



**BENSO OIL PALM  
PLANTATION PLC**

## **2022 ANNUAL REPORT AND FINANCIAL STATEMENTS**

## Table of Content

Notice of meeting	1
Corporate information	2
Corporate governance	3 - 4
Financial highlights	5
Chairman's report	6 - 11
Report of the Directors	12 - 15
Statement of directors' responsibilities	16
Report of the Audit and Risk Committee	17 - 20
Independent Auditor's report	21 - 24
Financial statements:	
Statement of profit or loss and other comprehensive income	25
Statement of financial position	26
Statement of changes in equity	27
Statement of cash flows	28
Notes to the financial statements	29 - 66
Shareholders' information	67 - 68
Five-year financial summary	69

**NOTICE ANNUAL GENERAL MEETING OF BENSO OIL PALM PLANTATION PLC**

---

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the **Raybow Hotel, Beach Road, Takoradi on Friday, 9<sup>th</sup> June 2023 at 11.00 am** for the following purposes:

**AGENDA**

1. Opening
2. To receive and consider the report of the directors, the audited financial statements for the year ended 31<sup>st</sup> December 2022 and the report of the auditors thereon
3. To declare a dividend
4. To re-elect directors
5. To ratify the appointment of Mr. Perry Acheampong as a director
6. To approve directors' fees
7. To authorize the Board to fix the fees of the Auditor

This notice is effective the 10<sup>th</sup> day of May 2023.

BY ORDER OF THE BOARD

Sgd.

**DEHANDS SERVICES LTD  
COMPANY SECRETARY**

**Note**

A member of the Company entitled to attend, and vote may appoint a proxy to attend and vote instead of him/her. A proxy need not be a member. The proxy form must be completed, sent via email to: **registrars@nthc.com.gh** or deposited at the registered office of the Company's Registrars, **NTHC LTD, Martco House, D542/4, Okai-Mensah Link, Adabraka, P. O. Box Kia 9563, Airport - Accra** not less than 48 hours before the meeting.

Registered Office: **Adum Bansa Estate, P. O. Box 470, Takoradi.**

## **CORPORATE INFORMATION**

### **Registered office**

Adum Bansa Estate, P.O. Box 470, Takoradi.

### **Dividend**

If the payment of dividend recommended is approved, the warrants will be posted on the 01 August 2023 to the holders of shares whose names are registered in the Register of members at the close of day on the 10 May 2023.

### **Board of Directors**

Dr. Alfred Mahamadu Braimah- Chairman, Santosh Pillai - Managing Director, Esine Okudzeto, Emmanuel Kojo Idun, Patience Afua Aduakwa, Perry Acheampong (to be ratified).

### **Company secretary**

Dehands Services Limited

### **Board Audit and Risk Committee**

Emmanuel Kojo Idun and Patience Afua Aduakwa

### **Board HR, Nominations and Ethics Committee**

Patience Afua Aduakwa, Emmanuel Kojo Idun and Esine Okudzeto

### **Auditor**

Ernst & Young Chartered Accountants  
60 Rangoon Lane, Cantonments City  
Accra.  
P.O. Box KA 16009, Airport, Accra, Ghana

### **Registrar's office**

NTHC Limited, Martco House, D542/4, Okai-Mensah Link, Adabraka P.O. Box KIA 9563, Accra.

## **CORPORATE GOVERNANCE**

### **Introduction**

Benso Oil Palm Plantation PLC (BOPP), the "Company", recognizes the importance of good corporate governance as a means of sustaining long term viability of the business and therefore always seeks to align the attainment of the business objectives with good corporate behaviour. In line with this, the Company strives to meet the expectations of the community in which it operates as well as its responsibility to its shareholders and other stakeholders.

In the conduct of its business, BOPP seeks to comply with all statutory requirements, adopt best practices to protect the environment and its employees, invest in the community in which it operates, and enhances shareholders' value through cost effective means of doing business. BOPP adopts medium- and long-term growth strategies and resource allocations that guarantee the creation of wealth. It utilizes current technology and continuously innovates in order to stay ahead of the competition. BOPP promotes and recognizes excellence through its employee development programmes.

As indicated in the statement of director's responsibilities and notes to the financial statements, the business adopts standard accounting practices and ensures sound internal controls to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

### **Board of Directors**

The responsibility of good corporate governance is placed with the Board of directors and the management team. The Board comprises one (1) full time executive and five (5) non-executive directors. To ensure effective control and monitoring of the Company's business, the Board has three main committees; the management committee, the audit and risk committee and the HR, nominations and ethics committee which in turn work through other sub-committees as and when required to oversee specific important functions.

### **Management Committee**

The management committee meets monthly to review the performance of the Company and assesses progress against the annual plan. It reviews programmes, strategies, key issues and assigns responsibilities for achievement of goals. The committee has oversight responsibility for world class agronomic and sustainability practices, financing strategies and human resource development programmes to ensure excellence in performance. The committee also identifies, assesses the risk profile of the Company and assigns responsibilities to various functions to put in measures to mitigate possible adverse impact on the business. Key members of the management committee attend the meetings of the Board and its subcommittees.

### **Audit and Risk Committee**

The Audit and Risk committee is made up of two (2) non-executive directors, one of whom chairs the committee. The audit and risk committee is charged with assisting the Board in discharging its oversight responsibilities in the broad areas of identifying, evaluating, and formulating policies to mitigate potential business risks; the integrity of financial reporting; the effectiveness of internal controls; and compliance with legal and regulatory requirements.

### **HR, Nominations and Ethics Committee**

The HRNEC is composed of three (3) non-executive directors, one of whom chairs the committee. The committee is responsible for the operation of the nominating policy and for developing a succession plan for the Managing Director and other senior executive officers as determined by the Board. The committee also ensures that the business operates ethically and responsibly. The committee recommends remuneration and other related policies to the Board of directors.

## **CORPORATE GOVERNANCE (CONTINUED)**

### **Internal Controls**

The Company has a well-established internal control and risk management system, which is well documented and regularly reviewed. This incorporates internal control procedures, which are designed to provide reasonable assurance that the assets are safeguarded and that the risks facing the business are being controlled. The Company's Board of Directors have also established a clear organisational structure, including delegation of appropriate authorities. The internal audit function of the parent company, Wilmar International, plays a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems in the business.

### **Code of business principles and Anti-fraud Policy**

The Company has a documented code of business principles to guide all employees in the discharge of their duties. This code sets the standard of professionalism and integrity required for business operations which among other things cover the following areas: compliance with the law, conflicts of interest, public activities, product assurance, environmental issues, reliability of financial reporting, bribery and strict adherence to the principles.

The Board has in place a corporate anti-fraud policy which is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the company. It is the determination of the Board to promote consistent organizational behaviour by providing guidelines and assigning responsibilities for the implementation of controls and the conduct of investigations.

**FINANCIAL HIGHLIGHTS**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

---

	Year ended 31 December		
	2022	2021	% Change
Revenue	340,496	214,174	58.98%
Profit before income tax	184,970	104,778	76.5%
Operating profit	173,979	102,154	70.3%
Income tax expense	24,616	12,355	99.2
Profit for the year	160,354	92,423	73.5
Interim and proposed dividend	72,186	36,969	95.3%
Retained earnings	266,731	182,639	46.0
Capital expenditure	39,497	13,016	203.4%
Depreciation and amortization	7,092	5,570	27.3
Total equity	268,731	184,639	45.5
Earnings per share (GH¢)	4.6079	2.6558	73.5%
Total assets per share (GH¢)	9.3313	6.4116	45.5
Interim and proposed dividend per share (GH¢)	2.0743	1.0623	95.3%

**CHAIRMAN'S REPORT  
TO THE MEMBERS OF  
BENSO OIL PALM PLANTATION PLC**

Distinguished Shareholders, Ladies and Gentlemen, the pleasure is mine to welcome all of you to this year's Annual General Meeting of Benso Oil Palm Plantation PLC and to present to you the Annual Report and Audited Financial Statements of your Company for the Financial Year ended 31 December 2022. Your Company's financial performance remained strong despite the global challenges of 2022. The Report covers the following:

- ▶ Global Macro-economic Environment
- ▶ Ghana's Macro-Economic Environment
- ▶ Financial and Operating Performance
- ▶ Dividend
- ▶ Board of Directors
- ▶ Safety, Environment and Social responsibility
- ▶ Outlook for 2023

**Global Macro-economic environment**

The global economy came under severe strain in 2022 on the back of continued spill overs from geopolitical tensions, continued tightening of monetary policy across countries, even as policy uncertainty heightened amidst fears of recession in advanced economies. In Emerging Market and Developing Economies, growth conditions weakened on account of tightened global financing conditions, dampened external demand, and moderated consumer spending as inflation rose. The latest IMF projections as at year 2022, show that global growth will further decline from the projected 3.4 percent in 2022 to 2.9 percent in 2023, reflecting mainly growth decline in Advanced Economies.

In the last quarter of 2022, headline inflation started showing signs of easing in some advanced and emerging market economies, supported by declining commodity prices and weaker demand. This notwithstanding, there are underlying inflation pressures from the pass-through effects of past input costs, rising wages especially in Advanced Economies, currency depreciation against the US Dollar, and rising short-term inflation expectations which remain major concerns for Central Banks.

Global financing conditions tightened considerably on account of the aggressive policy stance in Advanced Economies to contain inflation, despite some moderation in rate hikes by the U.S. Federal Reserve Bank in the last quarter of 2022. The European Central Bank, Bank of England, and other Central Banks across Advanced Economies also signalled intentions to maintain a tight policy stance to control inflation. Equity Markets recovered somewhat amid the expectation that inflation had peaked and Central Banks might slow the pace of policy rate hikes. Longer term Bond Yields declined, while the US Dollar lost some ground against major currencies.

The global economic outlook remains uncertain owing to broad-based and elevated inflation, policy tightening, worsening financing conditions, and lingering spill over effects of geopolitical tensions. These headwinds are likely to persist until second half of 2023, driving down confidence and weakening real household disposable incomes in advanced and emerging market economies. The ongoing geopolitical tensions continue to weigh on economic and policy uncertainty, especially in the Euro Area. For Emerging and Developing Economies, growth momentum is projected to remain firm, supported by the relaxation of lockdown restrictions in China and still high commodity prices. Though showing signs of cooling, inflation levels remain elevated, and Central Banks, especially in advanced economies, have signalled the need to maintain the tight monetary policy stance to contain inflationary pressures, albeit, at a measured pace.



## Ghana's Macro-Economic Environment

On the domestic economy, inflation remained elevated in 2022, driven by both demand pressures and supply shocks. At the latter part of the year, there was significant jump in headline inflation to 54.1 percent in December 2022, from 50.3 percent in November and 40.4 percent in October 2022. The acceleration in inflation was driven mainly by the lagged effects of the sharp currency depreciation recorded in October. Food and non-food inflation went up significantly. Food inflation surged to 59.7 percent in December from 55.3 percent in November 2022 and 11 percent in October 2022, while non-food inflation rose to 49.9 percent from 46.5 percent and 10.7 percent respectively over the same comparative period.

The latest data as at end of 2022 from the Ghana Statistical Service showed that real GDP expanded at an annual rate of 3.6 percent during the first three quarters of 2022 relative to 4.8 percent during the corresponding period in 2021. Non-oil GDP growth also moderated to 4.3 percent from 4.7 percent over the same comparative period. The observed growth outturn was driven by the Services and Agriculture Budget execution for the period January to November 2022 indicated an overall broad fiscal deficit (cash) of 9.8 percent of GDP, against the programmed target of 6.7 percent of GDP.

Developments in the banking sector were broadly reflective of current macroeconomic conditions, with rising cost of credit due to inflationary pressures, and revaluation-driven Balance Sheet performance. As a result, the performance of the sector moderated in December 2022 compared with December 2021, with some key Financial Soundness Indicators (FSIs) such as the industry's Capital Adequacy Ratio (CAR) declining to 16.6 percent from 19.6 percent in December 2021.

The weak performance of the Ghana Cedi to the US Dollar as well as inflation impacted negatively on the Ghana Stock Exchange (GSE), as the Accra Bourse lost about ₵748 million in market capitalization in 2022. The GSE market capitalization stood at ₵64.49 billion in December 31, 2021 but ended 2022 at ₵63.74 billion. In Cedi terms, it lost 12.37% return for investors and 27.4% return for investors in dollar term at the end of December 2022. The 2022 performance was far behind the 2021 achievement where it was the second-best-performing stock market in Africa. The capital market suffered in 2022 from the difficult economic environment. For the Financial Stock Index, the market recorded a loss of 4.61% for investors.

Ghana's key export commodities prices remained volatile on the global markets. Average Crude Oil prices, on year-on-year terms, increased by 81.3 percent, rising from US\$85.5 per barrel in January 2022 to a high of US\$117.2 per barrel in June on supply concerns, before dropping to US\$81.3 per barrel in December on the back of reduced demand amid fears of recession. Cocoa futures traded largely in the negative during most parts of 2022. At the end of 2022, cocoa prices rose to US\$2,538.6 per ton, representing 2.3 percent year-on-year growth. Gold prices hit record levels of US\$1,949.4 per ounce in March, benefiting from heightened global uncertainties, but weakened later due to interest rate hikes and a stronger US dollar to end the year at US\$1,796.2 per ounce, representing 8.7 percent drop in dollar terms.

During the year under review Ladies and Gentlemen, the world market price of Crude Palm Oil (CPO) remained bullish increasing from an average of US\$1,108 in 2021 to US\$1,332 in 2022, representing a 20 percent increase in dollar terms. The price at which Palm Kernel Oil (PKO) was traded however, declined from an average of US\$1,393 in 2021 to US\$1,108 in 2022, representing 20% drop in dollar term.

## Financial and operating performance

Distinguished shareholders, the positive growth trajectory presented by your company is reflective of efficient policies and risk management systems put in place by Board of Directors and Management. Your company recorded revenue growth of 59 percent Year on Year (YoY) and managed its costs prudently, which resulted in a growth in profit after tax of 73.6 percent YoY i.e., GH¢160.354 million compared with GH¢92.423 million the previous year. Notwithstanding the general decline in production volumes, the profit recorded was impacted positively by the 20 percent growth in the trading prices of Crude Palm Oil, the Ghana Cedi depreciation and prudent cost management eg the review of stock cover policies for major materials such as Fertilizer to mitigate the impact of the Cedi depreciation and global supply shortages on prices of the materials.

Your company in 2022 also witnessed an increase in operating profit by 71.2 percent on account prudent cost management and improved operating efficiencies in agronomy and palm oil mill management. In compliance with IFRS, gains arising from changes in the fair value of biological assets contributed GH¢1,619,000 representing approximately 0.9 percent to the operating profit delivered this year.

Total Palm Fruits processed during the year under review was 124,769 metric tons, which is 15% below prior year (2021) production. The decrease in the volumes was mainly from the Nucleus and the Out-grower plantations, a situation which was experienced across the region from the impact of the weather. There was also 36 percent reduction of crop from the Smallholder plantings as 500ha of the total concession of 1,650ha was replanted in 2021. Effectively, your company purchased 48,807 metric tons of Fresh Fruit Bunches at a total cost of GH¢53million from Smallholders and Out-grower farmers in the catchment areas particularly and the Western and Central Regions of Ghana in general. Despite the 15 percent decline in crop production, the combined effect of the bullish crude palm oil trading prices and the Cedi depreciation as well as prudent cost management accounted largely for the growth in turnover of 59 percent for the 2022 financial year as against the prior year.

#### Dividend

Our distinguished shareholders, ladies and gentlemen, the Board after reviewing the full year performance of the Company in 2022, shall be recommending a final dividend of GH¢0.9435 per share to be approved by Shareholders during this AGM. This is in addition to the interim dividend of GH¢1.1308 per share declared by the Board after reviewing the October year-to-date performance of the Company. Cumulatively, this brings the total dividend for the year 2022 to GH¢2.0743 per share and represents 45 percent of profit after tax and a 95 percent increase in dividend per share payout in 2022 over 2021.

#### Board of directors

On behalf of the Board, I am pleased to present to you, distinguished Shareholders, the following changes on your board following the last AGM:

Director	Title	Status	Date of Appointment/ Resignation
Dr. Alfred Mahamadu Braimah	Chairman, Independent Non-Executive	Present	20/05/2022
Santosh Pillai	Managing Director, Executive	Present	25/03/2011
Emmanuel Kojo Idun	Independent Non-Executive	Present	20/05/2022
Patience Afua Aduakwa	Independent Non-Executive	Present	20/05/2022
Esine Okudzeto	Non-Executive Director	Present	18/11/2020
Perry Acheampong	Non-Executive Director	Present	23/02/2023
Dr. Ishmael Yamson	Chairman, Independent Non-Executive	Resigned	01/10/2022
Neneyo Mate Kole	Non-Executive Director	Resigned	20/05/2022
Samuel Avaala Awonnea	Executive Director	Resigned	08/11/2022
Benjamin Appiah-Manuh	Executive Director	Resigned	08/11/2022
Viganeswaran Ponnudurrai	Non-Executive Director	Resigned	08/11/2022
Pierre Billon	Non-Executive Director	Resigned	08/11/2022

Dr. Alfred Mahamadu Braimah took over the board chairmanship position following the resignation of Dr. Ishmael Yamson on the 1 October 2022.

Mr. Perry Acheampong was appointed by the Board on the 2 February 2023 to replace Mr. Pierre Billion who has resigned. His nomination and subsequent interview by the HR, Nominations and Ethics committee preceded his appointment. A resolution on his appointment would be laid before you for your approval.

### **The profile of Perry Acheampong:**

Perry Acheampong is an accomplished Corporate Executive with a distinguished career spanning over 15 years in Senior Management roles at Ghana Rubber Estates Ltd. He is renowned for his exceptional negotiation skills, dispute resolution, security management, strategic insights, and commitment to sustainable business practices.

With a Graduate Diploma in Law from Nottingham Law School, Nottingham Trent University, a Postgraduate Diploma in Organizational Development from the University of Cape Coast, and a Bachelor's degree in Geodetic Engineering from Kwame Nkrumah University of Science and Technology, Perry has a diverse educational background. He has also obtained several other certificates of higher education in Civil and Commercial Mediation, and Project Management.

Perry's professional journey began as a Field Data Analyst at CTK Network Aviation/Grontmij Aerostat Surveys LTD, after which he joined Ghana Rubber Estates Ltd as the Estate Surveyor and currently holds the position of Corporate Affairs Manager. During his tenure, he has played a key role in expanding the Company's land surface and overall business impact in the Agro-Industry of Ghana. He is an Executive Member of the Association of Ghana Industries (AGI)- Western/Central Chapter.

Perry's skills and expertise span Land Surveying, Land Acquisition, Conflict Resolution, Corporate Security Management, Lobbying, Sustainable Development, Brand Development, and Strategic Communication. He has a unique ability to negotiate effectively, building positive and productive relationships with Staff and Clients to maximize Performance and Profit.

### **Safety, Health, Environment and Quality Issues**

Ladies and Gentlemen, strong Safety, Health, Environment and Quality remains a core focus of the Board and Management of the company. Your company conducted its business in a safe and environmentally friendly manner by providing safe facilities and conditions for Employees, Dependents and the Communities in its catchment areas. The Company believes that all incidents and occupational illnesses are preventable and worked relentlessly to improve the safety performance towards zero incidents. Regular Environment, Health and Safety (EHS) scene walk (GEMBA) and high-risk work spot audits were conducted in the year at various Sections and Departments to ensure compliance with Standard Operating Procedures (SOPs) and Personal Protective Equipment (PPEs) usage. The Company ensured that all key issues raised during the audits and the recommendations were fully implemented. Behaviour-based Safety, Fire Prevention and Firefighting, high risk work Training, Environmental Awareness, a week-long EHS awareness campaign among others were conducted to raise awareness in Safety, Health and Environment during the year. With the tone set by the Board and Senior Management, your Company demonstrated a clear commitment for the implementation of the safety protocols of the Company. There was no Consumer Safety incident involving our Products that were supplied to any of our Customers in the year under review. There was no environmental incident.

### **Social Responsibility**

In advancing the Company's Vision, various strategies have been developed to ensure Communities and Stakeholders within and without the Company's operational area are positively affected. The Company's CSR Policy does not only ensure that Products, Procedures and Processes meet International Standards but also ensure that the Business operates in a socially responsible manner.

Distinguished Shareholders and Stakeholders, the Company's CSR Policy has four (4) major pillars.

1. Education
2. Health
3. Social Infrastructure and
4. Economic Empowerment/Wealth Creation.

During the year under review, a total amount of GH¢1.6 million was spent on CSR compared to GH¢828 thousand in prior year. These include Construction of 10-Seater Water Closets Toilet facility, Roofing works for a residential quarters for the Military (2BN) and Adum Bansa Community JHS, Road Maintenance and Rehabilitation, donations to the Police and District Health Facility in the surrounding Communities and other worthwhile community supports.

Your Company gives Tertiary Scholarship to Five (5) brilliant but needy Students from the surrounding communities (Adum Bansa, Benso, Manso, and Dominase) annually. To-date a total of 30 students have benefited from the scheme to the sum of GH¢ 272,228.51 from the business. Employee's wards who fall in this category consisting of 141 students have also benefited from the scheme to the tune of GH 969, 736.19. In addition, the Company has built Schools within the Plantation with prime objective to give access to education to employees' children due to the location of the Company. This School also provides opportunities for children in near-by communities to access education. This forms about 25 percent of the school's total population.

During the year under review, BOPP spent a total of GH¢57 million on its Smallholder and Outgrower operations to purchase Fruits in the catchment area thus contributing to the socio-economic condition and livelihood of farmers.

#### Awards

The Company continues to retain the enviable RSPO certification status and thus remains the model Oil Palm Plantation for Best Management Practices in Ghana and Africa. Also, your company was ranked number 20 in the Ghana Club 100 awards. The Adum Bansa Smallholder Project initiated in 2019 has started producing certified FFBs in the reporting year. A total of GH¢21million has been spent in developing 825 hectares of Oil Palm Project of which 633 hectares are in maturity. The successes achieved in executing such Smallholder Projects under sustainable practices makes your Company attractive to potential Investors. The Outgrower Value Chain Fund (OVCF), a Development Partner is considering financing similar Outgrower/Smallholder Projects for over 2000 Farmers in the next 3 years with BOPP PLC as a key Stakeholder

#### Outlook 2023

According to the IMF, 2023 is expected be "tougher" than 2022 as the US, EU and China witness a slow-down in their Economies. The IMF further stated that the global economy is projected to be in a recession this year. The Fund cut its outlook for global economic growth in 2023, due to the war in Ukraine as well as higher Interest Rates as Central Banks around the world attempt to rein in rising inflation and prices. It comes as the war in Ukraine with its effects on rising prices and higher interest rates weigh on the global economy.

The operating environment is faced with several economic challenges as the Country seeks for bailout from the IMF. Domestic growth conditions softened in 2022 and is projected to decline further and remain below potential over the near-term, based on the elevated inflation levels. There is evidence of continued dip in economic activity with emerging signs that the current macroeconomic conditions may spill over to the Banking Sector. The Government of Ghana has reached a Staff Level Agreement (SLA) with the IMF which spells out measures that will put the economy on the path of fiscal consolidation. Consistent with the SLA, the 2023 Budget which has been passed by Parliament and frontloads the consolidation efforts. Revenue enhanced measures such as the VAT increase of 2.5 percent, the complete removal of discount on benchmark values on imports, and the review of the E-Levy, the Income Tax Amendment Bill, Excise Duty Amendment Bill and the growth and Sustainability Amendment Bill, should help improve the Revenue outlook.

2023 therefore presents significant challenges for businesses in the current economic dispensation. With the systems of Control and Risk Management in place with clear focus on cost, investment in modern Technology and Techniques to improve the efficiency of operations and increase in the volume of FFB purchases from Outgrowers competitively, the Board and Management continue to build resilience to navigate through the economic downturn to ensure Profitability, Business Continuity and Sustainability.

### Conclusion and acknowledgement

On behalf of the Board of Directors, I wish to express my sincere gratitude to all Shareholders of Benso Oil Palm Plantation PLC for your continued support and interest in the Company. I also extend my gratitude to the Management and Staff of our Company for their loyalty and tireless efforts during a very difficult year. My gratitude goes to my colleagues on the Board. Last but not the least it is worth mentioning our CPO and CPKO customers and Partners for their contribution and the communities in which we operate for the social capital we enjoy.

Thank you for your attention.

**REPORT OF DIRECTORS  
TO THE MEMBERS OF  
BENSO OIL PALM PLANTATION PLC**

In accordance with the Companies Act, 2019 (Act 992), the directors have the pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 December 2022.

**Parent company**

The Company is a subsidiary of Wilmar Africa Limited, a company incorporated in Ghana. The ultimate holding company is Wilmar International Limited, a company incorporated in the Republic of Singapore and listed on the Singapore Stock Exchange.

**Principal activities**

The Company is engaged in the business of growing oil palm and the processing of palm fruits to produce palm oil and palm kernel oil. There was no change in the nature of the Company's business during the year under review.

**Directors and Board changes**

On behalf of the Board, I am pleased to present to you, distinguished Shareholders, the following changes on your board following the last AGM.

Dr Alfred Braimah took over the board chairmanship position following the resignation of Dr Ishmael Yamson on the 1 October 2022. The directors to retire by rotation in accordance with the Regulations of the Company are Emmanuel Kojo Idun and Patience Aduakwa who being eligible, offer themselves for re-election.

Mr. Perry Acheampong was also appointed by the Board on the 2 February 2023 to replace Mr. Pierre Billion who has resigned. His nomination and subsequent interview by the HR, Nominations and Ethics committee preceded his appointment. A resolution on his appointment would be laid before you for your approval.

TO THE MEMBERS OF  
BENSO OIL PALM PLANTATION PLC  
REPORT OF DIRECTORS (CONTINUED)

**Dividend**

The directors paid an interim dividend per share of GH¢1.1308 amounting to GH¢39.35million during the year and recommend the payment of a final dividend per share of GH¢0.9435 for the year ended 31 December 2022 amounting GH¢32.83million. This brings the total dividend per share (interim and final) to GH¢2.0743 amounting to GH¢72.19million for the year ended 31 December 2022.

**Sustainability report**

This financial and annual report captures BOPP PLC's Sustainability for the financial year 2022 covering its key business practices and governance issues. This Report provides generic insights into the group's overall sustainability journey and progress against its environmental, social and governance (ESG) goals. Sustainability continues to be at the core of operations and strategies in BOPP PLC, which reported a net profit of GH¢160.35 million in 2022. Subscribing to Wilmar's Sustainability Report, the company in 2022 aligned with global best practices in standards provided by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board and the Task Force on Climate-related Financial Disclosures. The group was recognised in 2021/22 for its ESG disclosures through its inclusion in the Dow Jones Sustainability World Index as well as the FTSE4Good Developed Index and the FTSE4Good ASEAN 5 Index. There is a Board Sustainability Committee (BSC) which provide further leadership for BOPP PLC's sustainability endeavours. The BSC identifies ESG-related risks and opportunities to steer the strategies and implementation of ESG policies and practices. The group also published its Human Rights Defender policy in 2021, as part of its Human Rights Framework, to further strengthen its social commitments and demonstrate industry leadership by prioritising the protection of human rights and its defenders. Wilmar was among the 12 largest global agricultural companies that pledged at the United Nations 26th Conference of the Parties (COP26) to develop a sectoral roadmap for enhanced supply chain action that is consistent with a 1.5 degree Celsius pathway. The roadmap, which will be published during the United Nations 27th Conference of the Parties (COP27), will further demonstrate the company's commitment to, among others, address deforestation, halt biodiversity loss and improve livelihoods of farmers and smallholders within climate-smart production models.

Sustainability is an integral part of our business. Sustainable operations are crucial to securing the future of our company and for creating shared value for our consumers, shareholders and stakeholders.

We strive towards a palm oil supply chain that is responsible and sustainable, while creating livelihoods and opportunities for rural communities. To achieve this, we take a holistic approach to sustainability that is fully integrated into our business model. Our business practices are aligned with universally acceptable social and environmental standards.

Central to BOPP's sustainability strategy is our No Deforestation, No Peat, No Exploitation (NDPE) policy, which extends across our operations in our catchment areas and wherever BOPP's footprints is captured, including our smallholder/outgrowers and third-party suppliers.

**Corporate Social Responsibility (CSR)**

In advancing the Company's Vision, various strategies have been developed to ensure Communities and Stakeholders within and without the Company's operational area are positively affected. The Company's CSR Policy does not only ensure that Products, Procedures and Processes meet International Standards but also ensure that the Business operates in a socially responsible manner.

Distinguished Shareholders and Stakeholders, the Company's CSR Policy has four (4) major pillars.

1. Education
2. Health
3. Social Infrastructure and
4. Economic Empowerment/Wealth Creation

**TO THE MEMBERS OF  
BENSO OIL PALM PLANTATION PLC  
REPORT OF DIRECTORS (CONTINUED)**

During the year under review, a total amount of GH¢1.6 million was spent on CSR compared to GH¢828 thousand in prior year. These include Construction of 10-Seater Water Closets Toilet facility, Roofing works for the Military (2BN) and Adum Bansa Community JHS, Road Maintenance and Rehabilitation, donations to the Police and District Health Facility in the surrounding Communities and other worthwhile community supports.

Your Company gives Tertiary Scholarship to Five (5) brilliant but needy Students from the surrounding communities (Adum Bansa, Benso, Manso, and Dominase) annually. To-date a total of 30 students have benefited from the scheme to the sum of GH¢ 272,228.51 from the business. Employee's wards who fall in this category consisting of 141 students have also benefited from the scheme to the tune of GH 969, 736.19. In addition, the Company has built Schools within the Plantation with prime objective to give access to education to employees' children due to the location of the Company. This School also provides opportunities for children in near-by communities to access education. This forms about 25 percent of the school's total population.

During the year under review, BOPP spent a total of GH¢53 million on its Smallholder and Outgrower operations to purchase Fruits in the catchment area thus contributing to the socio-economic condition and livelihood of farmers.

**Directors' interests in contracts**

During the year under review, no significant or material contract was entered into in which directors and officers of the company had an interest and which significantly or materially affected the business of the company. The directors had no interest in any third party or entity responsible for managing any of the business activities of the company.

**Substantive interest in shares**

According to the register of members as at December 31, 2022, no other shareholder apart from Wilmar Africa Limited had more than 5% of the issued stated capital of the Company. The number of shares held by directors are shown on the shareholder's information (page 67).

**Holding company**

BOPP Plc's ultimate holding company is Wilmar International Limited, a company incorporated in the Republic of Singapore and listed on the Singapore Stock Exchange.

**Auditor**

The Company's auditor, Ernst & Young, Chartered Accountants has express willingness continue to act in office as per Section 139 (5) of the Companies Act, 2019 (Act 992). The amount of audit fee payable for the financial year ended 31 December 2022 is GH¢375,000.

**BY ORDER OF THE BOARD**



**Emmanuel Kojo Idun**

**Director**

**Date: 10 May 2023**



**Santosh Pillai**

**Managing Director**

**Date: 10 May 2023**



#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 2019 (Act 992), the Ghana Stock Exchange Act of 1971 (ACT 384), the Securities and Exchange Commission (SEC) Governance Code for listed companies, 2020, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment at the company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern.



**Emmanuel Kojo Idun**

**Director**

**Date: 10 May 2023**



**Santosh Pillai**

**Managing Director**

**Date: 10 May 2023**

## REPORT OF THE AUDIT AND RISK COMMITTEE

On behalf of the Board, I am pleased to present this report which sets out the activities of the audit and risk committee during the financial year 2022 and is aimed at meeting the reporting requirements of the Securities and Exchange Commission governance code. The audit and risk committee charter, approved by the Board, guides the committee in its work.

### Role and responsibilities of the audit and risk committee

The audit and risk committee are charged with assisting the Board in discharging its oversight responsibilities in the broad areas of identifying, evaluating, and formulating policies to mitigate potential business risks; the integrity of financial reporting; the effectiveness of internal controls; and compliance with legal and regulatory requirements. The committee are also charged with ascertaining the standard of work performed by both the internal and external auditors as well as the independence and objectivity of external auditors, Ernst & Young Chartered Accountants.

### The Committees reports to the Board

The committee reports to the board at each Board meeting on the areas covered by its role and responsibilities, including bringing to the Boards attention any exceptions observed by the committee.

### Membership of the committee and meetings held in 2022

The membership of the committee and attendance for meetings held in 2022 are as follows:

Name	Meetings attended	Status
Emmanuel Kojo Idun	1/1	Chairman
Patience Afua Aduakwa	1/1	Member
Neneyo Mate-Kole	4/4	Retired September 2022
Viganeswaran Ponnudurai	2/4	Retired September 2022
Esine Okudzeto	4/4	Retired September 2022
Lionel Barre	3/4	Retired September 2022

The current membership of the committee consists of two independent non-executive directors. Steps are being taken to increase the committee membership to three. The constitution of committee membership was restructured in October 2022 to meet the SEC rotation requirements.

The committee held five meetings during the year. In attendance at each of the five meetings was the BOPP Financial Controller. In attendance at selected meetings were the head of Internal Audit, and the External Auditors, Ernst & Young. At the ARC meeting held on 14 October 2022, Ernst & Young Chartered Accountants shared their audit plan which included objectives of the audit, audit approach, responsibilities of the directors and the auditor, audit scope and reporting timetable for the year ended 31 December 2022. At the 16 February 2022 ARC meeting, Ernst & Young Chartered Accountants presented the findings from their review of the company's books, observations and matters arising from their audit of the financial statements for the year ended 31 December 2022 to the committee members. The ARC is satisfied that the external auditor is independent of the Company.

### Focus of Committee in 2022

During 2022, the committee focused on meeting its responsibilities as enumerated in the risk and audit committee charter by:

1. Reviewing through a challenge process, the businesses risk profile, particularly in view of the deteriorating economic and financial climate.
2. Closely following up on actions taken on audit findings by both the internal and external audits.

## REPORT OF THE HR, NOMINATION AND ETHICS COMMITTEE

Ladies and Gentlemen, I am pleased to present this report which sets out the activities of HR, Nomination and Ethics Committee (HrNEC) during the financial year 2022 and is aimed at complying with the reporting requirements of the Securities and Exchange Commission governance code. The committee was set-up on 26th July 2022 and the committee's charter was approved by the Board on 9th November 2022 to guide its work.

### Role and responsibilities of the HR Nomination and Ethics committee

The HrNEC is responsible for the operation of the nominating policy and for developing a succession plan for the Managing Director and other senior executive officers as determined by the Board. The committee also ensures that the business operates ethically and socially responsibly. The HR, Nomination and Ethics committee also has the responsibility of recommending a remuneration policy to the Board of directors. The Board invites the committee to suggest a policy that applies to other staff and reports to the Board accordingly.

The committee reports to the Board at each Board meeting on the areas covered by its role and responsibilities, including bringing to the Board's attention any exceptions observed by the committee.

### Membership of the committee and meetings held in 2022.

The membership of the committee and attendance for meetings held in 2022 are as follows:

Name	Meetings attended	Status
Patience Afua Aduakwa	1/1	Chairperson
Emmanuel Kojo Idun	1/1	Member
Esine Okudzeto	1/1	Member

The current membership of the committee consists of two independent non-executive directors and one non-executive Director. The constitution of Committee membership was done in October 2022 to meet the SEC rotation requirements.

The committee held one (1) meeting during the year and three (3) meetings since its inception. In attendance at each of the three (3) meetings was the BOPP General Manager.

### Focus of Committee in 2022

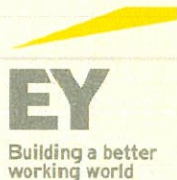
During 2022, the Committee focused on meeting its responsibilities as enumerated in the HRNEC charter as:

- (i) adopting a procedure that includes the appointment of Directors and shall assess candidates thoroughly and fairly.
- (ii) considering for appointment only persons of calibre, who have the necessary skills and expertise to exercise independent judgement on issues that are necessary to promote the company's objectives and performance in its area of business.
- (iii) recommending an induction programme to the Board and a programme of training.
- (iv) reviewing annually whether any further training shall be supplied to Board members and make recommendations accordingly.
- (v) reviewing the required mix, skills, expertise, and gender balance required by the Board, the extent to which the elected Directors meet the required mix, skills; the need for training for Directors and make recommendations; and reviewing the extent to which elected Directors reflect the broad shareholding structure.
- (vi) The Committee shall recommend the remuneration of the Directors and such members of the senior management as the Board may determine in its terms of reference.

#### Activities of the HR, Nomination and Ethics Committee

Insight into the work undertaken by the committee during its meeting in 2022.

- i. Worked on the HR, Nomination and Ethics Committee Charter.
- ii. Recommended training programmes for Directors on the requirements of the Companies Act, 2019 (Act 992), the Ghana Stock Exchange (GSE) and the Securities Exchange Commission (SEC).
- iii. Completion of the SEC Governance Questionnaire on the status of the Company's compliance with the Governance Code.
- iv. Revised the Directors' Conflict of Interest Policy and submitted it for Board approval.
- v. Interviewed the newly appointed director, Mr. Perry Acheampong, who was appointed to replace Mr. Pierre Billon on the Board and recommended him for approval by the Board and for ratification by shareholders at the next AGM.
- vi. Considered the proposal on increase in the Director's fees from Management and recommend it for approval by the Board and Shareholders at the next annual general meeting.



**Ernst & Young Chartered Accountants**  
60 Rangoon Lane  
Cantonments City, Accra, Ghana  
P. O. Box KA 16009  
Airport Accra, Ghana

Tel: +233 302 772001  
+233 302 772091  
ey.com

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENSO OIL PALM PLANTATION PLC**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Benso Oil Palm Plantation PLC (the "company") set out on pages 25 to 69 which comprise the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Benso Oil Palm Plantation Plc as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2019 (Act 992).

#### **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 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 Ghana, 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 judgement, 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, and we do not provide a separate opinion on these matters. For the 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 included 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.

**The Key Audit Matters applies to the audit of the financial statements**

Key Audit Matter	How the matter was addressed in the audit
<p><b>Biological asset valuation</b></p> <p>The company uses a fair value model to determine the valuation of its biological assets. The valuation of the biological assets involves complex and subjective judgements about the expected palm oil yield, long term crude palm oil price and discount rate. As at 31 December 2022, biological assets were valued at GH¢9.5 million.</p> <p>The expected palm oil yield, long term crude palm oil price, inflation rate and discount rate have been identified as a source of estimation uncertainty. The significant accounting policy and critical judgments relating to the valuation are outlined in Note 2.12 and Note 3. The fair value disclosures of biological assets are outlined in Note 25.</p>	<p>We reviewed the Model used by management to ensure it was in accordance with the requirements of IAS 41 "Agriculture". We 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. We checked that the Model used was consistent with prior year.</p> <p>We tested the underlying assumptions applied in determining the discount rate and long-term crude palm oil price used in the cash flow model taking into consideration available data from independent sources.</p> <p>We 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.</p> <p>We checked the presentation and disclosure of Management's valuation in the financial statements to assess their reasonableness.</p>

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in 69-page document titled "Benso Oil Palm Plantation Plc, 2022 Annual report and financial statements". Other report 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.

**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 International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2019 (Act 992), and for such internal control as the Directors determines 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 Benso Oil Palm Plantation Plc 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 Benso Oil Palm Plantation Plc 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 Benso Oil Palm Plantation Plc internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 Benso Oil Palm Plantation Plc 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 Benso Oil Palm Plantation Plc to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 related safeguards applied.

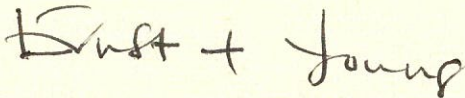
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. 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 purposes of our audit;
- ii. In our opinion, proper books of account have been kept by Benso Oil Palm Plantation Plc, so far as appears from our examination of those books;
- iii. The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of Benso Oil Palm Plantation Plc are in agreement with the underlying books of account;
- iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of Benso Oil Palm Plantation Plc at the end of the financial year and of the profit or loss for the financial year then ended; and
- v. We are independent of Benso Oil Palm Plantation Plc pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Engagement Partner on the audit resulting in this independent Auditor's report is Kwadjo Yeboah (ICAG/P/1627).



Ernst & Young (ICAG/F/2023/126)  
Chartered Accountants  
Accra, Ghana

Date: 10 May 2023



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
(All amounts are in thousands of Ghana Cedis)

	Note	Year ended 31 December	
		2022	2021
Revenue	4	340,496	214,174
Cost of sales	5	(157,865)	(101,397)
Net gains from changes in fair value of biological assets	25	<u>1,619</u>	<u>2,685</u>
<b>Gross profit</b>		<b>184,250</b>	<b>115,462</b>
Administrative expenses	6	(23,345)	(15,192)
Interest expense on leases	19	(380)	(405)
Other income	8	<u>13,454</u>	<u>2,289</u>
<b>Operating profit</b>		<b>173,979</b>	<b>102,154</b>
Finance income	9	<u>10,991</u>	<u>2,624</u>
<b>Profit before income tax</b>		<b>184,970</b>	<b>104,778</b>
Income tax expense	10	<u>(24,616)</u>	<u>(12,355)</u>
<b>Profit for the year</b>		<b>160,354</b>	<b>92,423</b>
Other comprehensive income income/(loss)	14	<u>59</u>	<u>(9)</u>
<b>Total comprehensive income for the year</b>		<b><u>160,413</u></b>	<b><u>92,414</u></b>
Basic and diluted earnings per share (GH¢)	27	4.6079	2.6558

The notes on pages 29 to 69 are an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**

(All amounts are in thousands of Ghana Cedis)

		<b>As at 31 December</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	16	208	-
Property, plant and equipment and right of use assets	15	95,446	64,417
Biological assets	25	9,525	7,906
Long term receivables	18	22,107	11,696
<b>Current assets</b>			
Inventories	17	30,635	13,248
Amounts due from related parties	24	99,642	83,220
Other financial assets at amortized costs	20	19,428	9,640
Cash and cash equivalents	23	<u>47,739</u>	<u>32,996</u>
<b>Total assets</b>		<b><u>324,730</u></b>	<b><u>223,123</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other accounts payable	21	23,939	17,155
Employee benefit obligations	31	1,099	1,009
Current income tax liabilities	10(a)	229	8,475
Amounts due to related parties	24	8,638	2,363
Lease liability	19	380	133
Dividend payable	12	10,533	1,233
<b>Non-current liabilities</b>			
Deferred income tax liabilities	11	2,703	3,034
Lease liability	19	2,051	2,238
Employee benefit obligations	31	6,427	2,844
<b>Equity</b>			
Stated capital	13	2,000	2,000
Retained earnings		<u>266,731</u>	<u>182,639</u>
<b>Total liabilities and equity</b>		<b><u>324,730</u></b>	<b><u>223,123</u></b>

The financial statements on pages 25 to 69 were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:



Emmanuel Kojo Idun

Director

10 May 2023



Santosh Pillai

Managing Director

10 May 2023

**STATEMENT OF CHANGES IN EQUITY**  
(All amounts are in thousands of Ghana Cedis)

Year ended 31 December 2022	Stated capital	Retained earnings	Total
As at 1 January 2022	<u>2,000</u>	<u>182,639</u>	<u>184,639</u>
Profit for the year	-	160,354	160,354
Other comprehensive income	-	<u>59</u>	<u>59</u>
Total comprehensive income	-	<u>160,413</u>	<u>160,413</u>
Total before transactions with owners	2,000	343,052	345,052
<b>Transactions with owners</b>			
Dividend declared for 2021	-	(36,969)	(36,969)
Interim dividend declared in 2022	-	<u>(39,352)</u>	<u>(39,352)</u>
As at 31 December 2022	<u>2,000</u>	<u>266,731</u>	<u>268,731</u>
<b>Year ended 31 December 2021</b>			
As at 1 January, 2021	<u>2,000</u>	<u>97,634</u>	<u>99,634</u>
Profit for the year	-	92,423	92,423
Other comprehensive income	-	<u>(9)</u>	<u>(9)</u>
Total comprehensive income	-	<u>92,414</u>	<u>92,414</u>
Total before transactions with owners	2,000	190,048	192,048
<b>Transactions with owners</b>			
Dividend declared for 2020	-	<u>(7,409)</u>	<u>(7,409)</u>
As at 31 December 2021	<u>2,000</u>	<u>182,639</u>	<u>184,639</u>

The notes on pages 29 to 69 are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**  
(All amounts are in thousands of Ghana Cedis)

		Year ended 31 December	
	Note	2022	2021
<b>Operating activities</b>			
Cash generated from operations	22	148,678	40,890
Interest received	9	10,991	2,624
Tax paid	10a	<u>(33,193)</u>	<u>(8,029)</u>
<b>Net cashflows generated from operating activities</b>		<b><u>126,476</u></b>	<b><u>35,485</u></b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	15a	(39,711)	(13,016)
Addition in respect of long-term receivables		(10,696)	(5,142)
Repayment in respect of long-term receivables		286	-
Proceeds from sale of property, plant and equipment	15a	<u>1,132</u>	<u>87</u>
<b>Net cashflows used in investing activities</b>		<b><u>(48,989)</u></b>	<b><u>(18,071)</u></b>
<b>Financing activities</b>			
Payment of employee benefit obligation (Note 31)		(1,274)	(788)
Additions to lease liability		-	364
Payment of lease liabilities	19	(320)	(320)
Dividend paid to shareholders	12	<u>(67,021)</u>	<u>(7,121)</u>
<b>Net cashflows used in financing activities</b>		<b><u>(68,615)</u></b>	<b><u>(7,865)</u></b>
Net increase in cash and cash equivalents		8,872	9,549
Cash and cash equivalents as at 1 January		32,996	22,832
Effect of exchange rate changes on cash and cash equivalents		<u>5,871</u>	<u>615</u>
<b>Cash and cash equivalents as at 31 December</b>	<b>23</b>	<b><u>47,739</u></b>	<b><u>32,996</u></b>

The notes on pages 29 to 69 are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

Benso Oil Palm Plantation PLC is incorporated and domiciled in Ghana under the Companies Act, 2019. (Act 992) as a public limited liability company and listed on the Ghana Stock Exchange. The address of its registered office is Adum Banso Estate, P. O. Box 470, Takoradi. The principal activities of the Company is to grow oil palm and produce palm oil and palm kernel oil.

### 2. Summary of significant accounting policies

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

#### 2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except for biological assets that have been measured at fair value.

The financial statements are presented in Ghanaian Cedis and all values are rounded to the nearest thousand (GH¢'000), except when otherwise indicated.

The company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in Note 3.

##### 2.1.1 New and amended standards adopted by the Company

The Company has adopted the following new standards, including any consequential amendments of other standards, for the annual reporting period commencing 1 January 2022:

- *Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16*
- *Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37*
- *Annual Improvements to IFRS Standards 2018-2020, and*
- *Reference to the Conceptual Framework - Amendments to IFRS 3.*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.1.2 New and amended standards and interpretations issued but not yet effective by the Company

The new and amended 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.

##### *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 and 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. IFRS 17 introduces new accounting requirement for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract: Issuers of such loans - e.g. a loan with waiver on death - have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable. 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. The Company is currently in the process of assessing the impact of adopting IFRS 17 on its financial statements.

##### *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. The amendments are not expected to have a material impact on the Company.

##### *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 'significant' accounting policies 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 Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.1.2 New and amended standards and interpretations issued but not yet effective by the Company (continued)

##### *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020, 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 a 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.

##### *Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

##### *Lease Liability in a Sale and Leaseback – Amendments to IFRS 16*

On 22 September 2022, the International Accounting Standards Board (the IASB or Board) issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (the amendment). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment is intended to improve the requirements for sale and leaseback transactions in IFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions. The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. The amendments are not expect to have i=an impact of the company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated to write off the value of assets on a straight-line basis over the expected useful lives of the assets concerned. Depreciation commences when assets are available for use. The principal annual rates used are:

Roads, bridges, buildings and houses.	2.5%
Vehicles - light passenger and lorries	25.0%
Vehicles - heavy roadmaking equipment, tractors and trailers.	16.7%
Plant and machinery.	7.0%
Mature Oil Palm Trees.	4.5%
Computers.	20.0%
Furniture, fittings and office equipment.	25.0%

Oil palm trees are classified as immature until the produce can be commercially harvested. At that point they are reclassified, and depreciation commences. Immature palm oil trees are measured at accumulated cost. Oil Palm Trees are derecognised after expiry of its useful life when no future economic benefits are expected from the trees. A gain or loss on disposal is recognised as the difference between the disposal proceeds and the carrying amount of the trees at the date of disposal. This gain or loss is included in the statement of profit or loss.

#### 2.3 Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets if; there is the technical feasibility to complete the software product for use; there is an ability to use the product; the software product will generate probable future economic benefits; and the expenditure attributable to the software development costs can be measured reliably.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software development costs recognised as intangible assets are amortised over their estimated useful life not exceeding three years.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

The cost of finished goods and work in progress comprises the fair value less estimated point-of-sale costs of agricultural produce at the point of harvest, the cost of raw materials and direct labour, and other direct costs and related production overheads. It excludes borrowing cost.

Net realizable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

The fair value less estimated point-of-sale costs of harvested fresh palm fruits is determined based on the market prices of the final product, taking into account conversion costs.

#### 2.5 Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. They are generally due to settlement within 45 days and therefore are all classified as current. Trade receivables are recognised initially at the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

#### 2.6 Other financial assets at amortised cost

The company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Non-trade receivables from related parties have been assessed for impairment under the general approach. Impairment under this approach is assessed based on changes in credit risk since initial recognition using the past due criterion. Financial assets classified as stage 1 have their Expected Credit Loss measured as a proportion of their lifetime Expected Credit Loss that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their Expected Credit Loss measured on a lifetime basis.

#### 2.7 Trade payable

Trade payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.8 Financial instruments

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Company assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated- e.g. Whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.8 Financial instruments (continued)

##### *i. Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### *Financial assets at amortised cost*

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in comprehensive income when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include debt instruments (government securities and fixed deposits) and accounts receivables.

##### *Financial assets at fair value through OCI*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not designated any financial assets as fair value through OCI.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.8 Financial instruments (continued)

##### *Derecognition*

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

##### *Impairment*

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets at amortised cost. For accounts receivable and debt instruments at amortised cost, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full.

ECLs on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate counterparties, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

Financial assets written off are still subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.8 Financial instruments (continued)

##### Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include accounts payable and derivative financial instruments.

###### *Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- ▶ Financial liabilities at fair value through profit or loss
- ▶ Financial liabilities at amortised cost

###### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

###### *Financial liabilities at amortised cost*

After initial recognition, interest-bearing financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

##### Offsetting of financial instruments

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.9 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### 2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

#### 2.11 Revenue recognition

The company derives revenue from the transfer of goods at a point in time

The company processes and sells crude palm oil and crude palm kernel oil. Tonnage to be sold for the year are agreed in a contract for the main customer Wilmar International Limited. Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customer. Delivering occurs with the products have been shipped to the specific location, the risks of loss have been transferred to the customer and the customer has accepted the products in accordance with the sales contract. Oil produced for sale but held at the request of the customer is invoiced in the month the oil is ready for dispatch. The customer accepts liability for oil held at the company's premises at their request.

Revenue is recognised based on the price terms in the contract. No element of financing is deemed present as the sales are made with a credit term of 45 days.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.12 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 property, plant and equipment. However, the fresh fruit bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Harvested FFB are transferred to inventory at fair value less costs to sell when harvested. 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.

#### 2.13 Stated capital

Ordinary shares are classified as "stated capital" in equity. All shares were issued at no par value.

#### 2.14 Foreign currency translation

##### *(a) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ghana cedis, which is the Company's functional and presentation currency.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into Ghana Cedis using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income.

#### 2.15 Employee benefits

##### *(a) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included as part of trade and other accounts payable in the balance financial position.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.15 Employee benefits (continued)

##### *(b) Post employment obligations*

The Company operates both defined benefit and defined contribution plans for its employees. The Company contributes to a national pension scheme (Social Security Fund) as well as a provident fund scheme.

A defined contribution plan is a pension scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The fixed rate contribution by employer is 13% and employee is 5.5% both calculated on the employees' basic salaries.

The Company's contributions to the defined contribution schemes are recognised as an employee benefit expense when they fall due. The Company has no further payment obligations once the contributions have been paid.

##### *Defined benefit obligation (DBO)*

The company operates a defined benefit plan for employees under a collective bargaining agreement and conditions of service. The level of benefits provided under the defined agreement and conditions depends on the employees' length of services and their salary at the time of retirement. With the exception of inflationary risk, the company's legal or constructive obligation is limited to the amount due when the employee is on retirement or at the next levels of long service award.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement liability. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

##### *(c) Bonus*

(i) The Company recognises a liability and an expense for bonuses taking into consideration the profit attributable to the Company's shareholders. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### *(d) Other long-term employee benefit obligations*

##### *Retirement benefits*

The Company pays superannuation awards to members on retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for Defined Benefit Pension Plans. Gains and losses resulting from remeasurements of the net retirement benefit liability are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.15 Employee benefits (continued)

##### *Long service awards*

To recognise and reward members of staff for continuous and dedicated service, the Company makes awards to all employees. Employees are rewarded for 10, 15, 20, 25, 30, 35 and 40 years of service. Liabilities for long service awards are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Gains and losses resulting from remeasurements of the long term service awards liability are included in profit or loss.

#### 2.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *i) Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### *ii) Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.16 Leases (continued)

##### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to consider to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### 2.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of economic resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

#### 2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee that makes strategic decisions.

#### 2.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 2.20 Earnings per share

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company,
- by the weighted average number of ordinary shares outstanding during the financial year.

##### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares."

#### 2.21 Long term accounts receivable

The company entered into an agreement with the Chiefs and people of Trebuom and communities in the catchment area for the development of a 825 hectares of land. The company will fund the development of the plantation and the costs will be recovered from the fruits to be supplied from the plantation once developed. The agreement is for a period of 25 years.

It has been determined that the lease component relating to the land for no consideration will not have an accounting impact. The costs of developing the external plantations akin to lease developments will be reimbursed by the community by off-setting proceeds from the sale of the fruits to the company at market value.

#### 2.22 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Ghana cedis unless otherwise stated.

### 3. Critical accounting estimates and judgements

The preparation of the Company's financial statements requires Directors to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. Critical accounting estimates and judgements continued)

The key 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 are disclosed below.

#### (i) Accounting and measuring of biological assets

The fair value of growing oil palm fresh fruit bunches (FFB) is determined using a discounted cash flow model based on the expected palm oil yield, the market price for crude palm oil and palm kernel oil. The selling price of the oil can only be estimated and the actual yield will not be known until it is completely processed and sold. Estimates and judgements in determining the fair value of the FFB growing on palm trees include the volume and stages of maturity of FFB at balance sheet date, palm oil yield, the long-term crude palm oil price, palm kernel oil price and the discount rates after allowing for harvesting costs, contributory asset changes for the land and palm trees owned by the entity and other costs yet to be incurred in getting the fruit bunches to maturity. Assumptions impacting biological assets are given in more detail in Note 25.

#### (ii) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost include the discount rate, future salary increases, and mortality rates. Any changes in these assumptions will impact the carrying amount of employee benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 31.

#### (iii) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the period in which such determination is made.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**4. Revenue**

The company derives revenue from the transfer of goods at a point in time in the following major product lines and customers. Sales are shown at net of value added taxes.

	2022	2021
<b>By Type:</b>		
Sale of crude palm oil	305,028	196,302
Sale of palm kernel oil	<u>35,468</u>	<u>17,872</u>
	<u>340,496</u>	<u>214,174</u>
<b>By Customer:</b>		
<b>Related parties (Note 24)</b>		
Wilmar Africa Limited	289,524	196,292
Wilmar Trading PTE	20,797	8,550
African Consumer Products Limited	<u>14,596</u>	<u>9,162</u>
<b>Total related parties</b>	<u>324,917</u>	<u>214,004</u>
<b>Third parties</b>		
Wayne Dunn & Associates Ltd	89	-
Francis Haikins	851	-
Estate shop and Others	527	170
Halley Ome Nigeria Ltd	<u>14,112</u>	<u>-</u>
<b>Total third parties</b>	<u>15,579</u>	<u>170</u>
<b>Total revenue</b>	<u>340,496</u>	<u>214,174</u>

**5. Cost of sales**

<b>Cost of sales include:</b>		
Small holder/out-grower material purchase costs	52,681	36,806
Fertilizer costs	20,117	8,548
Depreciation (Note 15a)	6,706	5,386
Staff Costs (Note 7)	26,599	17,830
Harvesting costs	10,018	9,352
Power energy	1,072	733
Spares and inventory consumed	5,630	4,960
Factory servicing and overheads	3,214	2,899
Freight and transport	2,933	876
Palm oil processing	879	557
Palm kernel and tolling costs	9,091	6,172
Plantation upkeep and overhead	<u>18,925</u>	<u>7,278</u>
	<u>157,865</u>	<u>101,397</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

	2022	2021
<b>6. Administrative expenses</b>		
Registrar and related expenses	105	96
Depreciation (Note 15a)	139	133
Depreciation of right-of-use-assets (Note 15b)	241	51
Amortization (Note 16)	6	-
Staff costs (Note 7)	8,415	5,865
Listing fees	30	20
Directors' remuneration	1,516	1,229
*Auditor's remuneration	397	272
Service fees	2,617	2,085
Insurance cost	416	363
Fees to Lands Commission	-	25
Bank charges	224	92
Professional expenses	950	657
Community development expenses	1,662	828
Donations	540	180
Food and entertainment	652	393
Medical expenses	1,427	981
Repairs and maintenance	364	157
Security	264	221
IT and communication	229	712
Transport expenses	1,391	747
Stationery, Utilities, training and sundries	<u>1,760</u>	<u>85</u>
	<b><u>23,345</u></b>	<b><u>15,192</u></b>

\*The Auditor's remuneration includes levies.

Interest expenses on leases for current year is presented as an item in the profit or loss account in line with IFRS.

The average number of persons employed by the company during the year was 507 (2021: 479). The Company contributes to a three-tier defined contribution plan. The employee pays 5.5% and the company pays 13% making a total of 18.5%. The company transfers 13.5% to the first tier, 5% to a privately managed and mandatory second tier for lump sum benefit. The third tier is a provident fund scheme to which the company contributes between 7.5% - 15% of staff basic salary with the employee contributing between 5% - 8%.

	2022	2021
<b>7. Staff costs</b>		
Salaries, wages, bonuses and other allowances	27,049	20,025
Service and interest cost - defined benefit (Note 31)	5,005	1,214
Contribution to pension schemes	<u>2,960</u>	<u>2,456</u>
	<b><u>35,014</u></b>	<b><u>23,695</u></b>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

	2022	2021
<b>8. Other Income</b>		
(Loss)/gain on disposal of property, plant and equipment	(250)	87
Sludge oil sales	1,092	1,472
Sundry income	938	76
Foreign exchange gains	<u>11,674</u>	<u>654</u>
	<u>13,454</u>	<u>2,289</u>
<b>9. Finance Income</b>		
Interest income on current account	209	1,189
Interest income on intercompany receivables	<u>10,782</u>	<u>1,435</u>
	<u>10,991</u>	<u>2,624</u>
<b>10. Income tax expense</b>		
Current income tax change	24,947	13,605
Adjustments for current tax of prior periods	-	245
Deferred income tax charge relating to origination and reversal of temporal differences (Note 11)	<u>(331)</u>	<u>(1,495)</u>
	<u>24,616</u>	<u>12,355</u>

The tax on the company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2022	2021
Profit before income tax	185,868	104,778
Tax calculated at the statutory income tax of 12.5%	23,234	13,097
Tax effects of:		
Adjustment in respect of prior years	-	245
Interest income subject to final tax - 25%	2,982	320
Income not deductible for tax purposes	(1,600)	(540)
Expenses items not deductible items for tax purposes	<u>-</u>	<u>(767)</u>
	<u>24,616</u>	<u>12,355</u>
Income tax expense		

The current income tax charge is in respect of provision for the year's corporate tax and returns from monies held in fixed deposits. The Company is taxed at 12.5%, being an agro processing business operating outside a regional capital.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

10a. Current Income tax expense

	At start of year	Charge/credit for the year	Payments	At end of year
<u>Year ended 31 December 2022</u>				
2022	<u>8,475</u>	<u>24,947</u>	<u>(33,193)</u>	<u>229</u>
	<u>8,475</u>	<u>24,947</u>	<u>(33,193)</u>	<u>229</u>
<u>Year ended 31 December 2021</u>				
Up to 2020	2,653	245	(171)	2,727
2021	<u>-</u>	<u>13,605</u>	<u>(7,858)</u>	<u>5,748</u>
	<u>2,653</u>	<u>13,850</u>	<u>(8,029)</u>	<u>8,475</u>

11. Deferred income tax

Deferred income tax assets and liabilities and deferred income tax charge in the income statement, are attributable to the following items:

	Balance at start of year	Charge to profit or loss	Balance at end of year
<u>Year ended 31 December 2022</u>			
Accelerated capital deductions - qualifying assets	2,843	42	2,885
Revaluation of Biological Assets to fair value	988	202	1,190
Employee benefits and bonuses	<u>(797)</u>	<u>(575)</u>	<u>(1,372)</u>
	<u>3,034</u>	<u>(331)</u>	<u>2,703</u>
<u>Year ended 31 December 2021</u>			
Accelerated capital deductions - qualifying assets	2,541	302	2,843
Revaluation of Biological Assets to fair value	460	529	988
Employee benefits and bonuses	765	(1,562)	(797)
Other temporal differences	<u>764</u>	<u>(764)</u>	<u>-</u>
	<u>4,530</u>	<u>(1,495)</u>	<u>3,034</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

12. Dividend payable	2022	2021
At 1 January	1,233	945
Dividend declared in 2021 for 2020 financial year (DPS: GH¢ 0.2129)	-	7,409
Dividend declared in 2022 for 2021 financial year (DPS: GH¢ 1.0623)	36,969	-
Interim dividend declared in 2022 for 2022 financial year (DPS: GH¢1.1308)	39,352	-
Payment during the year	<u>(67,021)</u>	<u>(7,121)</u>
<b>At 31 December</b>	<b><u>10,533</u></b>	<b><u>1,233</u></b>

Payment of dividend is subject to the deduction of withholding taxes at the rate of 8%. At the next Annual General Meeting, the directors will propose a final dividend for the year ended 31 December 2022 of GH¢0.9435 per share (2021: GH¢1.0623) amounting to GH¢32,833,000 (2021: GH¢36,969,000).

13. Stated capital

	2022		2021	
	No. of ordinary shares of no par value	Proceeds GH¢	No. of ordinary shares of no par value	Proceeds GH¢
Authorized shares issued	<u>50,000,000</u>		<u>50,000,000</u>	
For cash consideration	322,000	3	322,000	3
Transfer from income surplus account in accordance with Section 70 and 71 of the Companies Act, 2019 (Act 992) by a special resolution.	<u>34,478,000</u>	<u>1,997</u>	<u>34,478,000</u>	<u>1,997</u>
<b>Issued ordinary shares at 31 December</b>	<b><u>34,800,000</u></b>	<b><u>2,000</u></b>	<b><u>34,800,000</u></b>	<b><u>2,000</u></b>

There is no unpaid liability on any shares and there are no calls or instalments unpaid. There are no treasury shares. There was no movement in stated capital during the year.

14. Actuarial gains/losses

This relates to gains /(losses) arising from remeasurement of employee's defined benefits scheme of GH¢58,858 (2021: GH¢8,974 loss)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
(All amounts are in thousands of Ghana Cedis)

**15a. Property, plant and equipment and right of use assets**

	Mature Oil Palm Trees	Immature Oil Palm Trees	Capital work-in-progress	Right-of-use Leasehold Land	Roads and Bridges	Buildings and Housing	Motor Vehicles Plant and Machinery	Computers, Furniture and Fittings and Equipment	Total
<b>Cost</b>									
As at 1 January 2022	26,219	2,886	4,021	11,573	1,213	8,613	37,490	3,011	95,026
Additions	-	1,137	38,389	-	-	-	-	185	39,711
Disposals	-	(1,133)	-	-	-	(83)	(2,111)	(401)	(3,728)
Transfers/reclassifications	-	-	(20,008)	-	-	7,544	11,931	319	(2,14)*
As at 31 December 2022	<u>26,219</u>	<u>2,890</u>	<u>22,402</u>	<u>11,573</u>	<u>1,213</u>	<u>16,074</u>	<u>47,310</u>	<u>3,114</u>	<u>130,795</u>
<b>Depreciation</b>									
As at 1 January 2022	8,362	-	-	261	18	2,993	17,816	1,159	30,609
Charge for the year	1,192	-	-	241	177	286	4,473	717	7,086
Disposals	-	-	-	-	-	(50)	(1,895)	(401)	(2,346)
As at 31 December 2022	<u>9,554</u>	<u>-</u>	<u>-</u>	<u>502</u>	<u>195</u>	<u>3,229</u>	<u>20,394</u>	<u>1,475</u>	<u>35,349</u>
Net book value as at 31 December 2022	<u>16,665</u>	<u>2,890</u>	<u>22,402</u>	<u>11,071</u>	<u>1,018</u>	<u>12,845</u>	<u>26,916</u>	<u>1,639</u>	<u>95,446</u>
<b>Cost</b>									
As at 1 January 2021	26,219	1,921	248	9,288	1,213	8,487	35,924	2,670	85,970
Additions	-	1,903	8,612	2,285	-	-	14	202	13,016
Disposals	-	-	-	-	-	(8)	(2,445)	(569)	(3,022)
Transfers/reclassifications	-	(938)	(4,839)	-	-	134	3,997	708	(938)
As at 31 December 2021	<u>26,219</u>	<u>2,886</u>	<u>4,021</u>	<u>11,573</u>	<u>1,213</u>	<u>8,613</u>	<u>37,490</u>	<u>3,011</u>	<u>95,026</u>
<b>Depreciation and amortization</b>									
As at 1 January 2021	7,170	-	-	19	18	2,755	16,879	1,220	28,061
Charge for the year	1,192	-	-	242	-	246	3,382	508	5,570
Disposals	-	-	-	-	-	(8)	(2,445)	(569)	(3,022)
As at 31 December 2021	<u>8,362</u>	<u>-</u>	<u>-</u>	<u>261</u>	<u>18</u>	<u>2,993</u>	<u>17,816</u>	<u>1,159</u>	<u>30,609</u>
Net book value at 31 Dec. 2021	<u>17,857</u>	<u>2,886</u>	<u>4,021</u>	<u>11,312</u>	<u>1,195</u>	<u>5,620</u>	<u>19,674</u>	<u>1,852</u>	<u>64,417</u>

The Right of Use (RoU) assets have been separately presented with comparative information in Note 15b. \*The difference of GHC214,000 represent transfer from capital work in progress to intangible assets (software).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**15a. Property, plant and equipment and right of use assets (continued)**

There are no restrictions on any title, or property, plant and equipment pledged as security for liability. There were no borrowing costs during the year (2021: Nil).

Loss/(Gain) on disposal of property, plant and equipment	2022	2021
Gross book value	3,728	3,022
Accumulated depreciation	<u>(2,346)</u>	<u>(3,022)</u>
Net book amount	1,382	-
Sales proceeds	<u>(1,132)</u>	<u>(87)</u>
Loss/(gain) on disposal of plant and equipment	<u>250</u>	<u>(87)</u>

Depreciation charged for the year is split into cost of sales and administrative expenses as follows

	2022	2021
Cost of sales	6,706	5,386
Administrative expenses	<u>380</u>	<u>184</u>
Total depreciation charged	<u>7,086</u>	<u>5,570</u>

**15b. Right of use assets - Leasehold land (Note 15a)**

	2022	2021
Cost		
At 1 January	11,573	9,288
Additions	<u>-</u>	<u>2,285</u>
At 31 December	<u>11,573</u>	<u>11,573</u>
Depreciation		
At 1 January	261	19
Charge for the year	<u>241</u>	<u>242</u>
At 31 December	<u>502</u>	<u>261</u>
Carrying as at 31 December	<u>11,071</u>	<u>11,312</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
*(All amounts are in thousands of Ghana Cedis)*

16 Intangible assets	2022	2021
Cost		
At 1 January	-	-
Transfer from capital work in progress	<u>214</u>	<u>-</u>
<b>At 31 December</b>	<b><u>214</u></b>	<b><u>-</u></b>
Amortization		
At 1 January	-	-
Charge for the year	<u>6</u>	<u>-</u>
<b>At 31 December</b>	<b><u>6</u></b>	<b><u>-</u></b>
<b>Carrying amount</b>		
<b>At 31 December</b>	<b><u>208</u></b>	<b><u>-</u></b>

The intangible assets are software purchased for the new weighbridge constructed.

17. Inventories	2022	2021
Palm oil	375	24
Palm kernel	690	438
Palm kernel oil	150	4,429
Non-trade stock	<u>29,420</u>	<u>8,357</u>
	<b><u>30,635</u></b>	<b><u>13,248</u></b>

Non- trade stock items relate to engineering spares, fertilizers and agro-chemicals, and other stock items used on the plantation.

No reversal of any written down inventory was made in the year. There were also no inventories pledged as security for liabilities as at 31 December 2022 (2021: Nil).

18. Long term receivables	2022	2021
Balance at start	11,696	6,554
Additions	10,697	5,142
Repayments	<u>(286)</u>	<u>-</u>
<b>Balance at close</b>	<b><u>22,107</u></b>	<b><u>11,696</u></b>

The significant increase in long term accounts receivable is attributable to additional costs incurred on the development of external plantations during the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
(All amounts are in thousands of Ghana Cedis)

**19. Lease liability**

		2022		2021	
	Non-current	Current	Non-current	Current	
Opening liability	2,238	133	1,652	270	
Additions	-	-	364	-	
Transfers	(396)	396	-	-	
Payment for the year	-	(320)	-	(320)	
Interest accrued	<u>209</u>	<u>171</u>	<u>222</u>	<u>183</u>	
<b>Closing Liability</b>	<b><u>2,051</u></b>	<b><u>380</u></b>	<b><u>2,238</u></b>	<b><u>133</u></b>	

The lease liability is as a result of a right of use of land for a period of 50 years for its oil palm plantation. The weighted average remaining lease in 2022 is 46 years (2021: 47) with a cost of capital of 18.5% (2021: 18.5%).

**20. Other financial assets at amortized costs**

	2022	2021
Amount due from officers	302	431
Amounts due from smallholder farmers	179	238
Other receivables	<u>18,947</u>	<u>8,971</u>
	<b><u>19,428</u></b>	<b><u>9,640</u></b>

Majority of the amounts due as of the financial statements report date in May 2023 have been recovered. As a result of this, No expected credit loss was computed.

Other receivables relate to receivables from non-trade debtors.

**21. Trade and other accounts payable**

	2022	2021
Trade accounts payable	312	3,553
VAT payable	2,994	3,291
Audit fees payable	113	250
Accrued salaries and bonuses	5,682	4,554
Sundry payables and accrued liabilities	<u>14,838</u>	<u>5,507</u>
	<b><u>23,939</u></b>	<b><u>17,155</u></b>

Accounts payable are non-interest bearing.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
*(All amounts are in thousands of Ghana Cedis)*

**22. Cash generated from operations**

	2022	2021
Reconciliation of profit before income tax to cash generated from operations		
Profit before income tax	184,970	104,778
<b>Adjustments for:</b>		
Depreciation (Note 15)	6,845	5,328
Depreciation - Right-of-use-assets (note 15b)	241	242
Amortisation - intangible (Note 16)	6	-
Changes in fair value of biological asset (Note 25)	(1,619)	(2,685)
Disposal immature plants to cost of sales (Note 15)	-	938
Exchange gain on cash and cash equivalent	(5,871)	(615)
Accrued interest on lease liability	380	405
Employee benefits obligations (Note 31)	5,005	1,214
Loss/(gain) on disposal of property, plant and equipment (Note 15)	250	(87)
Interest income (Note 9)	(10,991)	(2,624)
<b>Changes in working capital</b>		
Increase in inventories	(17,387)	(2,985)
Increase in other financial assets at amortized cost	(9,787)	(76,525)
Increase in accounts payable	6,784	11,429
Increase in amount due from related parties	(16,423)	-
Increase in amount due to related parties	<u>6,275</u>	<u>2,077</u>
<b>Cash generated from operations</b>	<b><u>148,678</u></b>	<b><u>40,890</u></b>

**23. Cash and cash equivalents**

	2022	2021
Cash in hand	17	12
Cash at bank	<u>47,722</u>	<u>32,984</u>
	<b><u>47,739</u></b>	<b><u>32,996</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**24. Related party transactions**

Wilmar Africa Limited, incorporated in Ghana owns 76.63% of the Company's issued ordinary shares. The ultimate parent company is Wilmar International, incorporated in Singapore. There are other companies that are related to the Company through common control. There is a cash pooling agreement between the Company and Wilmar Africa Limited where sales made to Wilmar are paid within thirty days, after which interest is accrued. Sales to Wilmar Africa Limited during the year was based on world market prices. All other transactions were made on normal commercial terms and conditions.

The following transactions were carried out with related parties:

Sales and purchases of goods and services	2022	2021
Sales of goods to related parties (Note 4)	324,917	214,004
Purchases of management goods from Wilmar Africa Limited	957	-
Purchases of management services from Wilmar Africa Limited	-	394
Purchases of management services from Wilmar Global Services	565	364
Purchases of goods from Minsec	14,960	2,542
Purchase of goods from African Consumer Product (Ghana) Limited	857	163
Purchases of services from Wilmar International Limited	1,279	519
Reimbursements from Wilmar Africa Ltd	2,852	-
Reimbursements from Biase Plantation Ltd	1,143	-
Reimbursements to Wilmar Africa Ltd	2,397	-
Purchases of services from Alam Palm Plantation	509	321
Purchases of goods and services from PGEO Oil Palm Berhad	2,437	1,701
Purchases of goods and services from PPB Oil Palm Berhad	2,464	341
Reimbursements to PPB Oil Palm Berhad	85	-
Interest income from Wilmar Africa Limited	10,782	1,435

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**24. Related party transactions (continued)**

**Purchases of services from entities controlled by key management personnel**

The company acquired the following goods and services from entities that are controlled by members of the company's key management personnel:

**Outstanding balances arising from sale/purchase of goods/services:**

Amounts due from related parties	2022	2021
Wilmar Africa Limited	96,519	78,194
Ghana Specialty	18	56
African Consumer Product (Ghana) Limited	<u>3,105</u>	<u>4,970</u>
	<b><u>99,642</u></b>	<b><u>83,220</u></b>

All local accounts receivable and payable are due in 45 days after sales. Interest at the Bank of Ghana rate is charged on all aging accounts receivable. financial statements report date in May 2023, majority of the outstanding amounts have been received hence no expected credit loss is computed on the outstanding amount.

As at 31 December 2022, there were no impairment provision related to these outstanding amounts (2021: Nil),

Amounts due to related parties	2022	2021
Wilmar Africa Limited	2,610	1,044
Wilmar PGEO Edible Oil SDN BHD	-	909
Alan Palm Plantation	113	-
PPB Oil Palms Berhad	-	13
African Consumer Product (Ghana) Limited	315	-
Wilmar Global Business Services	219	-
Minsec Engineering Services	4,188	-
Wilmar International Limited	<u>1,193</u>	<u>397</u>
	<b><u>8,638</u></b>	<b><u>2,363</u></b>
Key management personnel compensation		
Short term employee benefits	<u>1,516</u>	<u>1,229</u>
Of which:		
Executive Directors	1,267	1,092
Non-executive Directors	<u>249</u>	<u>137</u>
	<b>1,516</b>	<b>1,229</b>

Key management personnel include three (3) executive directors and nine (9) non-executive directors. As at close of 31 December 2022, the company has one Executive director (2021: three (3)) and four (4) non-executive directors (2021: five (5)). Short term employee benefits include pension contribution for Executive Directors amounting to GH¢140,000 (2021: GH¢178,000).



## 25. Biological Assets

### (a) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its biological assets into the three levels below. An explanation of each level is provided below.

	2022	2021
At 1 January	7,906	5,221
Change in fair value due to biological transformation	(28)	277
Changes in fair value due to price changes	<u>1,647</u>	<u>2,408</u>
<b>At 31 December</b>	<b><u>9,525</u></b>	<b><u>7,906</u></b>

The following table presents the Company's biological assets that are measured at fair value at 31 December 2022 and 31 December 2021.

	Level 1	Level 2	Level 3	Total
Oil Palm FFB on trees				
At 31 December 2022	-	-	9,525	9,525
At 31 December 2021	-	-	7,906	7,906

The Company's biological assets are measured at fair value and are all classified under level 3 of the fair value hierarchy (valuation not based on observable market data). There are no items in level 1 (valuation based on quoted prices) or level 2 (valuation based on observable market data) and there were no transfers between levels.

### (b) Analysis of oil palm production

The Company harvested 75,873 tonnes (2021: 84,573 tonnes) of fresh fruit bunches (FFB) and sold 25,405 metric tonnes of palm oil (2021: 30,040 metric tonnes) during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

25. Biological Assets (continued)

(c) Valuation of inputs and relationships to fair value

The fair value of biological assets has been determined based on valuations by the directors using discounted cash flows of the underlying biological assets.

The fair value of the biological assets at year-end was GH¢9,525,000 (2021: GH¢7,906,000).

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

Unobservable inputs	Range of inputs (Probability - Weighted average)		Relationship of unobservable inputs to fair value
	2022	2021	
Palm oil fruit yield - Tonnes per hectare	<u>Range -12.45-20.10</u> The average yield per hectare used for the valuation was 16.66 tonnes per hectare.	<u>Range -14.28-18.82</u> The average yield per hectare used for the valuation was 17.87 tonnes per hectare.	The higher the palm oil yield, the higher the fair value.
Fresh fruit bunches (FFB) Price	<u>Range - GH¢846.21 - GH¢1,200.00</u> The average price of FFB used for the valuation was GH¢1,158 per tonne.	<u>Range - GH¢599 - GH¢753</u> The average price of FFB used for the valuation was GH¢650 per tonne.	The higher the market price, the higher the fair value.
Discount rate	<u>Range - 27.84% - 42.92.%</u> The discount rate used for the valuation was 39.00%.	<u>Range - 15.38% - 21.19%</u> The discount rate used for the valuation was 17.49%.	The higher the discount rate, the lower the fair value.

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

Palm plantation covers a total of 4,738 hectares with an average of 131 palm trees per hectare.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

### 25. Biological Assets (continued)

#### (c) Valuation of inputs and relationships to fair value (continued)

\* Palm oil yield is determined based on the age of the plantation, historical yields, climate-induced variations such as severe weather events, plant losses and new areas coming into production.

\* Crude palm oil prices and palm kernel oil prices are quoted prices from the world market.

\* Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

#### (d) Financial risk management strategies for biological assets:

The company is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The company has in place relevant agricultural practices to mitigate against diseases. The company has environmental policies and procedures in place to comply with environmental and other laws.

The company is exposed to risks arising from fluctuations in the price and volume of palm oil. The company has contracts in place for supply of palm oil to its main customer. The company actively manages the working capital requirements to meet the cash flow requirements.

There are no restrictions on any title, or biological assets pledged as security for liability. Details of commitments for the development and acquisition of biological assets have been disclosed in Note 29.

### 26. Financial instruments and treasury risk management

#### *Financial risk management*

The Company's activities expose it to financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rates risk, credit risk.

#### *Market risk*

Foreign exchange risk may arise from future commercial transactions, recognised assets and liabilities. All sales are denominated in the Company's functional currency.

#### *Foreign exchange risk*

As at 31 December 2022, if the Ghana Cedi had weakened/strengthened by 10% against the US dollar and all other variables held constant. The recalculated post tax profit for the year will have been GH¢3,353,000 (2021: GH¢1,575,000) lower/higher as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents. The company has environmental policies and procedures in place to comply with environmental and other Laws.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**26. Financial instruments and treasury risk management (continued)**

*Price risk*

The Company is not exposed to equity securities price risk because it has no investments in equity securities. The Company is not exposed to commodity price risk. This is because the Company does not have commodity purchase contracts that meet the definition of a financial instrument under IFRS 9.

*Interest rate risk*

Interest rate risk arises from borrowings. The Company does not hold any loan subject to cash flow and fair value interest rate risk.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk are primarily bank balances and trade receivables. Trade accounts receivable are mainly derived from sales to customers.

**(i) Risk management**

Credit risk is managed by the finance manager. For banks and financial institutions, the company does business with only reputable parties registered with bank of Ghana.

Risk control assesses the credit quality of the customer, taking into account its financial position and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The compliance with credit limits is regularly monitored by line management. The Company has significant concentrations of credit risk with its main customer, however, there has been defaults in the past and no future credit losses are expected.

The company has three types of financial asset that are subject to the expected credit loss model trade receivables for sales of inventory, and other financial assets at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade accounts receivable.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2022 or 1 January 2023 and the corresponding historical credit losses experienced within this period.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**26. Financial instruments and treasury risk management (continued)**

Due to the nature of the commodities sold by the Company and its trading partners, macroeconomic indicators are not expected to significantly affect the ability of the customers to settle the receivables. The company sells 95% of major customer, Wilmar Africa Ltd on credit and within 45 days repayment period.

The aging profile of this customer indicates that there are no impaired receivables over a period of 90 days and all receivables paid as at the time of signing the financials. All other trade customers have paid for their outstanding and shows a zero balance as at 31st December 2022. (2021: Nil).

The table below shows the company's maximum exposure to credit risk by class of financial instrument:

	2022	2021
Cash and cash equivalents	47,739	32,996
Amount due from related parties	99,642	83,220
Other financial assets at amortized cost	<u>19,428</u>	<u>9,640</u>
	<b><u>166,809</u></b>	<b><u>125,856</u></b>

**Other financial liabilities at amortized cost**

	2022	2021
Financial liabilities		
Trade and other payables (excluding VAT)	20,945	13,614
Amounts due to related parties	8,638	2,363
Lease liability (current and non-current)	<u>2,431</u>	<u>2,371</u>
	<b><u>32,014</u></b>	<b><u>18,348</u></b>

Other financial assets and liabilities at amortised cost include amounts due from officers, amounts due from smallholder farmers, other accounts receivable and receivables from related parties, trade and other accounts payable.

The carrying amounts of these assets and liabilities are a reasonable approximation of their fair value, because of their short-term nature. The carrying amount of all financial assets and liabilities equals their fair value amount, as the impact of discounting is not significant.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**26. Financial instruments and treasury risk management (continued)**

**Liquidity risk**

The Company manages liquidity risk by maintaining adequate cash reserves and calling on short-term borrowing and funding from related parties. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below analyses the Company's financial liabilities that will be settled on a net basis based on the remaining period at the reporting date to the contractual maturity. The amounts disclosed in the table below are the contractual undiscounted cash flows, all amounts will be settled by the end of the year.

	Carrying amount	6 months or less	6 to 12 months	After 12 months	Total contractual cash flows
<b>Year ended 31 December 2022</b>					
Accounts payable (excluding VAT)	20,945	20,945	-	-	20,945
Amount due to related parties	8,638	8,638	-	-	8,638
Lease liability	<u>2,431</u>	<u>-</u>	<u>380</u>	<u>17,100</u>	<u>17,480</u>
	<u>32,014</u>	<u>29,775</u>	<u>380</u>	<u>17,100</u>	<u>47,063</u>
<b>Year ended 31 December 2021</b>					
Accounts payable	13,614	13,614	-	-	13,614
Amount due to related parties	2,363	2,363	-	-	2,363
Lease liability	<u>2,371</u>	<u>133</u>	<u>380</u>	<u>17,480</u>	<u>17,993</u>
	<u>18,348</u>	<u>16,110</u>	<u>380</u>	<u>17,480</u>	<u>33,970</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**26. Financial instruments and treasury risk management (continued)**

**Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividend paid to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as the net debt divided by the total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

At year end the Company had no borrowings. (2021: Nil).

**Dividends**

	2022	2021
Final dividend for the year ended 31 December 2021 of GH¢1.0623 (2020: GH¢0.2129) per fully paid share paid out of retained earnings	36,966	7,409
During 2022, an interim dividend of GH¢1.1308 (2020: Nil) per fully paid share paid out of retained earnings	39,352	-
In addition to the above dividend, since year end, the Directors have proposed the payment of a final dividend of GH¢0.9435 per fully paid ordinary share (2021: GH¢1.0623).	32,833	36,966

**27. Basic and diluted earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021
Profit for the year attributable to ordinary equity holders (GH¢000)	160,354	92,423
Weighted average number of ordinary shares ('000)	<u>34,800</u>	<u>34,800</u>
<b>Basic earnings per share (Ghana pesewas)</b>	<b><u>4.6079</u></b>	<b><u>2.6558</u></b>

There were no potentially dilutive shares outstanding at 31 December 2022 or at 31 December 2021. Diluted earnings per share are therefore the same as basic earnings per share.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**28. Segment reporting**

The directors consider that there is only one business segment and that all its trading is conducted in Ghana. The main product of the Company is crude palm oil. The company sold 95% of its goods to its related parties - Wilmar Africa Limited, the parent company, Wilmar Trading PTE and African Consumer Products Limited.

**29. Commitment and contingent liabilities**

The company entered into an agreement with the Chiefs and people of Trebuom and other communities within the catchment zone for the development of 1,000 hectares of land. The company will fund the development of the plantation and the costs will be recovered from the fruits to be supplied from the plantation once developed. A total of 825 hectares have been developed with 633ha in the mature phase. The agreement is for a period of 25 years within which proceeds from the sale of the fruits to the company would be used to off-set the development costs incurred. The costs incurred at year end was GH¢22,106,908 (2021: GH¢11,696,300).

**30. Provisions**

As at 31 December 2022, there was no pending legal suit for which a provision has to be made.

**31. Employee benefit obligation**

The company operates an unfunded annualised employee benefit plan for its employees based on the length of service and at the time of retirement. With the exception of inflationary risk, the company's legal or constructive obligation is limited to the amount due when the employee is on retirement or at the next level of long service award. Under the annualised defined benefit plan, the obligation for each year is determined using the projected unit credit method. The most recent valuation was performed at year end by management with assistance from Global Actuarial Partners and the expense recognised in the current period in relation to these obligations was GH¢5.005 million (2021: GH¢1.214 million).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(a) Present value of defined benefit obligation	2022	2021
Obligation as start of year	3,512	3,124
Interest cost charge to profit and loss	1,035	437
Service cost charge to profit and loss	131	501
Benefits paid	(825)	(559)
Actuarial (gains)/losses	<u>(59)</u>	<u>9</u>
Obligation at close of year	<u>3,794</u>	<u>3,512</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**31. Employee benefit obligation (continued)**

The weighted average duration of the defined benefit obligation is 14.89 years (2021: 14.92 years). There were no remeasurement gains or losses as there were no plan assets during the year. (2021: Nil). There was also no change in demographic assumptions during the year. (2021: Nil).

(b) Present value of long service awards	2022	2021
Obligation as start of year	342	295
Interest cost charged to profit and loss	1,002	177
Service cost charged to profit and loss	184	200
Benefits paid	(449)	(229)
Remeasurement losses/(gains)	<u>2,653</u>	<u>(101)</u>
Obligation at close of year	<u>3,732</u>	<u>342</u>

(c) Significant estimates with actuarial assumptions and sensitivity	2022	2021
Discount rate	39.00%	17.49%
Inflation	22.00%	12.20%

(d) Sensitivity analysis		(e)	(f)		
Below is the sensitivity analysis of the significant actuarial assumptions adopted in determining the employee benefit obligations at year end 31 December 2022					
		Defined benefit obligation 2022	Long service awards 2022	Defined benefit obligation 2021	Long service awards 2021
Discount rate	+5%	3,331	3,345	3,705	322
	-5%	4,613	4,370	4,019	362
	+10%	4,222	4,145	3,865	376
Inflation	-10%	3,454	3,391	3,841	309

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions the same method (present value of the respective obligation at the end of the reporting period) has been applied as when calculating the employee benefit liability recognised in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*(All amounts are in thousands of Ghana Cedis)*

**31. Employee benefit obligation (continued)**

(e) Classification	2022	2021
The charge to statement of profit and loss has been split as follows:		
Interest cost charged to profit and loss	1,166	614
Service cost charged to profit and loss	1,186	701
Remeasurement loss/(gains) on Long Service award	<u>2,653</u>	<u>(101)</u>
	<u>5,005</u>	<u>1,214</u>
Operating expenses	1,282	305
Cost of sales	<u>3,723</u>	<u>909</u>
	<u>5,005</u>	<u>1,214</u>
The obligation in the statement of financial position has been classified as follows:		
Current	1,099	1,009
Non-current	<u>6,427</u>	<u>2,844</u>
	<u>7,526</u>	<u>3,853</u>

**(f) Risk exposure**

The most significant risk faced by the company is inflationary risk. A significant proportion of the company's employee benefit obligations are linked to salary inflation and higher inflation will lead to higher liabilities.

**32. Events after the reporting date**

There were no events after the reporting period, which could have had a material effect on the state of affairs of the Company as at 31 December 2022 and on the results for the year then ended which have not been adequately provided for and/or disclosed.

## SHAREHOLDERS' INFORMATION

### Shareholding distribution as at 31 December 2022

Holding	No. of shareholders	No. of shares	Holders %
1-1,000	7,933	2,113,434	6.07
1,001-5,000	395	744,508	2.14
5,001-10,000	50	369,556	1.06
Over 10,000	<u>54</u>	<u>31,572,502</u>	<u>90.73</u>
	<b><u>8,432</u></b>	<b><u>34,800,000</u></b>	<b><u>100.00</u></b>

### Directors' shareholding

The Director named below held the following number of shares in the Company as at 31 December 2022:

	Number of shares
Ms Esine Okudzeto	<u>240</u>

(All amounts are in thousands of Ghana Cedis)

Five-year financial summary	2022	2021	2020	2019	2018
<b>Results</b>					
Revenue	<u>340,496</u>	<u>214,174</u>	<u>123,817</u>	<u>95,620</u>	<u>79,091</u>
Profit before income tax	184,970	104,778	29,389	13,075	6,638
Income tax expense	(24,616)	(12,355)	(4,692)	(3,422)	(725)
Other comprehensive income	<u>59</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit after tax</b>	<b><u>160,413</u></b>	<b><u>92,414</u></b>	<b><u>24,697</u></b>	<b><u>9,653</u></b>	<b><u>5,913</u></b>
<b>Financial position</b>					
Intangible Assets	208	-	-	-	7
Property, plant and equipment and ROU asset	95,446	64,417	57,909	49,471	47,309
Biological assets	9,525	7,906	5,221	5,137	4,383
Long term accounts receivable	22,107	11,696	6,554	959	-
Cash and cash equivalents	47,739	32,996	22,832	10,618	8,223
Other current assets	<u>149,704</u>	<u>106,108</u>	<u>26,599</u>	<u>26,715</u>	<u>21,513</u>
<b>Total assets</b>	<b><u>324,730</u></b>	<b><u>223,123</u></b>	<b><u>119,115</u></b>	<b><u>92,900</u></b>	<b><u>81,435</u></b>
Total liabilities	55,999	38,484	19,481	16,049	13,054
Stated capital	2,000	2,000	2,000	2,000	2,000
Capital surplus account	-	-	-	7,629	7,629
Retained earnings	<u>266,731</u>	<u>182,639</u>	<u>97,634</u>	<u>67,222</u>	<u>58,752</u>
<b>Total equity and liabilities</b>	<b><u>324,730</u></b>	<b><u>223,123</u></b>	<b><u>119,115</u></b>	<b><u>92,900</u></b>	<b><u>81,435</u></b>