,122,450	14,869,874
5 FINANCE INCOME				
Interest on fixed Deposit A/C and others	1,205	1,506	4,119	3,745
Exchange gain	2,014,548	95,566	8,233,782	109,319
	2,015,753	97,072	8,237,901	113,064
6 FINANCE COST				
Bank charges	19,031	16,828	56,397	29,343
Exchange loss	1,068,057	610,493	8,049,512	1,312,911
Interest on Long Term Loans	216,212	247,468	641,811	740,182
	1,303,300	874,789	8,747,720	2,082,436
7 Exceptional Income				
Income from Export Expansion Grant (EEG)	-	-	-	4,373,556
8 TAXATION				
Profit and Loss Account				
Provision for Edu. tax	204,351	98,036	771,442	519,013
Income Tax	3,065,257	1,500,543	11,571,624	7,785,201
Other taxes (investigations)				
Deferred Tax				0
	3,269,608	1,598,579	12,343,066	8,304,214

THE OKOMU OIL PALM COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

9 FIXED ASSETS

	Palm Plantation N'000	Rubber Plantation N'000	Machinery & Equip N'000	Building N'000	Land N'000	Palm Mill N'000	Rubber Mill N'000	Vehicles N'000	Furniture & Equip N'000	Work In Progress N'000	Total N'000
Gross Book Value											
As at January 1, 2024	17,385,139	7,042,540	4,474,672	12,286,717	2,051,165	31,359,480	1,780,181	3,889,588	2,331,868	1,405,656	84,007,006
Additions	1,161,174	912,345	1,036,331	3,721,283		1,348,187	223,897	4,274	17,308	2,152,758	10,577,557
Disposal											0
Transfer											0
As at September 30, 2024	18,546,313	7,954,885	5,511,003	16,008,000	2,051,165	32,707,667	2,004,078	3,893,862	2,349,176	3,558,414	94,584,563
Depreciation											
As at January 1, 2024	4,578,439	2,172,358	3,206,130	2,824,609	0	6,960,721	1,081,454	3,028,901	703,476	-	24,556,088
Charge for the period	612,161	191,692	367,590	593,062		1,272,533	99,893	229,712	214,619		3,581,262
Adjustments											
Disposal	0	0	0	-							0
As at September 30, 2024	5,190,600	2,364,050	3,573,720	3,417,671	-	8,233,254	1,181,347	3,258,613	918,095	-	28,137,350
Net Book Value											
As at September 30, 2024	13,355,713	5,590,835	1,937,283	12,590,329	2,051,165	24,474,413	822,731	635,249	1,431,081	3,558,414	66,447,213
Net Book Value											
As at December 31, 2023	12,806,700	4,870,182	1,268,542	9,462,108	2,051,165	24,398,759	698,727	860,687	1,628,392	1,405,656	59,450,918

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

	Sep-24 N'000	Dec-23 N'000
10 STOCK		
General Stores and agricultural consumables	7,802,258	5,189,382
Finished Goods-Palm & Rubber Products	5,190,273	4,010,062
Goods-in-transit	26,785	1,426
	<u>13,019,316</u>	<u>9,200,870</u>
10.1 BIOLOGICAL ASSETS		
Non Current:		
At 1 January	501,883	536,639
change in fair value on biological asstes(P&L)		-34,756
At 31 December	<u>501,883</u>	<u>501,883</u>
Current:		
Fresh Fruit Bunches (FFB)	0	0
Raw Rubber (Latex)	552,087	1,011,675
	<u>552,087</u>	<u>1,011,675</u>
11 TRADE RECEIVABLES AND OTHERS		
Trade Receivables	0	6,728
Advances paid to suppliers	3,542,331	2,508,186
Intercompany receivables	7,155,124	2,468,219
Other receivables	5,272,594	1,310,002
Staff loans and advances	226,272	136,990
	<u>16,196,321</u>	<u>6,430,125</u>
12 BANK AND CASH BALANCES		
Bank balances	5,491,690	8,441,525
Cash balances	29,878	9,410
	<u>5,521,568</u>	<u>8,450,935</u>
Amount falling due within one year		
13 Current Liabilities		
Trade Payables	3,284,271	2,591,461
Other current payables	2,461,481	1,126,364
Advances from customers	2,174,381	1,262,938
Taxation	12,836,946	11,590,347
Intercompany payables	3,898,772	1,510,116
Accruals	4,132,477	60,200
Statutory liability	1,149,831	360,912
Interest bearing loan	1,899,346	1,410,505
Government Grant	68,476	629,247
	<u>31,905,981</u>	<u>20,542,090</u>
14 DEFERRED TAXATION		
At January 1	13,090,391	11,460,075
Tax expenses/Net Charged for the period		1,630,316
As At the end of the period	<u>13,090,391</u>	<u>13,090,391</u>

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

	Sep-24 N'000	Dec-23 N'000
15 Term Loans		
Amount falling due after one year		
Interest - bearing loans and borrowings	7,634,188	7,983,938
Government Grant	0	1,062,712
	<u>7,634,188</u>	<u>9,046,650</u>
15.1 Long Term Loans		
Zenith Bank Plc Loan		
<p>The Zenith Bank Plc loan represents a =N= 2 billion commercial agricultural credit loan received under a scheme of the Federal government intervention which was obtained by the company through Zenith Bank Plc. The total amount was drawn down in November 2021 and bears interest rate of 8% per annum. The facility has a repayment period of 5 years in 60 consecutive monthly repayments of principal and interest ending in July 2027. This facility was obtained to finance the Extension 2 Oil mill with additional boiler. It is secured by a legal mortgage over the plant and machinery acquired.</p>		
Bank of Industry		
<p>The Bank of Industry loan represents a =N=1,947,314,434.50 loan received from the Bank of Industry(BOI) to finance the procurement of items of plant and machinery towards the expansion of Okomu Oil Palm processing plant in Okomu-Udo, Edo State. The total amount was drawn down in May, 2018 and bears interest at the rate of 10% per annum payable monthly. The facility has a one (01) year moratorium period beginning from the date of first disbursement. It has a repayment period of sixty (60) equal and consecutive monthly instalments commencing immediately after the moratorium period. It is secured with a bank guarantee of the loan and accruing interest on a continuous basis by Sterling Bank Plc.</p>		
Zenith Bank Plc Loan		
<p>The Zenith Bank Plc loan represents a =N=10 billion loan received from Zenith bank Plc under the Central Bank of Nigeria Differentiated Cash Reserves Requirement (DCRR) to finance the development of Okomu Oil Palm Plantation. The sum of =N=6.884 billion was drawn down as at September at an interest rate of 8% per annum (subject to review in line with DCRR). The facility has a three year moratorium on its principal from date of first disbursement with a repayment of twelve (12) equal and consecutive quarterly repayments immediately after the moratorium period. It is secured with a legal mortgage over the 11,416 hectares of oil palm plantation situated at Uhiere, Ovia North East Local Government area in Edo State.</p>		
16 SHARE CAPITAL		
	N'000	N'000
16.1 ISSUED AND FULLY PAID		
Existing 953,910,000 Ord. Shares of 50k each	<u>476,956</u>	<u>476,956</u>
17 SHARE PREMIUM		
Share Premium	1,867,095	1,867,095
18 REVENUE RESERVES		
At 1st January	36,893,304	31,972,743
	<u>36,893,304</u>	<u>31,972,743</u>
Retained Profit for the period	28,338,530	20,646,527
	<u>65,231,834</u>	<u>52,619,270</u>
Dividend paid	-20,986,020	-15,739,515
Actuarial gain/ (loss)		0
Unclaimed dividend		13,549
IFRS Adjustment		
As at March 31 2023	<u>44,245,814</u>	<u>36,893,304</u>
19 Non-distributable reserves		
As at 1st January	-362,825	-282,928
Actuarial (Loss) / gain	0	-79,897
As at 31st December	<u>-362,825</u>	<u>-362,825</u>

20 COMPARATIVE FIGURES

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