



OKITIPUPA OIL PALM PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

OKITIPUPA OIL PALM PLC
For the year ended 31 December 2023

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OKITIPUPA OIL PALM PLC
Corporate information
For the year ended 31 December 2023

Registered Company Number: 17790

Tax Identification Number: 00850604 - 0001

Financial Reporting Council Number FRC/2025/COY/779452

Directors:

Mr. Bankole Oluwajana	Chairman	<i>Appointed as a chairman in June 2024</i>
Mr. Taiwo Adewole	Managing Director/Chief Executive Officer	
Chief (Mrs.) Alice M. Osomo	Non-Executive Director	
Senator Victor Ndoma-Egba, SAN, CON	Independent Non-Executive Director	
Mr. Abubakar Lawal	Non-Executive Director	<i>Appointed in June 2024</i>
Mr. Adewale Osomo	Non-Executive Director	
Mr. Siyanbola Oladapo	Non-Executive Director	<i>Appointed in June 2024</i>
Oba George B. Faduyile	Non-Executive Director	
Chief Adeolu M. Aroloye	Non-Executive Director	
Chief Adejare Orina	Non-Executive Director	
Mrs. Abiola Awote	Non-Executive Director	
<i>*Oba George B. Faduyile is represented on the Board of Directors by his alternate Director, Chief Henry Olatujoye</i>		
Mr. Akinboye Oyewumi	Ex-Chairman, Non-Executive Director	<i>Resigned on March 2024</i>
Mr. Lateef A. Bakare, FCA	Non-Executive Director	<i>Resigned on March 2024</i>
Mr. Jones Ogunmusire	Non-Executive Director	<i>Resigned on March 2024</i>

Registered Office and Principal Place of Business: No. 1 Marine Road, P .M. B 319,
Okitipupa, Ondo State.
Ondo State

Company Secretary: DCSL Corporate Services Limited
235, Ikorodu Road, Ilupeju, Lagos
www.dcsl.com.ng

Independent Auditor: Messrs. Ernst & Young
10th & 13th Floors, UBA House
57 Marina
Lagos

Bankers: Access Bank Plc
Ecobank Nigeria Ltd
First Bank of Nigeria Ltd
First City Monument Bank Ltd
Keystone Bank Ltd
Guaranty Trust Bank Plc
Polaris Bank Ltd
Sterling Bank Plc
Union Bank Plc
United Bank of Africa Plc
Unity Bank Plc
Wema Bank Plc

Solicitors: **J. K. GADZAMA LP:**
J. K. Gadzama Court,
Plot 1805, Damaturu Crescent by Kobo Way,
Off Ahmadu Bello Way, Garki, Abuja.
OSBORNE LAWS:
11-21, Adekunle Osomo Street,
Etaport Estate, Soluyi, Gbagada, Lagos
EQUITA LAW FIRM:
U Cuda, Opp CBN Building, Alagbaka, Akure,
Ondo State.
YINKA MUYIWA & CO:
No 1, Ifeoluwa Street, Erinjogunola Villa,
Opposite Civic Centre Ondo, Ondo state.

Company Registrar: Greenwich Registrars & Data Solutions Ltd
274, Murtala Muhammed Way,
Alagomeji-Yaba, Lagos.

OKITIPUPA OIL PALM PLC
Results at a glance
For the year ended 31 December 2023

	31-Dec 2023 ₹'000	31-Dec 2022 ₹'000	% change
Revenue	<u>1,958,438</u>	<u>1,219,039</u>	61%
Employees' expenses	<u>215,776</u>	<u>149,947</u>	44%
Profit before taxation	<u>764,589</u>	<u>190,373</u>	302%
Income tax expense	<u>(356,188)</u>	<u>(87,933)</u>	-34%
Profit for the year	<u>408,401</u>	<u>102,440</u>	299%
Total comprehensive income (net of tax)	<u>408,476</u>	<u>102,429</u>	299%
Net asset	<u>597,870</u>	<u>243,859</u>	145%
Number of employees	<u>59</u>	<u>51</u>	
Basic earnings per share	<u>3.54</u>	<u>1.07</u>	
Net asset per share	<u>6.23</u>	<u>2.54</u>	

OKITIPUPA OIL PALM PLC
Report of the Directors
For the year ended 31 December 2023

The directors' present their annual report together with the audited financial statements of Okitipupa Oil Palm Plc ("the Company") for the year ended 31 December 2023, which disclose the state of affairs of the Company.

Incorporation

Okitipupa Oil Palm PLC was incorporated as a limited liability company and domiciled in Nigeria on the 17th day of May, 1976 to take over the Okitipupa Oil Palm Project under the management of the Nigerian Joint Agency Limited. In 1980, the company was brought under the supervision of the Governor's Office. In May 1987, Ondo State Development and Investment Promotion Agency which was formerly known and addressed as "Ondo state Investment (Holding) Company Limited" was established and vested with all the State Government's interest in Okitipupa Oil Palm Company Limited`. The company became Public Liability Company in 1993.

Principal activities

The principal activities of the Company are the development of oil palm plantations, palm oil milling, palm kernel processing and vegetable oil refining. The products of the Company are: refined bleached and deodorized palm oil, palm olein, palm steaming, palm fatty acid distillate, palm kernel oil (crude and refined) and palm kernel cake.

Results

	31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
Revenue from contracts with customers	149,694	139,517
Lease income	1,808,744	1,079,522
Revenue	1,958,438	1,219,039
Profit before income tax expense	764,589	190,373
Income tax expense	(356,188)	(87,933)
Profit for the year	408,401	102,440

Dividend

The Board of Directors has proposed a gross dividend of 90k (2022: 50k) on every ordinary share in issue, amounting to ₦103,791,305 (2022: ₦48,000,000).

Additionally, 35k dividend proposed from the 2021 performance on every ordinary share in issue, which amounting to ₦33,600,000. The proposed dividend is subject to approval by the Shareholders at the Annual General Meeting.

The proposed dividend becomes payable when approve and will be subjected to withholding tax at the point of payment.

Directors

The members of the Board of Directors comprise:

Mr. Bankole Oluwajana	Chairman	<i>Appointed as a chairman in June 2024</i>
Mr. Taiwo Adewole	Managing Director/Chief Executive Officer	
Chief (Mrs.) Alice M. Osomo	Non-Executive Director	
Senator Victor Ndoma-Egba, SAN, CON	Independent Non-Executive Director	
Mr. Abubakar Lawal	Non-Executive Director	<i>Appointed in June 2024</i>
Mr. Adewale Osomo	Non-Executive Director	
Mr. Siyanbola Oladapo	Non-Executive Director	<i>Appointed in June 2024</i>
Oba George B. Faduyile	Non-Executive Director	
Chief Adeolu M. Aroloye	Non-Executive Director	
Chief Adejare Orina	Non-Executive Director	
Mrs. Abiola Awote	Non-Executive Director	

**Oba George B. Faduyile is represented on the Board of Directors by his alternate Director, Chief Henry Olatujoye*

OKITIPUPA OIL PALM PLC
Report of the Directors -continued
For the year ended 31 December 2023

Directors retiring

In accordance with Section 285 (1) of the Companies and Allied Matters Act 2020. one-third of the Directors shall retire at the conclusion of the Annual General Meeting, and these Directors, being eligible, hereby may offer themselves for re-election.

Mr. Akinboye Oyewumi	Retired on March 2024
Mr. Lateef A.Bakare, FCA	Retired on March 2024
Mr. Jones Ogunmusire	Retired on March 2024

Recent Information about history of the Share Capital

Due to the ageing of the company, below show the recent history of the share capital.

Years	Share capital	Value
2008	96,000,000	48,000,000
2009	96,000,000	48,000,000
2010	96,000,000	48,000,000
2011	96,000,000	48,000,000
2012	96,000,000	48,000,000
2013	96,000,000	48,000,000
2014	96,000,000	48,000,000
2015	96,000,000	48,000,000
2016	96,000,000	48,000,000
2017	96,000,000	48,000,000
2018	96,000,000	48,000,000
2019	96,000,000	48,000,000
2020	96,000,000	48,000,000
2021	96,000,000	48,000,000
2022	96,000,000	48,000,000
2023	115,323,672	57,661,836

Shareholding

The company issued an additional 19,323,672 shares, increasing the total ordinary shares to 115,323,672. The shares were issued at N6.21K each.

The following Shareholders held 5% and above of the issued share capital of the company as at 31 December, 2023 are:

S/N	SHAREHOLDER	NUMBER OF SHARE	PERCENTAGE
1	ONDO STATE DEVELOPMENT AND INVESTMENT PROMOTION AGENCY (ONDIPA)	47,897,151	41.53%
2	ESTAPORT FARMS LTD	34,214,546	29.67%

The shareholding analysis as at December 31, 2023 is shown below

RANGE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF ORDINARY SHARE	PERCENTAGE
1 - 1,000	10,733	4,220,128	3.66%
1,001 - 5,000	3,741	6,901,576	5.98%
5,001 - 10,000	351	2,388,442	2.07%
10,001 - 50,000	273	4,846,864	4.20%
50,001 - 100,000	36	2,526,641	2.19%
100,001 - 500,000	26	4,849,406	4.21%
500,001 - 1,000,000	2	1,359,000	1.18%
ABOVE - 1,000,000	4	88,231,615	76.51%
	15,166	115,323,672	100%

OKITIPUPA OIL PALM PLC
Report of the Directors -continued
For the year ended 31 December 2023

Directors' interest

The director's 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 301 of the Companies and Allied Matters Act, 2020 are as follows:

Held as at:	31st December 2023		31st December 2022	
	Direct	Indirect	Direct	Indirect
Name	Number	Number	Number	Number
Chief (Mrs.) Alice M. Osomo	1,200	34,214,546	1,200	34,214,546
Mr. Adewale Osomo	57,020	-	57,020	-
Oba George B. Faduyile	2,000	-	2,000	-

Managers' Remuneration

In compliance with section 257 of the Companies and Allied Matters Act, 2020 and the Nigerian Code of Corporate Governance, the Company makes disclosure of its remuneration of its managers as follows:

Type of package fixed	Descriptions	Timing
Basic Salary	This reflects the Company's competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year.
Other allowances	This reflects the Company's competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year.
Directors fees	Director fees are paid half yearly to Non-Executive Directors and Independent Non-Executive Directors. Managing Director paid monthly.	Paid half yearly except for Managing Director
Sitting allowances	Allowances paid to Non-Executive Directors and Independent Non-Executive Directors for attending Board and Board Committee meetings.	Paid as per each meeting

Employee health, safety and welfare

The company takes the health, safety and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive. Top health-care providers have been carefully selected to look after the healthcare needs of employees and their dependents.

We comply with relevant statutory provisions and regulations on health, safety and welfare matters.

OKITIPUPA OIL PALM PLC
Report of the Directors -continued
For the year ended 31 December 2023

Employee training and development

The company has adopted a new training policy that advocates training and re-training for all employees. Our training activities during the year cut across all categories of employees. Also, induction training has been designed to benefit new employees such that it will assist them settle into their roles conveniently. The newly introduced performance management system ensures that good performance is recognized and adequately rewarded while non-performance is appropriately sanctioned. The system is designed to assist employees to develop and apply their innate skills and proficiency in the discharge of their assigned duties.

Directors have the opportunity to attend programs, relating to governance and business practices, as part of their continuing education.

Employment of physically challenged persons

The company is an equal-opportunity employer and does not discriminate on any grounds. Thus, we provide employment opportunities to physically challenged persons. However, this actually goes beyond the need to ensure that there is no discrimination against such persons, but driven by a deep conviction that even with disability, there could be immense ability.

Property and equipment

In the opinion of the directors, the market value of the property, plant, and equipment is not lower than the value shown in Note 17 to the financial statements.

Bearer's plant

The directors are of the opinion that the bearer's plant is measured at the cost model and its value is not lower than the value shown in Note 18 to the financial statements.

Events after reporting period

The directors are of the opinion that there were no events after the reporting date that could have material effect on the financial statements of the Company that had not been adequately provided for or disclosed in these financial statements.

Non-adjusting event: *On the 3rd June 2024, the company commenced trading its shares on the National Association of Security Dealer(NASD) in Nigeria.*

The table below shown the status of the company directors:

Name		Resignation Date	Appointment Date
Mr Akinboye Oyewunmi		March 2024	-
Mr Lateef Bakare, FCA		March 2024	-
Mr Jones Ogunmusire		March 2024	-
Mr Bankole Oluwajana		-	June 2024
Mr Abubakar Lawal		-	June 2024
Mr Siyanbola Oladapo		-	June 2024
Mr. Bankole Oluwajana as Board Chairman		-	June 2024

Corporate Social Responsibility

The company spent ₦42.9 million on corporate social responsibility projects during the period (2022: ₦ 37.75 million). These comprised:

	31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
Community program involvement	42,944	37,748
	<u>42,944</u>	<u>37,748</u>

The community program involvement relate to expenditure incurred to present an awards to Obas',chiefs, community leaders and support security personnel in the area.

OKITIPUPA OIL PALM PLC
Report of the Directors -continued
For the year ended 31 December 2023

Corporate responsibility for financial reports

In accordance with Section 405 of the Companies and Allied Matters Act 2020, each and all of the Directors, as at the date of the approval of this report confirm that:

The Directors are of the opinion that, the audited financial statements do not contain any untrue statement of material fact or omit state of material facts, which would make the statements misleading, in the light of the circumstances under which such statements are made; and

the audited financial statements and all other financial information included in the statements fairly presents, in all material respects, the financial condition and results of the operation of the company as of and for the periods covered by the audited financial statements.

Responsibility for Accuracy of Information

Pursuant to Article 2.2.4 of The Amended Listing Rules 2015 of the Nigerian Exchange Limited. The Directors accept responsibility for the accuracy of the information contained in this report.

Donation

In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020 ("CAMA"), the company did not make any donation or give gifts to any political party, political association or for any political purpose during the period (2022: Nil) .

Audit Committee

Pursuant to Section 404 of the Companies and Allied Matters Act 2020, the Company has a statutory audit committee comprising three representatives of the Shareholders and two representatives of the Directors. The members of the Committee are:

MEMBERS OF AUDIT COMMITTEE

Pastor Alex Adio	Chairman, Representing Shareholders'
Senator Anthony Ademuyiwa Adeniyi, SAN	Member Representing Shareholders'
Mr. Wole Awe	Member Representing Shareholders'
Mr. Adewale Osomo	Director
Mr. Akinboye Oyewumi	Director
Mr. Lateef A. Bakare, FCA	Director
	Resigned as member on 1 March 2023
	Appointed on 1 March 2023

Auditor

Ernst & Young have expressed their willingness to continue in office as the Company's auditor in accordance with S.401 (2) of the Companies and Allied Matter Act 2020, Laws of the Federation of Nigeria.

A resolution will be proposed at the Annual General Meeting empowering the Directors to fix their remuneration

By Order of the Board of Directors


DCSL Corporate Services Limited
Company Secretaries

Anne Agbo
FRC/2013/PRO/NBA/002/00000000855

DCSL Corporate Services Limited
FRC/2004/COY/8766656
Company Secretary

23 June , 2025

OKITIPUPA OIL PALM PLC**Report of the Audit Committee to the shareholder
For the year ended 31 December 2023**

In Compliance with the provisions of sections 404 (7) of the Companies and Allied Matters Act, 2020, we, the members of the Audit Committee of Okitipupa Oil Palm Plc, having carried out our functions under the Act and report as follows:

1. We confirm that the accounting and reporting policies of the Company as contained in the financial statements for the period ended 31 December, 2023 are in accordance with legal requirements and agreed ethical practice.
2. We confirm that the external auditors, Messrs. Ernst & Young have issued an unqualified opinion on the company's financial statements for period ended 31 December, 2023.
3. In our opinion, the scope and planning of the audit for the period ended 31 December, 2023 were adequate and we confirm that the responses by the management to the external Auditors' findings on Management matters were satisfactory.

MEMBERS OF AUDIT COMMITTEE

Pastor Alex Adio
Senator Anthony Ademuyiwa Adeniyi, SAN
Mr. Wole Awe
Mr. Adewale Osomo
Mr. Akinboye Oyewumi
Mr. Lateef A. Bakare, FCA

Chairman, Representing Shareholders'
Member Representing Shareholders'
Member Representing Shareholders'
Director
Director, Resigned on March 2024
Director, Resigned on March 2024



Pastor Alex Adio
FRC/2013/PRO/NIM/00000003638
Chairman, Statutory Audit Committee

Dated this 23 June, 2025

OKITIPUPA OIL PALM PLC

Statement of Directors' Responsibilities for Preparation of the Financial Statements For the year ended 31 December 2023

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the
- Company and comply with the requirements of the Companies and Allied Matters Act, 2020, and the financial reporting council of Nigeria Act (Amendment) 2023.
- establishes appropriate and adequate internal controls to safeguard its assets and to prevent and detect
- fraud and other irregularities;
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent
- judgments and estimates and are consistently applied; and
- the financial statements prepared on a going concern basis.

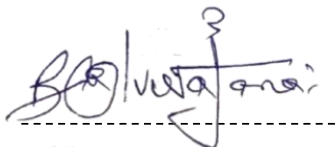
The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Company, its financial performance, and cash flows for the period ended 31 December 2023

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

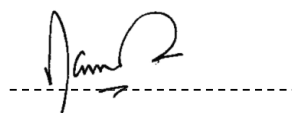
Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of Board of Directors by:



Mr. Bankole Oluwajana

Chairman



Mr. Taiwo Adewole

Managing Director/Chief Executive Officer

FRC/2025/PRO/DIR/003/569434

FRC/2020/PRO/DIR/003/00000021511

23 June 2025

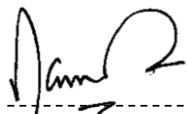
OKITIPUPA OIL PALM PLC
Statement of Corporate Responsibility in relation to the Financial Statements
For the year ended 31 December 2023

Certification Pursuant to Section 405(1) of the Companies and Allied Matters Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the period ended 31 December 2023 that:

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

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses



Mr. Taiwo Adewole
Managing Director/Chief Executive Officer
FRC/2020/PRO/DIR/003/00000021511



Adewole Dolapo Abdulateef, ACA
Chief Financial Officer
FRC/ 2025/PRO/ICAN/001/204047

23 June 2025

OKITIPUPA OIL PALM PLC
Corporate governance report
For the year ended 31 December 2023

The Board recognises that effective governance is imperative for the sustainable performance and prosperity of the Company and operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders, which is critical to sustainable growth. The Board remains committed to implementing the corporate governance principles and guidelines contained in the Nigerian Code of Corporate Governance, 2018, the Securities and Exchange Commission Corporate Governance Guidelines, 2020, and the Companies and Allied Matters Act, 2020.

Board composition and balance

The Board has the ultimate responsibility for overseeing the Company's long-term strategy, objectives, and inherent risks in its day-to-day operations. It also guides the implementation of internal controls and procedures, ensuring the maintenance of a robust system to safeguard shareholders' investments and Company assets. These efforts align with the Company's Memorandum and Articles of Association, as well as relevant laws and regulations.

Moreover, the Board holds the primary obligation of delivering enduring value to Shareholders. To achieve this, it provides comprehensive strategic direction for the Company within a framework encompassing rewards, incentives, and controls. By effectively fulfilling these responsibilities, the Board strives to ensure sustainable growth and protect the interests of all stakeholders.

The Company's Articles of Association provide that the Board shall consist of not less than five (5) Directors and not more than twelve (12) Directors. The Board is currently of a sufficient size relative to the scale and complexity of the Company's operations and is led by a Non-Executive Chairman who provides leadership to the Board in the discharge of its oversight functions. The effectiveness of the Board is derived from the diverse range of skills and competencies of the Directors.

As at 31 December 2023, the Board was composed of Ten (11) Non-Executive Directors, one of whom is an Independent Non-Executive Directors. Below are details (and designations) of the Directors who held office during the year under review:

Mr. I Akinboye Oyewunmi	Chairman	Resigned on March 2024
Mr. Taiwo Adewole	Managing Director/Chief Executive Officer	
Chief (Mrs.) Alice M. Osomo	Non-Executive Director	
Senator Victor Ndoma-Egba, SAN, CON	Independent Non-Executive Director	
Mr. J Lateef Bakare	Non-Executive Director	Resigned on March 2024
Mr. Adewale Osomo	Non-Executive Director	
Mr. J Jones Ogunmusire	Non-Executive Director	Resigned on March 2024
High chief Aroloye M. Adeolu	Non-Executive Director	
Oba George B. Faduyile*	Non-Executive Director	
Chief Adejare Orina	Non-Executive Director	
Mrs. Abiola Awote	Non-Executive Director	

**Oba George B. Faduyile is represented on the Board of Directors by his alternate Director, Chief Henry Olatujoye*

The below directors were appointed before authorisation date of the financial statements. See note 36

Mr. Bankole Oluwajana	Chairman, Non-Executive Director
Mr. Abubakar Lawal	Non-Executive Director
Mr. Siyanbola Oladapo	Non-Executive Director

Changes on the Board

On 1st March 2023, Chief (Mrs.) Alice M. Osomo stepped down from her role as the Chairman of the Board, and Mr. Akinboye Oyewumi, previously the Vice Chairman, was appointed as the Chairman of the Company. Subsequently, on 24th May 2023, Mr. Taiwo Adewole, Chief Executive Officer, was appointed to the role of Managing Director/Chief Executive Officer.

Distinct Roles of the Chairman and the Managing Director

In compliance with corporate governance best practices, the Chairman and the Managing Director have distinct roles, emphasizing a separation of powers to promote effective governance. The Chairman leads and manages the Board, ensuring its effective operation and fulfillment of legal and regulatory responsibilities.

The Board acknowledges its responsibility to strike a balance between governance principles and economic performance. It ensures that the Management team maintains equilibrium by pursuing long-term growth while achieving short-term objectives. This balanced approach drives the Company towards sustainable success.

Board training and Development

The Company's policy encourages Directors to attend different training programmes and seminars that enhances their professional skills and informs them of new developments in the company's business and operating environment. The costs of such training are borne by the company.

Inclusion and Diversity

The Company's commitment extends to fostering an inclusive and diverse environment that caters to needs and aspirations of all stakeholders. A priority for the Board is to create and maintain an atmosphere that promotes diversity and equal opportunities for everyone.

Director's Conflicts of Interest

The Directors have and are aware of the statutory duty to avoid a situation in which they have, or could have, an interest that conflicts or possibly may conflict with the interests of the Company. They will not be in breach of that duty if the relevant matter has been authorized in accordance with the Articles by the other Directors. The Board has adopted a set of guiding principles on managing conflicts and has approved a process for identifying current and future actual and potential conflicts of interest by:

- Δ Utilizing technology and expertise to reduce environmental pollution.
- Δ Conserving resources in a cost -efficient manner.
- Δ Properly disposing of waste or recycling materials where possible.
- Δ Upholding employee well being, diversity, and other human resource policies

Whistle Blowing

The company encourages its employees to report the concerns which they feel the need to be brought to the attention of management. Whistle-blowing procedures are available to employees who are concerned about possible impropriety, security breaches, or any other issue and who may wish to ensure that appropriate action is taken without fear of victimization or reprisal. The Company's website also contains a link through which stakeholders can anonymously provide feedback or information on possible impropriety, security breaches, or any other issues.

OKITIPUPA OIL PALM PLC
Corporate governance report-continued
For the year ended 31 December 2023

Membership and Attendance at Board of Directors Meetings

The composition of the Board of Directors during the year in review and their respective attendance records at Board meetings are as follows:

S/N	Name of Director	Designation	27-Feb-23	28-Feb-23	1-Mar-23	17-Apr-23	31-Jul-23	27-Nov-23
1	Mr Akinboye Oyewunmi	Chairman	P	P	P	P	P	P
2	Mr. Taiwo Adewole	Managing Director/Chief Executive Officer	P	P	P	P	P	P
3	Chief (Mrs.) Alice M. Osomo	Non-Executive Director	P	P	P	P	P	P
4	Senator Victor Ndoma-Egba,SAN,CON	Independent Non-Executive Director	P	P	P	P	P	P
5	Mr Lateef Bakare	Non-Executive Director	P	P	P	P	P	P
6	Mr. Adewale Osomo	Non-Executive Director	P	P	P	P	P	P
7	Mr Jones Ogunmusire	Non-Executive Director	P	P	P	P	P	P
8	High chief Aroloye M. Adeolu	Non-Executive Director	P	P	P	P	P	P
9	Oba George B. Faduyile*	Non-Executive Director	P	P	P	P	P	A
10	Chief Adejare Orina	Non-Executive Director	P	P	P	P	P	P
11	Mrs. Abiola Awote	Non-Executive Director	P	P	P	P	P	P

* Represented at all Board and Committee meetings by his alternate Director, Chief Henry olatujoye

Note:

P - Present

A - Absent/Apologies

N/A - Not a member of the Board/Committee as at that date

In accordance with the provisions of Section 267(1) of the Companies and Allied Matters Act, 2020, the record of Directors' Attendance at Board Meetings during the year under review is available at the Annual General Meeting for inspection.

The Board delegates its responsibilities by establishing Committees that focus on specific areas and report their findings and recommendations to the Board. Through interactive dialogue, these Committees engage in regular discussions to establish guidelines and ensure effective management and direction of the Company. In addition to the existing Committees, the Board established an Agric Committee, which provides essential support on agricultural matters, the Company's core operational activity. Decisions made at both Board and Committee meetings are formalized through resolutions.

OKITIPUPA OIL PALM PLC
Corporate governance report-continued
For the year ended 31 December 2023

During the financial year ended 31 December 2023, the Board delegated some of its responsibilities to the following substantive Committees:

Governance and Nominations Committee

The Committee plays a crucial role in ensuring effective corporate governance and maintaining a competent and diverse Board of Directors. It is responsible for overseeing the composition, structure, and effectiveness of the Board, as well as identifying and nominating qualified individuals for Board positions. Additionally, the Committee reviews and recommends governance practices, policies, and procedures to uphold ethical standards, transparency, and accountability within the Company. Through its diligent work, the Governance and Nominations Committee contributes to the overall success and sustainability of the Company's governance framework.

The composition of the Board Governance and Nominations Committee during the year in review and their respective attendance records at the Committees' meetings are as follows:

S/N	Name of Director	Designation	9-Feb-23	9-Nov-23
1	Senator Victor Ndoma-Egba,SAN,CON	Chairman, Independent Non-Executive Director	P	P
2	Mr. Akinboye Oyewumi *	Member, Non-Executive Director	P	N/A
3	Mr. Lateef A.Bakare, FCA	Member, Non-Executive Director	P	P
4	Mr. Adewale Osomo	Member, Non-Executive Director	P	P
5	Mr. Jones Ogunmusire	Member, Non-Executive Director	P	P
6	Chief Adejare A. Orina	Member, Non-Executive Director	P	P
7	Chief (Mrs.) Alice M. Osomo **	Member, Non-Executive Director	N/A	P

*Ceased being a member effective 1st March 2023, following his appointment as the Board Chairman

**Appointed as member on 1 March 2023

Audit, Compliance and Risk Management Committee

The Committee plays a pivotal role in ensuring sound financial management, regulatory compliance, and effective risk mitigation within the Company. The Committee oversees the integrity of financial reporting, internal controls, and audit processes, ensuring transparency and accuracy. It also monitors compliance with applicable laws, regulations, and ethical standards, promoting a culture of compliance. Additionally, the Committee assesses and manages key risks, implementing appropriate risk management strategies to protect the Company's interests. By diligently fulfilling its responsibilities, the Committee enhances the Board's ability to make informed decisions, safeguard stakeholder interests, and maintain the Company's long-term sustainability.

The composition of the Board Audit, Compliance, and Risk Management Committee during the year in review and their respective attendance records at the Committees' meetings are as follows:

S/N	Name of Director	Designation	6-Feb-23	3-Nov-23
1	Mr. Adewale Osomo*	Member, Non-Executive Director	P	P
2	Mr. Akinboye Oyewumi **	Chairman, Non-Executive Director	N/A	N/A
3	Senator Victor Ndoma-Egba,SAN,CON	Member, Independent Non-Executive Director	P	P
4	Mr. Lateef A.Bakare, FCA	Member, Non-Executive Director	P	P
5	Mr. Jones Ogunmusire	Member, Non-Executive Director	P	P
6	Oba George B. Faduyile***	Member, Non-Executive Director	P	P

**Appointed Chairman 17 April 2023

*Ceased being a member effective 1st March 2023, following his appointment as the Board Chairman

*** Represented at all Board and Committee meetings by his alternate Director, Chief Henry olatujoye

Finance and Strategy Committee

The Committee plays a critical role in guiding the Company's financial decisions and strategic planning. During the period under review, the Committee actively oversaw financial performance, investment strategies, and capital allocation to ensure optimal utilisation of resources and long-term financial sustainability. The Committee assessed and advised on key strategic initiatives to drive growth and enhance shareholder value. Additionally, the Committee monitored industry trends, market dynamics, and competitive landscape to provide valuable insights for strategic decision-making. By effectively fulfilling its role, the Committee continuously contributes to the development and execution of robust financial and strategic plans that position the Company for success in a dynamic business environment.

The composition of the Board Finance and Strategy Committee during the year in review and their respective attendance records at the Committees' meetings are as follows:

S/N	Name of Director	Designation	9-Feb-23	13-Nov-23
1	Mr. Lateef A.Bakare, FCA	Chairman, Non-Executive Director	P	P
2	Senator Victor Ndoma-Egba,SAN,CON	Member, Independent Non-Executive Director	P	P
3	Mr. Adewale Osomo	Member, Non-Executive Director	P	P
4	Mr. Akinboye Oyewumi *	Member, Non-Executive Director	P	N/A
5	Oba George B. Faduyile**	Member, Non-Executive Director	P	P
6	Mrs. Abiola Awote	Director	P	P
7	Engr. Adejare Orina***		N/A	P

*Ceased being a member effective 1st March 2023, following his appointment as the Board Chairman

** Represented at all Board and Committee meetings by his alternate Director, Chief Henry olatujoye

***Appointed as member on 1 March 2023

Human Resources and General-Purpose Committee

The Committee plays a vital role in overseeing the human resources strategies and general operational matters, by ensuring the development and implementation of effective human resources policies, including talent acquisition, performance management, training and development, and employee engagement. It also monitors compliance with employment laws and regulations, promoting a positive and inclusive work environment. In addition, the Committee provides oversight and guidance on general operational matters, such as facilities management, technology infrastructure, and administrative processes. By fulfilling its responsibilities, the Committee supports the Company in attracting, developing, and retaining a talented workforce while ensuring efficient and effective general operations.

OKITIPUPA OIL PALM PLC
Corporate governance report-continued
For the year ended 31 December 2023

Human Resources and General-Purpose Committee-continued

The composition of the Board Human Resources and General-Purpose Committee as well as the record of attendance at the Committee's meetings during the year in review were as follows:

S/N	Name of Director	Designation	3-Feb-23	19-Oct-23
1	Mr. Jones Ogunmusire	Chairman, Non-Executive Director	P	P
2	High Chief Aroloye M. Adeolu	Member, Non-Executive Director	P	P
3	Chief Adejare A. Orina	Member, Non-Executive Director	P	P
4	Mrs. Abiola Awote	Member, Non-Executive Director	P	P
5	Oba George B. Faduyile*	Member, Non-Executive Director	P	P

* Represented at all Board and Committee meetings by his alternate Director, Chief Henry olatujoye

Statutory Audit Committee (SAC)

The Statutory Audit Committee was established in compliance with the provisions of CAMA which mandates all public companies to constitute an Audit Committee. The Committee assists the Board in fulfilling its oversight responsibilities relating to the Company's Financial Statements and ensuring the independence of the Company's internal and external Auditors. The Committee ensures that the Company complies with all relevant regulatory policies and procedures, as well as policies laid down by the Board of Directors. The statutory functions of the Committee are provided for in Section 404(7) of the Companies and Allied Matters Act, 2020

The Committee is composed of three (3) Shareholders' representatives and two (2) Directors' representatives. The composition of the Statutory Audit Committee during the year in review and their respective attendance records at the Committees' meetings are as follows:

S/N	Name of Director	Designation	8-Feb-23	15-Feb-23	28-Aug-23	22-Nov-23
1	Pastor Alex Adio	Chairman, Representing Shareholders'	P	P	P	P
2	Senator Anthony Ademuyiwa Adeniyi, SAN	Member Representing Shareholders'	P	P	P	P
3	Mr. Wole Awe	Member Representing Shareholders'	P	P	P	P
4	Mr. Adewale Osomo	Director	P	P	P	P
5	Mr. Akinboye Oyewumi *	Director	P	N/A	N/A	N/A
6	Mr. Lateef A. Bakare, FCA**	Director	N/A	P	P	P

*Ceased being a member effective 1st March 2023, following his appointment as the Board Chairman

**Appointed as member on 1 March 2023

Shareholders' Participation

The Company prioritises the shareholders' rights and actively promotes their involvement in matters that impact business growth and development. The Board remains committed to safeguarding shareholders' statutory and general rights, particularly their right to vote at general meetings. The Annual General Meeting (AGM) serves as the highest decision-making body of the Company and is conducted with utmost transparency and fairness. The Board and the Management have significantly benefited from the shareholder representatives on the Statutory Audit Committee as well as the contributions of shareholders at the AGMs.

Independent Advice

Independent professional advice is available, on request, to all Directors at the Company's expense when such advice is required to enable a member or committee of the Board effectively perform certain responsibilities. The Company bears the cost of independent professional advice obtained jointly or severally by a Director or Directors, where such advice is necessary to enable them to fulfil the obligation imposed on them by virtue of their Board membership.

Management Team

The Board has a Management Team responsible for the effective and efficient implementation of the Board's and Committees' recommendations. The Management team comprises the following members:

Mr. Taiwo Adewole, FIMC, FIOGR, MCIOD	Managing Director/Chief Executive Officer
Mr. Odunayo Omotayo, FCA	Acting Chief Financial Officer Resigned February 2024
Mr. Adewole Abdulateef, ACA	Chief Financial Officer Appointed September 2024
Mr. Omotayo Olanrewaju, ACA	Audit & Internal Control Manager
Mr. Olakunle Olagunju	Corporate Transformation Manager
Mr. Fasawe Adetula	Agric Operations Manager
Engr Akinwunmi Olamigoke	Engineering Services Manager
Mr. Nathaniel Adedoyin	Human Resources & Admin Manager

Business Conduct

The Company upholds the principles of integrity and considers the legitimate interest of all stakeholders in its business operations. Directors and all employees are expected to uphold the highest standards of ethical conduct and integrity as outlined in the Company's Governance Framework which includes the Board Charter, Employee Handbook, workplace policies and guidelines. These documents establish a common ethical standard and provide guidance on the Company's policies and procedures, ensuring a commitment to professional integrity across all aspects of their work.

Sustainability

The Company's policy encourages Directors to attend different training programmes and seminars that enhances their professional skills and informs them of new developments in the company's business and operating environment. The costs of such training are borne by the company.

OKITIPUPA OIL PALM PLC
Corporate governance report - continued
For the year ended 31 December 2023

Environmental Policy

This policy statement serves to demonstrate the Company's responsibility to the environment and the pursuit of world-class vision in all aspects of its operations. The Company strives to comply with all present and future environmental laws and regulations and continuously improve the efficiency of its operations to minimize its impact on the environment.

Going Concern

The Board of Directors has undertaken a thorough review of the company's budget and forecasts that the management has produced which are 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.

DCSL Corporate Services Limited
Company Secretaries

Anne Agbo
FRC/2013/PRO/NBA/002/00000000855
DCSL Corporate Services Limited
Company Secretary

By the Authority of the Board
Okitipupa Oil Palm Plc
Ondo State

23 June, 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OKITIPUPA OIL PALM PLC
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Okitipupa Oil Palm Plc ('the Company') which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Okitipupa Oil Palm Plc as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit include the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OKITIPUPA OIL PALM PLC
Report on the Audit of the Financial Statements-continued
Key Audit Matter-Continued

Key Audit Matters	How the matter was addressed in the audit
<p>Timing of revenue recognition</p> <p>The company's revenue comprises majorly of sale of palm oil products and lease income. The company recognized lease income based on the allocated acres of land to the lessee annually over a period of one year and this is apportioned over the months earned during the year. For the year ended 31 December 2023, the Company's lease income increased from N1.08 billion in 2022 to N1.8 billion representing about 68% increase YoY. We have considered this to be a key audit matter because the rate used per acre is subjective as this depends on the estimated/planned rate approved by the Board of Directors.</p> <p>The revenue disclosures are outlined in Note 8.1 <i>Revenue from contracts with customers</i> and 8.2 <i>Lease income</i> to the financial statements.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • walkthroughs to understand the process and the design of the revenue recognition process. • checked the revenue recognition policy applied by the Company to ensure it is in compliance with IFRS Accounting Standard 15 <i>Revenue from Contracts With Customers</i>. • analytical review procedures to understand the revenue trend. • tested a sample of the contract together with the invoice embedded therein, validating and vouching the invoices booked, to the underlying harvest contract and evidence of payment/demand notice. • performed cut-off procedures by selecting samples of transactions during the cut-off period, to ensure revenue had been recognized in the appropriate accounting period. • traced payments received from the customers including licensees to the bank statements to ascertain that actual income were recorded. • reviewed the assumptions and estimation involved in the determination of the rate per acre; samples were selected to confirm the estimated number of palm trees per acre, reviewed the discounted yield, and agreed the rate per bunch to the third-party invoice. • reviewed the appropriateness and completeness of the related disclosures in the notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OKITIPUPA OIL PALM PLC
Report on the Audit of the Financial Statements-continued

Key Audit Matter-Continued

Key Audit Matters	How the matter was addressed in the audit
<p>Valuation of Biological Assets</p> <p>The company uses a fair value model to determine the valuation of its biological assets. The valuation of the biological asset involves complex and subjective judgments about the expected produce growing on the trees, projected fruits to be harvested, and another estimate.</p> <p>As of 31 December 2023, biological assets were valued at NGN 338.3 million (31 December 2022: NGN 173.36 million). The expected produce growing on the tree and harvested fruits price has been identified as a source of estimation uncertainty.</p> <p>The significant accounting policy and critical judgments relating to the valuation are outlined in Note 4.18 <i>Biological Assets</i>. The fair value disclosures of biological assets are outlined in Note 7.4 <i>Valuation technique</i> to the financial statements.</p>	<p>Our audit procedures on revenue recognition include:</p> <ul style="list-style-type: none"> • reviewed the model used by management in the valuation of biological assets to ensure it was in accordance with the requirements of IAS 41 "Agriculture". • tested management's ability to forecast by comparing the palm oil yield used in the prior year valuation to the actual yields in the current year. • checked that the model used was consistent with the prior year. • tested the underlying assumptions and estimation applied in determining the projected fruits to be harvested and price. • tested the mathematical accuracy of the model and inspected the data inputs into the model relating to plantation size, number of trees, and actual yield. • checked the presentation and disclosure of Management's valuation in the financial.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Okitipupa Oil Palm Plc, Annual report for the year ended 31 December 2023", which includes, the Report of the Directors, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements, Statement of Corporate Responsibility for the Financial Statements and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OKITIPUPA OIL PALM PLC
Report on the Audit of the Financial Statements-continued**

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OKITIPUPA OIL PALM PLC - continued**

Report on the Audit of the Financial Statements-continued

Auditor's Responsibilities for the Audit of the Financial Statements-continued

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Okitipupa Oil Palm Plc as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

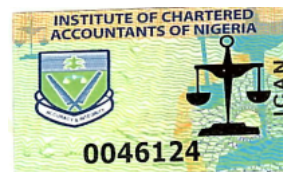
Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.



Omolola Alebiosu, FCA
FRC/2012/PRO/ICAN/004/00000000145
For: Ernst & Young
Lagos, Nigeria



23 June 2025

OKITIPUPA OIL PALM PLC

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

		2023	2022
	Notes	₦'000	₦'000
Revenue from contracts with customers	8.1	149,694	139,517
Lease income	8.2	1,808,744	1,079,522
Revenue		1,958,438	1,219,039
Other income	9	54,781	51,649
Raw materials and consumables used	10	(428,500)	(384,483)
Employee benefits expense	11	(215,776)	(149,947)
Other expenses	12	(776,400)	(585,841)
Net gain on valuation of biological assets	19.1	172,046	39,956
Profit before taxation		764,589	190,373
Income tax expense	15.1	(356,188)	(87,933)
Profit for the year		408,401	102,440

Other Comprehensive income/(loss)

Items that will not be reclassified to profit or loss in subsequent year:

Fair value gain/(loss) on equity investment measured at FVOCI	21	75	(11)
Other comprehensive income/(loss) for the year (net of tax)		75	(11)
Total comprehensive income for the year (net of tax)		408,476	102,429
Basic earnings per ordinary share (kobo)	16	3.54	1.07
Diluted earnings per ordinary share (kobo)	16	3.16	0.45

The summary of material accounting policies and accompanying notes form an integral part of these financial statements.

OKITIPUPA OIL PALM PLC
Statement of financial position
as at 31 December 2023

		31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	17	587,411	349,870
Bearer's plant	18	1,087,947	711,158
Biological assets	19.1	338,340	173,360
Intangible asset	20	36,804	-
Investment-equity	21	224	149
Deferred assets	22	106,950	106,950
Total non-current assets		2,157,676	1,341,487
Current assets			
Inventories	23	92,388	40,309
Trade and other receivables	24	56,764	92,149
Cash and cash equivalents	25	369,047	488,717
Total current assets		518,199	621,175
Total assets		2,675,875	1,962,662
Equity and liabilities			
Equity			
Share capital	26	57,662	48,000
Share premium	27	113,241	9,368
Retained earnings		412,793	52,392
Fair value reserve		174	99
Deposit for shares	28	14,000	134,000
Total equity		597,870	243,859
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15.3	329,143	145,036
Total non-current liabilities		329,143	145,036
Current liabilities			
Trade and other payables	31	456,809	216,844
Provision	31.4	40,206	40,206
Post-employment benefits	30.1	44,303	43,819
Deferred income	32	962,979	1,184,035
Unclaimed dividend	29	6,469	6,469
Current tax payable	15.4	238,096	82,394
Total current liabilities		1,748,862	1,573,767
Total liabilities		2,078,005	1,718,803
Total equity and liabilities		2,675,875	1,962,662

These financial statements were approved by the Board of Directors on 23 June 2025 and signed on its behalf by:

Mr. Bankole Oluwajana

Chairman

Mr. Taiwo Adewole
Managing Director/Chief Executive Officer

Adewole Dolapo Abdulateef, ACA

Chief Financial Officer

FRC/2025/PRO/DIR/003/569434

FRC/2020/PRO/DIR/003/00000021511

FRC/ 2025/PRO/ICAN/001/204047

The summary of material accounting policies and accompanying notes form an integral part of these financial statements.

OKITIPUPA OIL PALM PLC
Statement of changes in equity

For the year ended 31 December 2023	Share capital	Share premium	Deposit for shares	Retained earnings	Fair Value Reserves	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2023	48,000	9,368	134,000	52,392	99	243,859
Profit for the year	-	-	-	408,401	-	408,401
Other comprehensive income (net of tax)	-	-	-	-	75	75
Total comprehensive income (net of tax)	-	-	-	408,401	75	408,476
Transaction with shareholders:						
Issued share capital	9,662	110,338	(120,000)	-	-	-
Transaction cost related to issued of share capital	-	(6,465)	-	-	-	(6,465)
Dividend declared/paid (Note 29)	-	-	-	(48,000)	-	(48,000)
As at 31 December 2023	57,662	113,241	14,000	412,793	174	597,870
For the year ended 31 December 2022						
As at 1 January 2022	48,000	9,368	134,000	(50,048)	110	141,430
Profit for the year	-	-	-	102,440	-	102,440
Other comprehensive loss (net of tax)	-	-	-	-	(11)	(11)
Total comprehensive income/(loss) for the year (net of tax)	-	-	-	102,440	(11)	102,429
As at 31 December 2022	48,000	9,368	134,000	52,392	99	243,859

The summary of material accounting policies and accompanying notes form an integral part of these financial statements.

OKITIPUPA OIL PALM PLC
Statement of cash flows
For the year ended 31 December 2023

		31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
	Notes		
Operating activities:			
Profit before taxation		764,589	190,373
Adjustments for non-cash items:			
Depreciation of property, plant and equipment and bearer's plant	14	87,581	61,983
Corporate social responsibility	12.1	24,773	26,156
Expected credit loss	24.1	110,577	31,203
Sundry income	9	-	(29,607)
Reversal of expected credit loss	24.1	-	(163)
Interest on fixed deposit	9	(23,153)	(2,459)
Dividend income	9	-	(14)
Net effect of inventory valuation	23	-	(76)
Raw materials and consumables used	10.2	7,066	4,043
Fair value changes in biological assets	19	(172,046)	(39,956)
Stock-written off	12	18,276	17,915
Changes in operating assets and liabilities:			
Increase in inventories		(52,079)	(5,910)
Decrease/(increase) in trade and other receivables		35,385	(74,819)
Increase/(decrease) in trade and other payables		239,965	(31,901)
Decrease in other post-employment benefits	30.2	(7,769)	(6,617)
(Decrease)/increase in deferred income		(380,084)	546,972
Income tax paid	15.4	(16,376)	-
Net cash flows from operating activities		636,706	687,123
Investing activities:			
Purchase of bearer's plant	18	(415,466)	(187,442)
Purchase of property, plant and equipment	17	(286,445)	(125,540)
Net cash flows used in investing activities		(701,911)	(312,982)
Financing activities:			
Transaction cost on issue of shares capital	27	(6,465)	-
Dividends paid	29	(48,000)	-
Net cash flows used in financing activities		(54,465)	-
Net (decrease)/increase in cash and cash equivalents		(119,670)	374,141
Cash and cash equivalents at 1 January		488,717	114,576
Cash and cash equivalents at 31 December	25	369,047	488,717

The summary of material accounting policies and accompanying notes form an integral part of these financial statements.

OKITIPUPA OIL PALM PLC
Notes to the financial statements
For the year ended 31 December 2023

1 Corporate information

Okitipupa Oil Palm PLC was incorporated as a limited liability company and domiciled in Nigeria on the 17th day of May, 1976 to take over the Okitipupa Oil Palm Project under the management of the Nigerian Joint Agency Limited. In 1980, the company was brought under the supervision of the Governor's Office. In May 1987, Ondo State Development and Investment Promotion Agency which was formerly known and addressed as "Ondo state Investment (Holding) Company Limited" was established and vested with all the State Government's interest in Okitipupa Oil Palm Company Limited. The company became Public Liability Company in 1993.

The Company is located at No. 1 Marine Road, Okitipupa, Ondo State.

The principal activities of the Company are the development of oil palm plantations, palm oil milling, palm kernel processing and vegetable oil refining. The products of the Company are: refined bleached and deodorized palm oil, palm olein, palm steaming, palm fatty acid distillate, palm kernel oil (crude and refined) and palm kernel cake.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of Okitipupa Oil Palm Plc have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the interpretations issued by International Financial Reporting Interpretation Committee (IFRIC).

Additional information required by the provision of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The financial statements comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows and explanatory notes.

Accordingly, this financial statements is to be read in conjunction with the annual financial statements for the year ended 31 December 2023

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below:

Biological Assets and agricultural produce	Fair value less cost to sale
Investment-Equity	Fair value through OCI

2.2 Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand (N'000).

2.3 Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under historical cost convention, complex and non-complex fair value in accordance with applicable standards.

2.4 Presentation of financial statements

The Company classifies its expenses by nature.

The Company has presented current and non-current assets, and current and con-current liabilities, as separate classifications in the statement of financial position.

The financial statements provide comparative information in respect of the previous period.

The cash flows from operating activities are determined using the indirect method. The Company's assignment of the cash flows to operating, investing and financing category depends on the Company's business model and the applicable standard.

2 Basis of preparation - continued

2.5 Current versus non current classification

The company presents assets and liabilities in the statements of financial position based on current/non current classification. An asset is presented as current when it is

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are presented as non-current

A liability is presented as current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non current. Deferred tax assets and liabilities are classified as non current assets and liabilities.

3 Material accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in Nigeria requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

In the process of applying the Company's accounting policies, management has made various judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items. Other disclosures relating to the company's judgments and assumptions include:

- | | |
|--|----------------|
| ▸ Credit risk management and policies for expected credit loss | Note 5.2.2 |
| ▸ Distinction between mature and immature (work in progress) palm tree | Note 18 |
| ▸ Fair value of biological assets and agricultural produce | Note 7.4, 19.1 |

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Items with the most significant effect on the amount recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

3.1 Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3 Material accounting judgements, estimates and assumptions - continued

3.2 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company.

3.3 Defined contribution plan

The Company contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Company. The Company's contributions to the defined contribution scheme are charged to the profit and loss account in the period to which they relate.

The Company has a defined contribution plan for employees post-employment benefits. In accordance with the Pension Reform Act 2014, the Company and its employees make a joint contribution of 10% and 8% basic salary, housing and transport allowance respectively to each employee's retirement savings account maintained with their nominated pension fund administrators.

Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

4 Summary of material accounting policies

4.1 New, amended standards and interpretations

The Company applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

► **Definition of Accounting Estimates- Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are not expected to have a material impact on the Company's financial statements.

► **International Tax Reform—Pillar Two Model Rules - Amendments to IAS 12**

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
 - Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.
- In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes including both qualitative and quantitative

4 Summary of material accounting policies -Continued

4.1 New, amended standards and interpretations-Continued

► **International Tax Reform–Pillar Two Model Rules - Amendments to IAS 12- Continued**

information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:

a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and

b) Quantitative information such as:

- An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
- An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in the various jurisdictions in which it operates. The company has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates. Therefore, as the related Pillar Two disclosures are not required, the amendments had no impact on the company's financial statements at 31 December 2023.

► **Disclosure of Accounting Policies- Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'material accounting policy with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments are not expected to have a material impact on the Company's financial statements.

► **Deferred Tax related to Assets and Liabilities arising from a Single Transaction- Amendments to IAS 12**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments are not expected to have a material impact on the Company's financial statements.

4 Summary of material accounting policies -Continued

4.1 New, amended standards and interpretations-Continued

► IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

4.2 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

► Amendments to IAS 1: Classification of Liabilities as Current or Non-current - Effective for annual periods beginning on or after 1 January 2024

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

4 Summary of material accounting policies - continued

4.2 Standards issued but not yet effective - continued

►Lease Liability in a Sale and Leaseback- Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments of IFRS 16).

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transactions, to ensure seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted, and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The Company is currently assessing the impact of the amendments.

►Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

►Amendments to IAS 21 - Lack of Exchangeability

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

On 15 August 2023, the International Accounting Standards Board (the IASB or Board) issued Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates) (the amendments).

IAS 21 sets out the requirements for determining the exchange rate to be used for recording a foreign currency transaction into the functional currency and translating a foreign operation into a different currency. If a currency lacks exchangeability, it can be difficult to determine an appropriate exchange rate to use. While relatively uncommon, a lack of exchangeability might arise when a government imposes foreign exchange controls that prohibit the exchange of a currency or that limit the volume of foreign currency transactions.

4 Summary of material accounting policies - continued

4.3 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it controls the goods or services before transferring them to the customer.

The Company is in the business of cultivating oil palm, and processing fresh fruit bunches into crude palm oil for resale.

Revenue is recognised when (or as) a performance obligation is satisfied. Performance would be regarded as being achieved when all of the following criteria have been met;

- Company's performance is complete; when (or as) a performance obligation is satisfied.
- The benefit of the revenue will actually flow to the company

There are no judgement that significantly affect the determination of the amount and timing of its revenue from contracts with customers.

4.3.1 Sales of Crude Palm oil

This comprises revenue from sales of palm oil related products to customers i.e Individual and corporate. Revenue is recognized when the products have been sold. Revenue is recognized at a point in time when control of goods has been transferred to the customer. Depending on the terms of the contract with the customer, control is transferred either upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer, or upon delivery of the goods for consideration received or receivables.

4.3.2 Sales of Palm Kernel (Uncracked)

These comprises of revenue from uncracked palm kernel for customers i.e. individual and corporate. Revenue is recognised at a point in time when control of goods has been transferred to the customer through the company's palm oil mill processing equipment.

4.3.3 Sales of Sludged

These comprise of revenue from sludged for customers i.e. individual revenue is recognized at a point in time when control of goods has been transferred to the customer through the company's palm oil mill processing equipment.

4.3.4 Sales of Dredge and press cake

These comprise of revenue from dredge and press cake for customers i.e. individual revenue is recognized at a point in time when control of goods has been transferred to the customer through the company's palm oil mill processing equipment.

4.3.5 Sales of Fresh Fruit Bunches

This comprises revenue from sales of fresh fruit bunches. Revenue is recognized when the products have been sold. Revenue is recognized at a point in time when control of goods has been transferred to the customer. Depending on the terms of the contract with the customer, control is transferred either upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer, or upon delivery of the goods to the customer for immediate payment of cash to the bank.

4.3.6 Sales of palm seedlings

This comprises revenue from sales of palm seedlings. Revenue is recognized when the products have been sold. Revenue is recognized at a point in time when the control of goods has been transferred to the customers.

4 Summary of material accounting policies - continued

4.4 Financial instruments

IFRS 9 provides guidance on the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.4.1 Classification and measurement

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement are dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The company's financial assets as at 31 December 2023 satisfy the conditions for classification at fair value through other comprehensive income and amortised cost under IFRS 9.

The Company's financial assets include trade receivables, other receivables, investment equity, cash, and bank balances. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Company's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Company's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

4 Summary of material accounting policies - continued

4.4 Financial instruments -Continued

4.4.1 Classification and measurement-continued

4.4.2 Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and trade and other receivables. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The company applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the general approach is applied to cash and bank balances.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss in those expense categories consistent with the function of the impaired asset.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

4 Summary of material accounting policies - continued

4.4 Financial instruments-continued

4.4.3 Significant increase in credit risk and default definition

The company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

4.4.4 Write off policy

The company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

►where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

4.4.5 Derecognition

The company derecognised a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

Financial liabilities

The company derecognised a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

4.4.6 Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Company recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

4 Summary of material accounting policies - continued

4.4.7 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.5 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are not recognised for future operating losses. The company discloses contingent liability where it is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company also discloses contingent asset where it is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. Contingent assets are recognised when they are virtually certain.

4.6 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except;

4 Summary of material accounting policies - continued

4.6 Taxes-continued

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in the correlation to the underlying transaction either in OCI or directly in equity.

4.7 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Accounting policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4.8 Finance income and cost

Finance income comprises interest income on short-term deposits with banks. Interest income on short-term deposits is recognized using the effective interest method. When the transaction price of the instrument differs from the fair value at origination and fair value is based on a valuation technique using only inputs observable in market transactions, the entity recognises the difference between the transaction price and fair value in profit or loss.

In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Finance costs comprise interest expense on interest-bearing liabilities, unwinding discounts from the capital asset pricing model, and foreign exchange losses. Borrowing costs that are not directly attributable to the acquisition, construction, or production of qualifying assets are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

4 Summary of material accounting policies - continued

4.9 Property, plant and equipment

4.9.1 Recognition and measurement

Property, plant and equipment including bearer's plant are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. An asset is recognized when it is probable that the economic benefits associated with the item flow to the entity and cost can be reliably measured

4.9.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

4.9.3 Depreciation

Depreciation is calculated to write off the cost or revalued amount of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful life of items of property, plant and equipment are as follows:

	Useful life	Percentage
Plant and equipment	10	10%
Building	10-20	5%-10%
Motor vehicles and cycles	4	25%
Furniture, fittings, and equipment	5-10	10%-20%
Bearer's plant	25	4%

Land comprises freehold and leasehold improvement. Freehold land is not depreciated as it is a freehold asset with an indefinite useful life. Leasehold improvement is depreciated over the shorter of the useful life of the asset or lease term.

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Gains or losses on disposal of property, plant and equipment are determined as the difference between disposal proceeds and carrying amount of the disposed assets. These gains or losses are included in profit or loss

4.9.4 De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

4 Summary of material accounting policies - continued

4.10 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset (fresh fruit bunches) for a period of time in exchange for consideration.

The company applies a single recognition and measurement approach for all leases (licenses), except for short-term leases and leases of low-value assets.

The Company leases the harvesting of fresh fruit bunches to customers for a short period of time (twelve months) excluding the land and palm trees. In the lease contract, the lessee does not have access to the use of the land other than the right to harvest the fresh fruit bunches.

As a lessor (Licensor)

At commencement or on modification of a contract that contains a lease component, Company classify all leases as operating leases. Lease classification determines how and when a lessor recognises lease income and assets are recorded.

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of palm fruit are classified as operating leases. Lease income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income.

The company continues to recognize an income and underlying asset on the statement of comprehensive income in line with the company month-on-month recovery pattern and statement of financial position. A lessor recognizes costs, including depreciation, incurred in earning the lease income as an expense. IFRS 16 also requires lessors of operating leases to defer initial direct costs at lease commencement and recognize them over the lease term on the same basis as lease income.

As a lessee (Licensee)

'At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component (harvesting of fresh fruit bunches) on the basis of its relative stand-alone prices.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset (palm fruit) to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4 Summary of material accounting policies - continued

4.1 Leases-continued

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company did not operate lessee transactions during the year but might be in the foreseeable future

Short-term leases and leases of low-value assets.

The company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company might recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Moreover, no transactions relate to short-term leases and low-value during the year.

4.12 Inventories

The company inventories comprise materials used for production, finished products, seedlings, and consumables.

Inventories are stated at the lower of cost and net realizable value. The cost of materials is the purchase cost, determined on a weighted average cost basis. The cost of inventories is the purchase cost. The net realizable value of inventories is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of stock finished products are determined by adding production cost to the fair value of the agricultural produce concerned.

4 Summary of material accounting policies - continued

4.1 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cashflow comprises cash on hand, and amounts due from banks on demand or with an original maturity of three months or less.

4.1 Share Capital and reserves

Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the proceeds of the equity instruments.

4.2 Earnings per share (EPS)

Basic EPS

Basic earnings per share is calculated on the Company's profit or loss after taxation and on the basis of weighted average of issued and fully paid ordinary shares at the end of the year.

Diluted EPS

Diluted EPS is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (after adjusting for outstanding share options arising from the share-based payment scheme) into ordinary shares.

Dividend

Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

4.2 Post-employment benefits

4.16. Defined contribution scheme

The company contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Company. The company's contributions to the defined contribution scheme are charged to the profit and loss account in the year to which they relate.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. The Company operates a defined contribution plan and it is accounted for based on IAS 19 Employee benefits.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions. In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employee.

4 Summary of material accounting policies - continued

4.16. Termination benefits

The company or the employee reserves the right to terminate an employment, in writing , without adducing any reason whatsoever.

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably using the basic salary due for the month(s).

An appointment may be terminated by 'dismissal' for serious breach of the company's regulation and/or breach by the employee of the conditions and terms of his employment. In the case of dismissal , no notice is given and all privileges ,including end-of-service benefit are forfeited. The company is not bound to give reasons for such dismissal in the dismissal letter.

Leave notice:

For junior officer , supervisor and officers:

No notice during probation and one month on confirmation of appointment.

For senior management and above:

No notice while on probation and three months on confirmation of appointment

All resignations received from employee(s) are expected to be screened and certified free before accumulated leave due to an employee. The company shall compute and communicate the cash due using only basic salary due for the month(s).

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4 Summary of material accounting policies - continued

4.17 Bearer plants

Bearer plants comprise palm plantations. These assets are initially recognised at their historic cost. The historic costs comprise the amount incurred from the stage of pre-cropping, land clearing, agricultural labor, the cost of material, and the other expenditure incurred to bring the bearer plants to the point of maturity.

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

Bearer plants are recognised as mature when the following events occur:

Palm tree plantations are treated as mature when palm trees bear fruits or their peers that have not bearing fruit whichever comes earlier and management approval.

Depreciation of mature palm trees begins when the trees bear fruits.

Bearer plants are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributed to the planting and nurturing of the bearer plant prior to the asset being available for intended use recorded as immature (work-in-progress) plantations. All other costs incurred for maintenance after recognition as matured plantation are charged to the Profit and loss during the financial year in which they are incurred. All costs incurred for the improvement of the bearer plant after recognition as matured plantation are capitalised as an addition during the financial period in which they are incurred.

4.18 Biological Assets

Biological assets are measured at fair values less estimated costs to sell. Palm oil trees are bearer plants and are therefore presented and accounted for as bearer plants. However, the fresh fruit bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Any gains or losses arising on subsequent changes in fair values less estimated cost to sell are recognised in profit or loss in the year in which they arise.

All costs of upkeep and maintenance of biological assets are recognised in profit or loss under cost of production in the period in which they are incurred.

IAS 41 applies to agricultural produce (i.e. harvested produce) at the point of harvest only, not prior or subsequent to harvest.

Harvested fresh fruit bunches (FFB) are transferred to inventory at fair value less costs to sell when harvested.

4.19 Intangible Assets

Intangible assets acquired separately

Computer Software acquired separately by the company and the costs associated with the development of software for internal use is recognized as an intangible asset and stated at cost less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Costs that are directly associated with the production of identifiable and unique software products, which are controlled by the company and which will probably generate economic benefits, are amortized over a maximum period of five years.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in the profit or loss on a straight-line basis over the estimated useful life of intangible assets, from the date that it is available for use. The estimated useful life, amortization method and residual values of the Company's intangible assets are reassessed annually.

Derecognition of intangible assets

An intangible asset is derecognized at disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

5 Risk management objectives and policies**5.1 Overview**

Risk management is carried out in line with policies approved by the Board of Directors. The board provides written principles for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the Managing Director, which aims to effectively manage the financial risk of Okitipupa Oil Palm Plc, according to the policies approved by the Board of Directors.

5.2 Financial Risk

The company's financial instruments consist of trade and other receivables and trade and other payables, bank overdraft, cash and cash equivalents and loans. The main risks arising from the Company's financial instruments are; Market risk, Credit risk, Operational risk and Liquidity risk.

5.2.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of the company's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

Foreign Exchange Risk

The company was not exposed to foreign exchange risks either from its commercial transactions or assets and liabilities recognition. There were no foreign exchange transactions during the year (2022: Nil). The company makes payments and collects receipts primarily in Nigerian Naira.

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. The non-trading equity price risk exposure arises from equity securities classified as fair value through other comprehensive income (FVOCI). A 5 per cent increase in the value of the market's equities at FVOCI at 31 December 2023 would have increased equity by N23.520million (2022: N15.645million). An equivalent decrease would have resulted in an equivalent but opposite impact and would cause a potential impairment, which would reduce profit before tax by approximately N3million (2022:N1 million).

5.2.2 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

5.2.2 Credit risk-Continued

Payment for sales of palm produces are made in advance. Credit risk arises from bank balances and trade and other receivables from other entities. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. None of the counterparties renegotiated their terms in the reporting period.

The company uses policies to ensure that sales of products are to customers with appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms of sale. The continuous creditworthiness of the existing customers is monitored periodically based on the history of performance of the obligations and settlement of their debt. Appropriate provision for impairment losses is made for specific credit risks.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about ECLs on the entity trade receivables is disclosed below.

Set out below is the information about the credit risk exposure on the company's trade receivables and using a provision matrix:

Trade receivables						
Days past due						
	Current	31-60 Days	61-90 Days	91 - 180 Days	181>365 Days	Total
31-Dec-23	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	5.79%	6.44%	9.04%	18.91%	100.00%	98.001%
Estimated total gross carrying amount at default	4,029	45	3	-	188,052	192,129
Expected credit loss	233	3	0	-	188,052	188,288

Trade receivables						
Days past due						
	Current	31-60 Days	61-90 Days	91 - 180 Days	181>365 Days	Total
31-Dec-22	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	5.79%	6.44%	9.04%	18.91%	100.00%	88.964%
Estimated total gross carrying amount at default	7,759	4,260	408	27,680	75,008	115,115
Expected credit loss	449	275	37	5,234	75,008	81,003

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued
5 Risk management objectives and policies - Continued
5.2.3 Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

5.2.4 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times to enable the Company not to breach borrowing limits on any of its borrowings facilities. The Company manages liquidity risk by effective working capital and cash flow management.

Analysis of financial assets and financial liabilities by remaining contractual maturities

The analysis shows the undiscounted cash flows on the Company's financial assets and financial liabilities and on the basis of their earliest possible contractual maturity.

The table below summarises the maturity profile of the cash flows of the Company's financial assets and financial liabilities.

31 December 2023 <i>In thousands of naira</i>	Carrying amount	Note	On Demand	Less than 1 year	1 -2 years	Over 2 years	Undiscounted amount
Financial assets:							
Cash and cash equivalents	369,047	25	362,911	6,136	-	-	369,047
Trade receivables	3,841	24.1	-	3,841	-	-	3,841
Investment- equity	224	21	-	224	-	-	224
Staff loan	15,175	24.3	-	15,175	-	-	15,175
	388,287		362,911	25,376	-	-	388,287

Financial liabilities:							
Trade payables	1,330	31	-	1,330	-	-	1,330
Sundry creditors	258,162	31	-	258,162	-	-	258,162
Professionals fees	45,000	31	-	45,000	-	-	-
Accruals	50,860	31	50,860	-	-	-	50,860
Unclaimed dividend	6,469	29	6,469	-	-	-	6,469
	361,821		57,329	304,492	-	-	316,821

31 December 2022 <i>In thousands of naira</i>	Carrying amount	Note	On Demand	Less than 1 year	1 -2 years	Over 2 years	Undiscounted amount
Financial assets:							
Cash and cash equivalents	488,717	25	51,717	437,000	-	-	488,717
Trade receivables	34,112	24.1	-	34,112	-	-	34,112
Investment- equity	149	21	-	149	-	-	149
Staff loan	8,000	24.3	-	8,000	-	-	8,000
	530,978		51,717	479,261	-	-	530,978

Financial liabilities:							
Sundry creditors	110,194	31	-	110,194	-	-	110,194
Professionals fees	-	31	-	-	-	-	-
Accruals	51,576	31	51,576	-	-	-	51,576
Unclaimed dividend	6,469	29	6,469	-	-	-	6,469
	168,239		58,045	110,194	-	-	168,239

As part of the management of its liquidity risk, the Company holds liquid assets comprising of cash and cash equivalents and financial assets to meet its liquidity requirements.

6 Capital management

The company's objectives when managing capital are as follows:

- ▶ To safeguard the company's ability to continue as a going concern in order to maximize returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.
- ▶ To establish the efficiency of capital utilization.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

Consistent with others in the industry, the Company monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables, provision, post-employment benefits, unclaimed dividend less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

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

	31-Dec 2023 ₹'000	31-Dec 2022 ₹'000
Trade and Other payables	456,809	216,844
Unclaimed dividend	6,469	6,469
Post-employment benefits	44,303	43,819
Provision	40,206	40,206
Less: cash and cash equivalents	(369,047)	(488,717)
Net debt/Earnings	178,740	(181,379)
Total capital	597,870	243,859
Gearing ratio	30%	-74%

'The company measurement of financial leverage demonstrates a higher gearing ratio as at 31 December 2023 because the entity has more debt to finance its operation with 30%. (31 December 2022: not Geared with 74%)

7 Fair value of financial assets and liabilities**7.1 Financial instruments not measured at fair value**

The fair value of cash and bank balances, trade and other receivables, accruals and creditors, and other liabilities approximate their carrying value due to their short-term nature.

7.2 Financial instruments measured through other comprehensive Income.

The investment in equity is recorded at fair value through other comprehensive income using the share price method at security exchange commission.

The fair values below was determined using market-related rates

				In thousands of Naira	
	Level 1	Level 2	Level 3	Total fair value	Carrying amount
31 December 2023	224	-	-	224	224
31 December 2022	149	-	-	149	149

7.3 Fair value measurement

The following table presents the Company's biological assets that are measured at fair value less cost to sell as at 31 December 2023 and 31 December 2022.

				In thousands of Naira	
	Level 1	Level 2	Level 3	Total fair value	Carrying Amount
Produce growing on trees:					
At 31 December 2023	-	-	338,340	338,340	338,340
At 31 December 2022	-	-	173,360	173,360	173,360

The company's biological assets are measured at fair value less cost to sell and are classified under level 3 ((valuation based on unobservable data)). There are no items in level 1 (valuation based on quoted prices) and level 2 (valuation based on observable market data) of the fair value hierarchy. There were no transfers between levels during the year(2022: Nil)

OKITIPUPA OIL PALM PLC**Notes to the financial statements - continued****7.4 Valuation technique:**

Produce growing on bearer plant

Analysis of production of crude palm oil.

Oil Palm

The company harvested 6,424 bunches (31 December 2022: 5,776 bunches) of fresh fruit bunches (FFB) at the Company headquarter; bought fresh fruit bunches of 86,643 (31 December 2022: 115,143), and sold 116.87 metric tonnes of palm oil (31 December 2022 - 124.02 tons).

Valuation of inputs and relationships to fair value

The fair value of produce growing on trees has been determined based on valuations by the Directors using the income approach.

The following table summarizes the quantitative information about the key unobservable inputs used in the fair value measurement of the palm fruit bunches growing on the trees.

Unobservable inputs		31-Dec		31-Dec	
		2023		2022	Assumptions
Palm Fruit bunches:					
Yield- Bunches	Harvest allocation for growing produce on bearing (bunches) plants	339,118		339,118	The higher the Fresh fruit bunches yield the higher the fair value on the recovery plan and market base.
Selling Price	Cost+margin (N/bunches)	998		511	
Yield Projected based on the historical information of fresh fruit bunches yield on the palm trees.		5,894,190		5,894,190	Average Projected fresh fruit bunches per palm
Average Production Allocation (21days/365days)					Number of day for valuing the growing product on the trees

The main level 3 inputs used by the company are derived and evaluated as follows:

- * Palm plantation covers an average of 19,641 acres in 2023 (2022: 19,641)
- * Palm oil yield is determined based on the age of the plantation, inflation rate, historical yields, climate-induced variations such as severe weather events, plant losses and new areas coming into production.
- * As at 31 December 2023, the Yield projected based on historical covers 100 % of the recovery yield pattern of projected fresh fruit bunches per palm tree. (31 December 2022: Estimated 100% recovery yield pattern per palm tree).
- * Fresh Fruit Bunches prices are cost plus margin.

OKITIPUPA OIL PALM PLC**Notes to the financial statements - continued****8.1 Revenue from contracts with customers**

The company's revenue is disaggregated below and includes a total fees in scope of IFRS 15, Revenues from contracts with customers:

	31-Dec 2023	31-Dec 2022
	₦'000	₦'000
Crude Palm Oil	111,871	92,737
Palm Kernel (Uncracked)	7,100	4,426
Sludge	303	94
Dredge	165	270
Press Cake	80	2,854
Harvested produce sold*	10	-
Sales of Seedlings	30,165	39,136
Total revenue from contracts with customers	149,694	139,517

*This relate to harvested fresh fruit bunches at company head quarter that were sold to customers for consideration received or receivables during the year.

Disaggregation of revenue:

With in Nigeria	149,694	139,517
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Timing of revenue recognition:

Goods transferred at a point in time	149,694	139,517
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Performance Obligation:

Generally, customers obtain control when the finished goods are delivered to the customers' premises. Invoices are generated at that point in time. Invoices are usually payable within 30 days

8.2 Lease income

	31-Dec 2023	31-Dec 2022
	₦'000	₦'000
Lease income	1,808,744	1,079,522

The income relates to the license fees agreed with lessees (licensees) for the right to harvest fresh fruit bunches at plantation estates for a maximum period of one year and renewable if parties agree. The income recognition is based on the allocated acres of land for which the lessees (licensees) only have the right to harvest the palm fruits based on the allocated portion to the lessee (licensees) annually over a period of one year and apportioned over the twelve months.

For the year ended 31 December 2023(2022), all revenue are earned in Nigeria.

9 Other income

	31-Dec 2023	31-Dec 2022
	₦'000	₦'000
Registration fees	27,450	8,780
Lumbering	4,178	6,814
Sundry income	-	29,607
Scraps	-	552
Reversal of expected credit loss	-	163
Net effect of inventory valuation	-	76
Re-activated bank balances	-	3,184
Interest on fixed deposit	23,153	2,459
Dividend income	-	14
	54,781	51,649

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued
9 Other income-Continued

- 9.1 Registration fees relate to proceeds from the sale of registration forms to prospective new licensees and providers of services.
- 9.2 Sundry income relates to over-provision write-back from service provider records and tax incentives in the previous year.
- 9.3 Scraps comprises sales of broken tiles and ashes in the previous year.
- 9.4 Management did not gain access to the bank balance due to the change of management personnel and know-your-customer requirements from the bank. Re-activated bank balance relates to the balance in the company account that management gained access to during the prior year.

10	Raw materials and consumables used	31-Dec 2023 N'000	31-Dec 2022 N'000
	Direct cost	12,778	12,363
	Production overheads 10.1	194,902	206,207
	Milling costs 10.2	154,150	106,262
	Seedling development cost	11,494	20,602
	Depreciation & Amortisation 14	55,176	39,049
		<u>428,500</u>	<u>384,483</u>

- 10.1 Production overheads relate to the upkeep of mature plantation, harvesting and collection, fertilizer, fueling, and security expenses.

10.2	Milling costs analysis shown below:	2023 N'000	2022 N'000
	Mill raw material and Consumables - CHQ*	64,280	55,806
	Mill raw material and Consumables - Ipoki	63,921	43,777
	Evacuation, Wages and Runnings expenses	25,949	6,679
		<u>154,150</u>	<u>106,262</u>

*Mill raw material and Consumables - CHQ includes non-cash raw material valued at the point of harvest which amounted to N7,066,400 (2022: N4,043,200) disclosed in note 19.2

11	Employee benefits expense	31-Dec 2023 N'000	31-Dec 2022 N'000
	Pension	8,253	4,135
	Wages	35,329	19,269
	Salaries	112,518	101,428
	Leave allowance	8,263	6,032
	Staff Welfare	51,413	19,083
		<u>215,776</u>	<u>149,947</u>

OKITIPUPA OIL PALM PLC**Notes to the financial statements - continued****11 Employee benefits expense-Continued**

- 11.1** Number of employees of the Company as at 31 December, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration excluding pension contributions and certain benefits) are as follows:

Amount (₦)	2023 Number	2022 Number
500,001 - 1,000,000	15	15
1,000,001 - 1,500,000	10	10
1,500,001 - 2,000,000	17	17
2,000,001 - 2,500,000	8	-
2,500,001 - 3,000,000	7	7
3,000,001 - 3,500,000	1	1
3,000,001 and above	1	1
	59	51

- 11.2** The average number of full time personnel employed by the company during the year are as follows:

	2023 Number	2022 Number
Managing Director/Chief Executive Officer	1	1
Manager	8	8
Officer	17	17
Junior	33	25
	59	51

11.3 Director remuneration

	31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
Directors' remuneration paid during the year comprises:		
Directors fees	58,900	63,000
Other allowances and expenses	172,053	127,772
	230,953	190,772

- 11.4** The directors' remuneration shown above includes:

Highest paid director	14,794	14,794
Chairman remuneration	13,759	13,759

11.5 Employee benefits expense

The number of directors (excluding the Chairman and highest paid Director) who received emoluments excluding pension contributions and certain benefits were within the following range:

	2023 number	2022 number
14,000,000 - 16,000,000	2	2
16,000,001 - 18,000,000	3	3
18,000,001 - 20,000,000	2	2
20,000,001 - 22,000,000	2	1
24,000,001 - 26,000,000	1	1
	10	9

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

12	Other expenses	31-Dec 2023 N'000	31-Dec 2022 N'000
	Advertising, publicity and subscriptions	16,806	8,915
	Annual general meeting expenses	-	25,000
	Audit fees	25,000	20,000
	Bank Charges	3,971	3,583
	Car Hire	1,623	2,656
	Corporate social responsibility 12.1	42,944	37,748
	Depreciation and amortisation expense 14	32,405	22,934
	Directors remuneration 11.3	230,953	190,772
	Expected credit loss 24.1	110,577	31,203
	Enumeration expenses 12.2	1,970	8,548
	Fine and Penalty	2,839	5,717
	Hotel and travelling expenses	45,399	31,461
	Household equipment and materials	172	653
	Insurance	2,955	1,665
	Land use charge	4,200	2,899
	Legal expenses	34,459	18,850
	Motor vehicle licenses and renewal	66	55
	Nigerian social insurance trust fund	-	2,150
	Office general expenses 12.3	12,045	16,590
	Other professional fees and expenses 12.4	83,783	62,397
	Printing and communication expenses	7,017	6,198
	Recruitment expenses	10,564	3,286
	Registrar's fees	-	265
	Rent and rates	2,986	336
	Repairs and maintenance	28,572	14,759
	Secretarial fees	11,978	16,175
	Security expenses	40,867	23,616
	Stock written off 23.1	18,276	17,915
	Tax consultancy fees	3,000	6,000
	Training and management fees	-	2,500
	Website renewal	973	996
		776,400	585,841

12.1 Corporate social responsibility includes crude palm oil distributed to beneficiaries and annual pappercorn support to the farm owners family. The non-cash items in the CRS amounted to N 24.8million (2022: 26.2million)

12.2 This relates to cost incurred to know the number of palm trees at various plantation estates.

12.3 This relates to expenses incurred on office beverages, and entertainments.

12.4 This comprises various professional and consultancy fees incurred for board appraisal, assessment of the milling facility, management Succession plan and tagging of company assets.

Included in the previous year's professional fees is a sum of N12.5 million for a six-month audit of the company for the period ending June 30, 2022, which was paid to the external auditor. The company's auditor, Ernst and Young, did not provide any non-audit services to the company.

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

13	Profit before tax		31-Dec	31-Dec
			2023	2022
			₦'000	₦'000
	<i>This is stated after charging:</i>			
	Auditors' remuneration	12	25,000	20,000
	Directors remuneration	11.3	230,953	190,772
	Depreciation of property, plant, and equipment	14	87,581	61,983
	Salaries	11	112,518	101,428
14	Depreciation and amortisation expense		31-Dec	31-Dec
			2023	2022
			₦'000	₦'000
	Depreciation of property, plant and equipment	17	48,904	36,772
	Depreciation of bearer plants	18	38,677	25,211
	Depreciation and amortisation		87,581	61,983
	Raw materials and consumables used	10	55,176	39,049
	Other expenses	12	32,405	22,934
			87,581	61,983
	Depreciation and amortisation include depreciation of Property, plant and equipment and depreciation of Bearer's plant. The Company charged 63% to raw and consumables used and remaining 37% to other expenses.			
15	Income tax			
	The components of income tax expense for the year ended 31 December 2023 and 2022 are as follows:			
15.1	Current income tax expense		31-Dec	31-Dec
			2023	2022
			₦'000	₦'000
	Company income tax		146,338	33,805
	Education tax		25,702	6,737
	Nigeria police trust fund		38	10
	Total current tax		172,078	40,552
	Deferred tax expense in profit or loss		184,110	47,381
	Income tax for the period		356,188	87,933
15.2	Reconciliation of effective tax rate		2023	2022
			₦'000	₦'000
	Profit before income tax expense	Rate	764,589	190,373
	Income tax based on corporate tax rate	30%	229,377	57,112
	Disallowables expenses		262,217	85,851
	Non -taxables income		(195,200)	(42,892)
	Nigeria Police Trust Fund		38	10
	Claimable capital allowance		34,054	(18,885)
	Education tax	3.0%	25,702	6,737
	Total income tax expense	33.0%	356,188	87,933
15.3	Reconciliation of deferred tax liability,net		2023	2022
			₦'000	₦'000
	Opening balance as at 1 January		145,036	97,654
	Tax expense during the period recognised in P or L		184,110	47,381
	Tax (credit)/expense during the period recognised in OCI		(3)	1
	Balance as at 31 December		329,143	145,036

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

15.4 Current tax liability	31-Dec	31-Dec
	2023	2022
	₦'000	₦'000
Balance as at 1 January	82,394	41,842
Charge for the year	172,078	40,552
Payment during the year	(16,376)	-
Balance as at 31 December	238,096	82,394

15.5 Deferred tax related to profit or loss as following:

31 December 2023	Net balance at the beginning ₦'000	Recognised in Income statement ₦'000	Net Deferred Tax Liabilities /(assets) ₦'000
Buildings	11,591	(255)	11,336
Leasehold improvement	581	4,783	5,363
Motor vehicles	2,150	2,537	4,687
Property, plant and equipment	(19,764)	1,536	(18,227)
Furniture and fittings	2,494	684	3,178
Bearer plants (Plantation development)	134,996	85,420	220,416
Increase in fair value of biological assets	12,986	43,789	56,775
Audit fee provision	-	9,125	9,125
Expected credit loss	-	36,490	36,490
	145,036	184,110	329,146

31 December 2022	Net balance at the beginning ₦'000	Recognised in Income statement ₦'000	Net Deferred Tax Liabilities /(assets) ₦'000
Buildings	7,813	3,777	11,591
Leasehold improvement	-	581	581
Motor vehicles	1,927	223	2,150
Property, plant and equipment	(22,775)	3,012	(19,764)
Furniture and fittings	(353)	2,847	2,494
Bearer plants (Plantation development)	124,629	10,368	134,996
Unutilized capital allowance	(15,015)	15,015	-
Increase in fair value of biological assets	1,428	11,558	12,986
	97,654	47,381	145,035

15.6 Deferred tax related to other comprehensive income as following:	31-Dec	31-Dec
Fair value gain/(loss) on equity investment measured at FVOCI	(3)	1
The deferred tax assets and liabilities have been offset because the company has a legally enforceable right to set off current tax assets against current tax liabilities.		

16 Earnings per share (EPS)	31-Dec	31-Dec
	2023	2022
	₦'000	₦'000
Basic earnings per share:		
Profit attributable to ordinary shareholders	408,401	102,440
Weighted average number of ordinary shares for basic earnings per share	115,324	96,000
Basic, profit per ordinary share (kobo)	3.54	1.07
Diluted earnings per share:		
Profit attributable to ordinary shareholders	408,401	102,440
Weighted average number of ordinary shares for diluted earnings per share	129,324	230,000
Diluted, profit per ordinary share (kobo)	3.16	0.45

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

17 Property, plant and equipment	Freehold land	Leasehold Improvement	Buildings	Plant & equipments	Motor vehicles &cycles	Furniture, fittings & equipment	Capital work in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost or valuation								
At 1 January 2022	2,640	106,633	159,599	362,862	64,663	47,169	8,390	751,956
Additions	-	14,608	80,273	7,563	3,095	20,001	-	125,540
Transfer				8,390			(8,390)	-
At 31 December 2022	2,640	121,241	239,872	378,815	67,758	67,170	-	877,496
Additions	-	43,600	1,503	6,230	24,334	10,778	200,000	286,445
At 31 December 2023	2,640	164,841	241,375	385,045	92,092	77,948	200,000	1,163,941
Accumulated Depreciation								
At 1 January 2022	-	7,668	68,679	322,171	52,817	39,519	-	490,854
Depreciation charge for the year	-	4,641	19,162	6,586	3,693	2,690	-	36,772
At 31 December 2022	-	12,309	87,841	328,757	56,510	42,209	-	527,626
Depreciation charge for the year	-	7,685	17,442	6,929	9,743	7,105	-	48,904
At 31 December 2023	-	19,994	105,283	335,686	66,253	49,314	-	576,530
Carrying Amount								
At 31 December 2023	2,640	144,847	136,092	49,359	25,839	28,634	200,000	587,411
At 31 December 2022	2,640	108,932	152,031	50,058	11,248	24,961	-	349,870

* The leasehold land is depreciated over the shorter of the useful life of the asset or lease term.

* There are no restrictions on title and the company did not pledge any assets for any loan or guarantee during the period.

* There are no contractual commitments for the acquisition of property, plant and equipment during the reporting and comparative period.

* Capital work in-progress comprise payment on account for acquisition of five (5) Hiluxs .

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

18	Bearer's plant	Matured Plantation	Work-in- progress	Total
	Cost	₦'000	₦'000	₦'000
	At 1 January 2022	630,284	171,238	801,522
	Additions	-	187,442	187,442
	Transfer to inventory 23.1	-	(63,172)	(63,172)
	At 31 December 2022	<u>630,284</u>	<u>295,508</u>	<u>925,792</u>
	Additions	415,466	-	415,466
	Reclassification	32,166	(32,166)	-
	At 31 December 2023	<u>1,077,916</u>	<u>263,342</u>	<u>1,341,258</u>
	Accumulated Depreciation			
	At 1 January 2022	189,423	-	189,423
	Charge for the year	25,211	-	25,211
	At 31 December 2022	<u>214,634</u>	<u>-</u>	<u>214,634</u>
	Charge for the year	38,677	-	38,677
	At 31 December 2023	<u>253,311</u>	<u>-</u>	<u>253,311</u>
	Carrying Amount			
	At 31 December 2023	<u>824,605</u>	<u>263,342</u>	<u>1,087,947</u>
	At 31 December 2022	<u>415,650</u>	<u>295,508</u>	<u>711,158</u>

*Matured plantation relates to capitalized cost on matured palm trees that bears and produces fresh fruit bunches. Also, the amount paid to the landowners for the used of the land.

*Work-in-progress relates to capitalized costs on immature palm plantations. That is, the expenditure incurred on the nursery of seedlings at various estates of the company.

19	Biological assets		
	This represents produce (Fresh Fruit Bunches) growing on bearer plants and is measured at fair value less cost to sell.		
19.1	Analysis of growing fruit on the trees	31-Dec	31-Dec
	Non-Current	2023	2022
		₦'000	₦'000
	At 1 January	173,360	137,447
	Change in fair value on biological assets (P or L)	172,046	39,956
	Transfer of harvested fresh fruits bunches to inventories	(7,066)	(4,043)
	At 31 December	<u>338,340</u>	<u>173,360</u>

19.2 **Agricultural produce**

This represent harvested (Fresh Fruit Bunches) from the entity's biological asset and is measured at fair value less estimated cost to sell.

The company has twelve maintained plantation estates across Ondo state (Okitipupa axis) including Company Head Quarter. Due to the security challenges in the area, management strategies to operate effectively by temporary lease right to harvest Fresh Fruit Bunches to host communities member in eleven plantations estate for short-term consideration.

During the period, all harvested fruit at the Company headquarters was transferred to milling factories for the production of crude palm oil at fair value less cost to sale as the point of harvest which amounted to N 7.06 million (31 December 2022: N 4.04 million).

As at December 2023, no fresh fruit bunches harvested were unconsumed (December 2022: nil)

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

20	Intangible asset	31-Dec 2023 N'000	31-Dec 2022 N'000
	Capital work-in-progress	36,804	-
	Carrying Amount	36,804	-

During the year, the company invested N36.8 million in purchasing the SAP Business Suite. The installation of the necessary hardware is underway, but it has not yet been made operational.

21	Investment- equity	31-Dec 2023 N'000	31-Dec 2022 N'000
	Investment in Sovereign Trust Insurance	224	149

At 31 December 2023, the Company designated the investments shown below as equity securities at FVOCI because these equity securities represent investments that the Company intends to hold for the long term for strategic purposes.

2023	Unit held	Fair value at 31 December, 2023 N'000	Fair value gain during the year N'000	Dividend Income during 2023 N'000
Quoted Equity:				
Sovereign Trust Insurance	532,343	224	78	
Net tax impact			(3)	
		224	75	-

2022	Unit held	Fair value at 31 December, 2022 N'000	Fair value loss during the year N'000	Dividend Income during 2022 N'000
Quoted Equity:				
Sovereign Trust Insurance	532,343	149	(12)	14
Net tax impact			1	
		149	(11)	14

22	Deferred assets	31-Dec 2023 N'000	31-Dec 2022 N'000
	Project Everest (Core investor)	106,950	106,950

There were capital commitments for project Everest that was set up by the directors of Okitipupa Oil Palm Plc for the Sale of 51% stake to the interested core investor, Injection of fresh capital into the company, and re-listing the shares of the company at the Nigeria Exchange Limited.

As at December 2023, Greenwich Trust Limited was appointed as company financial adviser (Lead consultant) to oversee the above objectives with the support of the sub-consultants.

Details of transactions between the company and appointed consultants are disclosed below:

	2023 N'000	2022 N'000
Financial adviser (Lead consultant)	80,000	80,000
Sub- consultants	26,950	26,950
	106,950	106,950

Analysis of cash flow movement

As at January	106,950	104,500
cash paid	-	2,450
At 31 December	106,950	106,950

The amount deposited to the consultants for work to be done on the issue of new shares of the company will be recovered immediately when the project is completed.

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

23	Inventories	31-Dec 2023 N'000	31-Dec 2022 N'000
	Finished crude palm oil	3,432	718
	Agro Chemical*	18,644	13,107
	Raw Materials	628	-
	Finished sludge	15	-
	Seedlings 23.1	67,460	24,654
	Uncracked Kernel at CHQ	255	50
	Stationeries and Printings	1,954	1,780
		<u>92,388</u>	<u>40,309</u>

Analysis of production of crude palm oil.

The company harvested 6,424 bunches (31 December 2022: 5,776 bunches) of fresh fruit bunches (FFB) at the Company headquarter; bought fresh fruit bunches of 86,643 (31 December 2022: 115,143), and sold 116.87 metric tonnes of palm oil (31 December 2022 - 124.02 tons).

No effect of inventory valuation in 2023 (2022: N76,000 was recognised as a gain)

- 23.1** The company transferred 112,166 nurtured seedlings, valued at N63,172,000, to inventory for sale and 18,917 prior year stunted was recovered. Of these, 118,025 live seedlings were classified as suitable for sale, while 31,975 seedlings, which suffered mortality due to fungal infections, water shortages from high temperatures, and rodent attacks, were written off, amounting to N18.2 million (2022: N17.9 million).

<i>Movement of seedlings</i>	<i>Number of seedlings</i>	<i>31-Dec 2023 N'000</i>	<i>Number of seedlings</i>	<i>31-Dec 2022 N'000</i>
Opening balance	39,027	24,654	100,000	63,172
Additions through transfer from bearer plant	112,166	63,172	-	-
Stunted Seedlings recovered	18,917	28,075	-	-
Sold during the year	(20,110)	(30,165)	(32,613)	(20,603)
	150,000	85,736	67,387	42,569
Seedlings written-off	(31,975)	(18,276)	(28,360)	(17,915)
At 31 December 2023	<u>118,025</u>	<u>67,460</u>	<u>39,027</u>	<u>24,654</u>

24	Trade and other receivables	31-Dec 2023 N'000	31-Dec 2022 N'000
	Trade receivables 24.1	3,841	34,112
	Prepayments 24.2	31,304	44,104
	Staff loan 24.3	15,175	8,000
	Salaries advances 24.4	411	2,329
	Staff advances 24.5	5,926	1,131
	Interest receivables	93	2,459
	Dividend receivables 21	14	14
		<u>56,764</u>	<u>92,149</u>

Terms and conditions of the above financial assets:

Trade receivables are non-interest bearing and are generally on the term of 30 days. The reconciliation of gross carrying value and impairment allowance is provided in much detail under credit risk note 5.2.2. Trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

24	Trade and other receivables-Continued	31-Dec	31-Dec
24.1	Trade receivables	2023	2022
		₦'000	₦'000
	Trade receivables	192,129	115,115
	Allowance for expected credit loss	(188,288)	(81,003)
		3,841	34,112

Analysis of expected credit loss for the year

	Cash and cash equivalent	Trade receivables	Salary advances	Total
	₦'000	₦'000	₦'000	₦'000
At 1 January	-	81,003	388	81,391
Expected credit loss for the year	3,292	107,285	-	110,577
At 31 December 2023	3,292	188,288	388	191,968

	Bank balances	Trade receivables	Salary advances	Total
	₦'000	₦'000	₦'000	₦'000
At 1 January		49,800	551	50,351
Reversal of expected credit loss	-	-	(163)	(163)
Expected credit loss for the year	-	31,203	-	31,203
At 31 December 2022	-	81,003	388	81,391

- 24.2 Prepayments comprise the amount paid in advance to the service provider and suppliers; among the suppliers is the Nigerian Institute For Oil Palm Research (NIFOR). The company had paid N24,034,322.5 to NIFOR for 240,000 sprouted nuts during the year which are yet to be received, and N5,366,220 to various suppliers; The three months secretarial services to DCSL Corporate Services Limited which amounted to N1,914,400.

	2023	2022
	₦'000	₦'000
Prepayments	31,304	44,104

- 24.3 The staff loans represent interest-free loans given to members of staff of Okitipupa Oil Palm Plc. The loan repayments are usually monthly or quarterly; depending on the agreement with individual members of staff. The amount due from key management personnel amounted to N12.2 million as at 31 December 2023 (2022: N8 million is disclosed in note 35)

- 24.4 Salary advances were non- interest advance payment made to staff upon request which are deductible from the individual staff salary on a monthly basis.

	2023	2022
	₦'000	₦'000
At 1 January	2,717	1,742
Advances during the year	721	6,648
Deducted from salaries during the year	(2,639)	(5,673)
As at 31 December	799	2,717
Allowance for expected credit losses*	(388)	(388)
Net balance at 31 December	411	2,329

*The amount impaired represent staff that have resigned.

- 24.5 This relates to upfront payment to the company staff for specific expenses to be incurred on behalf of the Company yet to be retired at the end of the year.

	2023	2022
	₦'000	₦'000
Staff advances	5,926	1,131

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

25	Cash and cash equivalents	Notes	31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
	Cash -at-hand		122	5
	Bank balances		366,081	51,712
	Expected credit loss*	24.1	(3,292)	-
	Cash at banks and on hand		<u>362,911</u>	<u>51,717</u>
	Short-term deposits		<u>6,136</u>	<u>437,000</u>
			<u>369,047</u>	<u>488,717</u>

*ECL was assessed on bank balance which amounted to N3 million (2022: Nil because found not material)

As at year end, cash and cash equivalents includes unclaimed dividend returned by the company registrar as required by law which amounted to N6.469 million (2022: N6.469 million). The company did not invest the amount returned nor use it for his own business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2023 ₦'000	2022 ₦'000
Cash at banks and on hand	362,911	51,717
Short-term deposits	<u>6,136</u>	<u>437,000</u>
Cash and cash equivalents	<u>369,047</u>	<u>488,717</u>

26	Share capital	Minimum number of share fully issued	Nominal value per share	31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
	As at January	96,000,000	0.5	48,000	48,000
	Additional during the year	<u>19,323,671</u>	<u>0.5</u>	<u>9,662</u>	<u>-</u>
	As at December	<u>115,323,671</u>		<u>57,662</u>	<u>48,000</u>

On 13 October 2023, the company issued additional 19,323,671.50 shares of N0.50k through the right issue to Ondo State Development and Investment Promotion Agency(ONDIPA) through conversion of N120 million deposited for share at a price of N6.21k as approved by the board.

27	Share Premium	31-Dec 2023 ₦'000	31-Dec 2022 ₦'000
	As at January	9,368	9,368
	Issued share capital during the year	110,338	-
	Transaction cost related to issued of share capital	<u>(6,465)</u>	<u>-</u>
	As at December	<u>113,241</u>	<u>9,368</u>

The Companies and Allied Matters Act 2020 requires that where a Company issues shares at a premium (i.e. above the par value), the value of the premium should be transferred to share premium.

The Company issued 19,323,671.50 shares at a price of N6.21k above the N0.5k face value of the share at market.

The transactions cost attributable to the new share issued including regulatory fee.

OKITIPUPA OIL PALM PLC

Notes to the financial statements - continued

28	Deposit for shares		31-Dec 2023 N'000	31-Dec 2022 N'000
	As at January		134,000	134,000
	Converted to share during the year	28.1	(120,000)	-
	As at December		14,000	134,000

- 28.1** Deposit for shares includes N120 million payments made by Ondo State Government to offset the company's indebtedness to Guaranty Trust Bank in 2011 and N 14 million spent by Estaport Farms Limited to call for Annual General Meeting in 2011 was agreed and approved by the board to be recognized as a deposit for shares.

During the year, Ondo State Development and Investment Promotion Agency(ONDIPA) accepted to convert its N120 million at a price of N6.21k to share as approved by the board.

There is no obligation on the Company to refund the deposit in the nearest future.

29	Dividend		31-Dec 2023 N'000	31-Dec 2022 N'000
	At 1 January		6,469	6,469
	Dividend declared		48,000	-
	Dividend paid		(48,000)	-
	Unclaimed dividend		6,469	6,469

During the period under review, the board approved an Interim dividend of fifty Kobo (N0.50) per ordinary share, aggregated to Forty-Eight Million Naira (N48,000,000.00) on 28 February 2023 which was based on the company performance in 2022. The dividend becomes payable when declared and will be subjected to withholding tax at the point of payment.

30 Post-employment benefits

The Company has a defined contribution plan for employees' post-employment benefits. In accordance with the Pension Reform Act 2014, the Company and its employees make a joint contribution of 10% and 8% basic salary, housing, and transport allowance respectively to each employee's retirement savings account maintained with their nominated pension fund administrators.

	Notes	31-Dec 2023 N'000	31-Dec 2022 N'000
Post-employment benefit	30.1	44,303	43,819
		44,303	43,819

30.1 Post-employment benefit Contributions as at reporting date

Company	24,613	24,344
Employees	19,690	19,475
At 31 December	44,303	43,819

30.2 Movement analysis of Post-employment benefit

At 1 January	43,819	50,436
Contribution during the year	8,253	4,135
Net cash paid during year	(7,769)	(6,617)
	44,303	43,819

30.3 Defined benefit obligation

Currently, the Company did not operates a defined benefit scheme for employee.

No gratuity, long service award, and termination benefit other than defined contribution plan.

OKITIPUPA OIL PALM PLC
Notes to the financial statements - continued

31	Trade and Other payables	31-Dec 2023 N'000	31-Dec 2022 N'000
	Trade payables	1,330	-
	Sundry creditors	258,162	110,194
	Pay As You Earn	7,619	7,516
	Industrial Training Fund	7,587	7,586
	Withholding Tax	74,431	38,642
	Development Levy	1,330	1,330
	Wages and salaries payable	10,490	-
	Professionals fees	45,000	-
	Accruals	50,860	51,576
		<u>456,809</u>	<u>216,844</u>

The trade payable represent of fresh fruit bunches bought from licensee for CHQ and Ipoke mill factory.

31.1 Sundry creditors represent the amount payable to the company's service providers, audit fee payables, and other non-interest bearing payables at the end of the year respectively. The amount is non-interest bearing with average terms of twelve months.

31.2	Withholding Tax	2023 N'000	2022 N'000
	At 1 January	38,642	41,008
	Amount withheld during the year	40,513	8,246
	Payment during the period	(4,881)	(10,612)
	At 31 December	<u>74,431</u>	<u>38,642</u>

31.3 Accrued terminal benefit relates to old employee (Employee who served from 1 June 2006 to 30 November 2018) valued at the termination date and no interest has been applied to the accrued liability between the termination date and the reporting date except benefit paid (if any).

The valuation relate to accrued terminal benefit as at the termination date was done by Zamara Consulting Actuaries Nigeria Limited with FRC Number FRC/2019/00000012910 duly signed on January 2023 and authorized by James Olubayi with FRCN number: FRC/2022/PRO/NAS/004/939584. The accrued liability is calculated as the terminal benefits for the employees based on the final earnings for each member as at reporting date. The terminal benefits is the sum of the retirement benefit entitlement and service gratuity benefit entitlement based on the old staff contracts of service as at the termination date.

Reconciliation of accrued terminal benefit	31-Dec 2023 N'000	31-Dec 2022 N'000
<i>The accrued terminal benefit comprises of 134 male and 37 female:</i>		
At 1 January	51,576	51,576
Benefit paid during the period	(716)	-
At 31 December	<u>50,860</u>	<u>51,576</u>

31.4 Provision

The provision encompasses logistics for the Annual General Meeting (AGM) and the deemed cost arising from ongoing negotiations with Unity Bank. Management did not allocate a provision for the 2023 AGM due to the meeting's postponement.

In 2021, a provision of N15,206,395 for deemed costs from negotiations was established based on management's evaluation of the likely outcomes regarding accrued interest on a loan for which the company had previously repaid the principal to Unity Bank. This amount reflects the anticipated portion that may create a future obligation, while the disputed amount is disclosed as a contingent liability in note 33.

Movement in the provision:	31-Dec 2023 N'000	31-Dec 2022 N'000
At 1 January	40,206	45,917
Addition during the year*	-	25,000
Benefit paid during the period**	-	(3,112)
Provision written-back	-	(27,599)
At 31 December	<u>40,206</u>	<u>40,206</u>

* No addition during the year (2022: N25 million for AGM)

** The benefit paid in prior period represents payment made to old employee who served on or before 2006.

32	Deferred income	31-Dec 2023 N'000	31-Dec 2022 N'000
	At 1 January	1,184,035	637,063
	Received during the year	1,587,688	1,626,494
	Released to the statement of profit or loss 8.2	(1,808,744)	(1,079,522)
	At 31 December	<u>962,979</u>	<u>1,184,035</u>
	Current	<u>962,979</u>	<u>1,184,035</u>

The Deferred income relates to advance consideration received from the lessees (licensees) during the year. The lessee (licensee income) paid for the right to harvest Fresh Fruit Bunches at allocated plantation estates excluding the farm at company headquarters. The lease income recognition is based on the allocated acres of land to the lessee for which lessees only have the right to harvest the palm fruits over a period of one year and apportioned over twelve months.

33 Contingent liabilities

As of 31 December 2023, matter-on-negotiation in respect of interest overcharge by Unity Bank on a loan taken and repaid by the Company is on-going. Information gotten from Company's Lawyer indicates that the probability of exposure to additional liabilities by the Company is remote. The company made a provision for the deemed exposure that may arise of N15,206,395.

The contingent liability not provided for in the financial statements is N162,709,175. In the opinion of the Board of Directors, and based on independent legal advice, the Company is not expected to suffer any material loss arising from their claims. Thus, no provision has been made in these financial statements.

Furthermore, there is contingent liability of N23,653,146 relating to claim by old employees of the Company in respect of employment obligations before 2006. In the opinion of the Board of Directors, and based on independent legal advice, the Company is not expected to suffer any material loss arising from their claims. Thus, no provision has been made in these financial statements.

34 Capital commitments

There were no known capital commitments as at 31 December 2023 (31 December 2022: Nil).

35 Related party transactions

The following shows the total amount of transactions that have been entered into with related parties for the year ended 31 December 2023.

	31-Dec 2023 ₦ 000	31-Dec 2022 ₦ 000
Amounts due from related parties		
Managing Director/Chief Executive Officer	12,216	7,000
Acting Chief Financial Officer	-	1,000
	<u>12,216</u>	<u>8,000</u>

Transactions with key management personnel .

- i Throughout the year, the board approved an additional loan of N9 million to Mr. Taiwo Adewole, the Managing Director and Chief Executive Officer, raising the total net loan to N17 million. The monthly repayment is set at N416,666.67, and as of December 31, 2023, the outstanding balance stands at N12.2 million (2022: N3.2 million)
- ii Mr. Adewale Osomo is a non-executive Director, he is also a principal partner of Osborne Law. Osborne Law is providing legal, secretarial, and sub-consultant services to Okitipupa Oil Palm Plc. During the year N2.01million was paid for services rendered (31 December 2022: N10 million). The transactions were carried out at arm's length.
- iii The managing director of Around D' Clock Security Company Limited is related to one of the Non-Executive Director. Around D' clock Security Company Limited has an existing contract to provide security personnel to the Company headquarters and plantation estates. During the year N70.49 million was paid for the services rendered (31 December 2022: N67million). The transaction was carried out at arm's length.

36 Events after reporting date

The Directors are of the opinion that there were no events after the reporting date that could have material effect on the financial statements of the Company that had not been adequately provided for or disclosed in these financial statements.

Non-adjusting event: On the 3rd June 2024, the company commenced trading its shares on the National Association of Security Dealer(NASD) in Nigeria.

The table below shown the status of the company directors:

Name	Resignation Date	Appointment Date
Mr Akinboye Oyewunmi	March 2024	-
Mr Lateef Bakare, FCA	March 2024	-
Mr Jones Ogunmusire	March 2024	-
Mr Bankole Oluwajana	-	June 2024
Mr Abubakar Lawal	-	June 2024
Mr Siyanbola Oladapo	-	June 2024
Mr. Bankole Oluwajana as Board Chairman	-	June 2024

Other National Disclosures:

Value added statement

Five-year financial summary

OKITIPUPA OIL PALM COMPANY PLC
Value added statement
For the year ended 31 December 2023

	31-Dec 2023 N'000	%	31-Dec 2022 N'000	%
Revenue	1,958,438		1,219,039	
Bought in materials and services:				
- Other income	54,781		51,649	
-Local	(714,320)		(677,613)	
Value added	<u>1,298,899</u>		<u>593,075</u>	
Applied as follows:				
To Employees:				
- as salaries, wages and other staff costs	215,776	17%	149,947	25%
- Directors remuneration	230,953	18%	190,772	32%
To Government as:				
- Income tax expense	172,078	13%	40,552	7%
Retained in the business:				
To maintain and replace				
- Deferred tax expense	184,110.00	14%	47,381	8%
- Depreciation and amortisation	87,581	7%	61,983	10%
- Retained for future development	408,401	31%	102,440	17%
Value added	<u>1,298,899</u>	<u>100</u>	<u>593,075</u>	<u>100</u>

Value Added represents the wealth created through the use of the Company resources and allocation of the wealth between employees, provider of capital, government and retained in the business.

OKITIPUPA OIL PALM COMPANY PLC
Five-year financial summary
For the year ended 31 December 2023

Statement of profit or loss and other comprehensive income

	31-Dec 2023	31-Dec 2022	31-Dec 2021	31-Dec 2020	31-Dec 2019
				*Restated	*Restated
	N'000	N'000	N'000	N'000	N'000
Revenue	1,958,438	1,219,039	713,359	555,086	555,086
Profit before taxation	764,589	190,373	173,661	288,394	(65,918)
Profit for the year	408,401	102,440	40,817	245,992	3,553
Total comprehensive income for the year, net of tax	408,476	102,429	40,927	245,992	3,553

Statement of financial position

	31-Dec 2023	31-Dec 2022	31-Dec 2021	31-Dec 2020	31-Dec 2019
	N'000	N'000	N'000	N'000	N'000
Employment of funds					
Property, plant and equipment	587,411	349,870	261,102	173,987	122,478
Bearers Plant	1,087,947	711,158	612,099	385,841	382,501
Biological Assets	338,340	173,360	137,447	132,688	38,194
Intangible asset	36,804	-	-	-	76,250
Investment-equity	224	149	160	50	50
Deferred assets	106,950	106,950	106,950	-	-
Current asset	518,199	621,175	139,178	310,447	83,353
Current liability	1,748,862	1,573,767	1,017,852	895,834	781,788
Net current assets	(1,230,663)	(952,592)	(878,674)	(585,387)	(698,435)
Non Current liabilities	(329,143)	(145,036)	(97,654)	(873)	(12,442)
Net assets	597,870	243,859	141,430	106,306	(91,404)
Funds Employed					
Share capital	57,662	48,000	48,000	48,000	48,000
Share premium	113,241	9,368	9,368	9,368	9,368
Retained earnings	412,793	52,392	(50,048)	(85,062)	(282,772)
Fair value reserve	174	99	110	-	-
Deposit for shares	14,000	134,000	134,000	134,000	134,000
	597,870	243,859	141,430	106,306	(91,404)