PRESCO PLC

RC 174370

Annual Report & Accounts 2012

PRESCO PLC

Producer of Specialty Fats and Oils

Presco is a fully integrated agro industrial establishment with oil palm plantations, palm oil mill, palm kernel crushing plant and vegetable oil refining plant. It is at present the only one of such in Nigeria.

Presco specializes in the cultivation of oil palm and in the extraction, refining and fractionation of crude palm oil into finished products.

Presco supplies specialty fats and oils of outstanding quality to customer's specification and assures reliability of supply of its products all year round. This is made possible by the integrated nature of the company's production process. Presco has commenced investments in the rubber sector and has already established a bud wood garden along with acquisition of approximately 14,000 ha of land for rubber plantation.

Contact information:

Presco Plc
Obaretin Estate
Km 22 Benin I Sapele Road
P0 Box 7061
Benin City, Edo State, Nigeria

Tel: +234 803 413 4444
Tel: +32 (0)2379 9230
Fax: +32 (0)2379 9232
e-mail: info.presco@siat-group.com
www.presco-plc.com

Contents

PRESCO PLC
RC 174 370

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of Presco Plc will be held at **The Dura Club, Obaretin Estate, Km. 22, Benin/Sapele Road, Ikpoba-Okha LGA, Edo State on Thursday 18th July 2013 at 11.00am** to transact the following business:

Ordinary Business

1. To lay before the meeting the audited accounts of the company for the year ended 31 December 2012 together with the reports of the Directors, Auditors and the Audit Committee thereon.
2. To declare a dividend
3. To elect and re-elect Directors
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect members of the Audit Committee.

Special Business

6. To approve the remuneration of Directors.

Notes

1. Proxy

A member of the company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy form is enclosed; executed proxy forms should be deposited at the office of the company's Registars, First Registrars Nigeria Limited, Plot 2, Abebe Village Road, Iganmu, Lagos not less than 48 hours before the time of the meeting.

2. Closure of Register and Transfer Books

The Register of Members and Transfer Books will be closed from **Monday 8 July** to **Friday 12 July 2013** (both days inclusive) to enhance preparation for the payment of dividend.

3. Dividend

If the dividend recommended by the Directors is approved, dividend warrants will be posted on Monday 29 July 2013 to the shareholders whose names are on the register of members at the close of business on Friday 5 July 2013.

4. Audit Committee

In accordance with Section 359(5) of the Companies and Allied Matters Act [capC20, Laws of the Federation of Nigeria, 2004] any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the meeting.

BY ORDER OF THE BOARD

Isaac O. Ona Esq.
Company Secretary

Registered Office

Obaretin Estate,
Km 22, Benin/Sapele Road
Ikpoba-Okha L.G.A.
Edo State.

Dated this 19th day of March 2013

Directors and Professional Advisers

BOARD OF DIRECTORS:

Mr. Pierre Vandebeeck	(Belgian)	Chairman
Mr. Uday Pilani	(Indian)	Managing Director
Mr. Pieter Vandessel	(Belgian)	Chief Operating Officer
H.R.H. (Dr) O. Akenzua, JP		Director (Died on 26th March, 2013)
Engr. J.B. Erhuero J.P mni OON		"
Mr. Osa Osunde		"
Chief O.F.J. Oyaide, OON		Director (Retired on July 25, 2012)
Mr. Atedo N. A. Peterside, CON		Director
Dr. Shettima Mustafa, CON		"
Miss Marie Vandebeeck	(Belgian)	"

COMPANY SECRETARY:

Isaac O. Ona Esq.

REGISTERED OFFICE:

Obaretin Estate,
Km. 22 Benin/Sapele Road
Ikpoba-Okha L.G.A
Edo State

REGISTRARS & TRANSFER OFFICE:

First Registrars Nigeria Ltd
Plot 2, Abebe Village Road,
P.M.B. 12692
Marina, Lagos

TECHNICAL PARTNER/ MANAGING AGENT:

sa Siat nv
Brussels, Belgium

SOLICITORS:

Abdulai, Taiwo & Co.
Goodwill House,
278, Ikorodu Road,
Lagos

AUDITORS:

Spiropoulos, Adiele, Okpara & Co.
(Member Firm, Grant Thornton)
3rd & 4th Floors,
294 Harbert Macaulay Way,
Sabo - Yaba
P.O.Box 5996, Surulere, Lagos, Nigeria.

Chairman's Statement

Distinguished Shareholders, Fellow Directors, Ladies and Gentlemen,

It is my pleasure to welcome you all to the 20th Annual General Meeting of our Company. As we all know, we are here today to consider the Annual Report and Accounts of the Company for the year ended 31 December 2012, but as usual, before doing that, it is necessary to review some of the relevant environmental factors under which we operated in the year 2012.

By the Fourth Quarter Report of the Central Bank of Nigeria, the National Bureau of Statistics (NBS) provisional data showed that the Country's gross domestic product (GDP) grew by 7.1 percent compared with 6.9 percent in the preceding quarter; the development was attributed largely to the increase in the contribution of industry and the non-oil sector.

Broad money supply (m2) grew by 7.6 percent at end of December 2012 relative to the level at end-September 2012. and this is said to reflect a 4.4 and 10.1 percent rise in domestic (net) and foreign assets (net) of the banking system respectively. Inflation rate on twelve month moving average was 12.0 percent, which was higher than that of the previous year which stood at 11.3 percent. Of concern are the increasing terrorist action of extreme militant groups in parts of the country. In spite of this, the year was very stable and peaceful and hence the good industrial environment that prevailed throughout the year.

Operating Results

Presco Plc continues to reap the benefit of its expansion programme of the previous years.The performance of the year 2012 can be described as very good. The fresh fruit bunches (ffb) production for the year was 125,481 MT compared to 109,111MT in the previous year. In addition 2012 was an exceptional year as Presco received 34,830 MT of FFB from its sister company, Siat Nigeria Ltd. The cumulative figure for FFB processed hence comes to 160,311 MT resulting a higher CPO production of 133,375 tons compared with 22,936 tons for the year 2011 and refined, bleached deodorized oil of 26,572 tons compared with 20,887 tons in 2011. Other oils produced was 14,600 (10,165 in 2011), our turnover for the year was N11,251,521,000 as against N8,536,172,000 the previous year, resulting in a profit after tax of N3,549,719,000.00 compared with 2011 which was N1,778,358,000.00.

Dividend

In compliance with our dividend policy supported by the good performance of the year, your Board of Directors has proposed a dividend of 100kobo per share, amounting to N1,000,000,000 for your approval, subject to withholding tax at the appropriate rate.

Community Relations

The Company's host communities development programme continued during the year ended 31 December 2012. The focus is on education, roads, water, and electricity infrastructure provision. We enjoyed very cordial relationship with the host communities as usual.

Research and Development

We are committed to Research and Development and devote each year more resources to this activity. Indeed we are, together with our international partners, at the forefront in the development of improved oil palm and rubber planting materials which aims at selecting strains adapted to our soil and weather and with increasing yield per planted hectare.

Our People

On behalf of the Board and Shareholders, I thank all employees and their families for their loyalty and commitment to our Company. We also wish to thank those who have retired after many years of loyal service.

Corporate Governance

We continue to strive to ensure we comply fully with the requirements of the various regulatory bodies. In line with national and international requirements for greater disclosure and transparency of corporate governance, this year's Annual Report as in the past contains an additional selection, "The Corporate Governance Report" "and the adoption of IFRS".

Appreciation

We continue to count on the support and technical expertise of our core shareholder, nv Siat sa, of which we hereby acknowledge. The contribution of Siat to Presco over the past 21years has been the foundation of the company's success.

To His Royal Majesty, the Oba of Benin and to the Government of Edo and Delta States may I express our deep gratitude for their continued support and for providing us with enabling and conducive environment to operate. Last but not the least, we all thank the management team for a job well done!

Finally, I thank all shareholders for their commitment and support.

Thank you.

Pierre Vandebeeck
Chairman

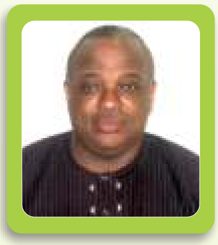
Directors of Presco

Mr. Pierre Vandebeeck
Chairman

Mr. Uday Pilani
Managing Director

HRH (Dr) O. Akenzua, JP
(Died on 26th March, 2013)

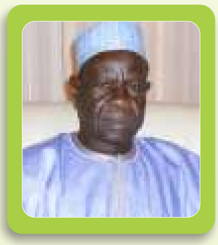
Engr. J. B. Erhuero, JP, mni, OON



Mr. Osa Osunde

Chief O.F.J. Oyaide, OON

Mr. Atedo N.A. Peterside, CON



Dr. Shettima Mustafa, CON

Pieter Vandessel

Miss Marie Vandebeeck

Directors' Profile

Mr. Pierre Vandebeeck (Chairman)

Mr. Pierre Vandebeeck, a Belgian, is the Chairman Board of Directors of Presco Plc. He holds degrees in Chemistry from the Higher Institution for Chemistry, Sint Truiden, Belgium and Tropical Agriculture Engineering from Agriculture College, Vilvoorder, Belgium. He started his career in 1969 with Afrifina s.a. and was seconded to the Democratic Republic of Congo where he worked in several capacities in coffee, cocoa, rubber and palm plantations. Responsible for establishing several oil palm estates in Nigeria, Mr. Vandebeeck joined Socfinco S. A. in 1974 to start Socfinco' Nigerian operations. He worked as plantation Manager for Adapalm from 1974 to 1978, then at the 10,000 hectare Risopalm oil palm project from 1978 to 1983. In 1983 he became the Director of Operations for Socfinco in Nigeria, responsible for the conception, preparation and implementation of major tree crop programmes for serveral state governements and private sector organizations. Prior to joining Presco in 1991 as Managing Director, he was Managing Director of Indufina s. a. Luxembourg from 1990 to 1991. He has been chairman and managing Director of Siat since 1991 and is a director of several other companies. Mr. Vandebeeck became the Chairman of Presco Plc on 1 January 2010.

Mr. Uday Pilani

Mr. Uday Pilani was elected a member of the Board of Directors of Presco Plc and appointed Managing Director on 19th November 2010. Until this appointment, he was the company's Director of Finance and Controls. Mr. Pilani was the CEO of Pilsu Nigeria Limited, Kano from 2003 to 2008; he previously worked for Pilani Exports (PEX), India, Jalwa Event Management, India and Strategic Stock Brokers, India as Partner. He is a holder of MBA (Finance) and Bachelor of Commerce.

HRH (Dr) Omeregie Akenzua, JP

HRH (Dr) Akenzua was the Enogie of Siluko. He was a marketing economist and member of the Nigerian Institute of Management. He was appointed to the Board of Presco Plc in June 1999. He has over the years held directorship position in several companies in the public and private sectors, including The Okomu Oil Palm Company Plc and Aiico Insurance Plc. He died on 26th March, 2013

Engr. (Chief) James B. Erhuero, JP, mni, OON

Engr. J.B. Erhuero joined the Board of Presco Plc on 15 July 2004. He was one time Secretary to the Delta State Governemtn where he previously served as head of Service. Before he became the Head of Service to the Delta State Government, he was a Permanent Secretary in the Delta State Civil Service. Engr. Erhuero holds a B.Sc honours degree in Mechanical Engineering, a Master Degree in Systems and Manufacturing Engineering and MBA amongst others. He is a Knight of St. Mulumba (KSM)

Chief Omoefe James Oyaide, OON

Chief Oyaide is an international civil servant cum diplomat, a development and management expert, a rural developer and a farmer. He holds B.Sc degree in Agriculture and Certificates in Advanced Management and Environmental impact Assessment respectively. After retiring from the Federal Civil Service of Nigeria as Director of Agriculture and Rural Agricultural Development, he joined the UN in 1989 and served as project controller (African Division) of the International Fund for Agricultural Development (IAFAD) in Rome, Italy. Chief Oyaide who was appointed to the Board in March 2003 was before then, an adviser to Siat (Nigeria) Ltd.

Mr. Osa Osunde

Mr. Osunde is a Chartered Stockbroker and presently the Managing Director and Chief Executive Officer of Fidelity Finance Company Limited. He holds a HND in Accountancy and a Fellowship of the Chartered Institute of Stockbrokers. He is also a council member of the same institute. An experienced capital market operator, he is a council member of The Nigerian Stock Exchange. He is a member of boards of many companies. He joined the board of Presco Plc in May 2003.

Mr. Atedo N. A. Peterside, CON

Mr. Peterside was appointed to the board in December 2005. Mr. Peterside, a highly experienced banker is the founder/ pioneer Chief Executive Officer of IBTC Limited. He is an economist by training with a B.Sc in Economics from the City University, London and M.Sc. from Te London School of Economics and Political Science. He was one time Chairman of the Committee on Corporate Governance for Public Companies in Nigeria. He is a director of the Nigerian Economic summit Group and a member of the Private Sector Advisory Board of the World Bank. He is currently the Chairman, Board of Directors of Stanbic IBTC Bank Plc and a member of Board of Directors of Nigerian Breweries Plc.

Dr. Shettima Mustafa, CON

Dr. Mustafa is a renowned Agriculturist who specialized in Plant Breeding and Agronomy.
He had served the Federal Republic of Nigeria in various capacities including Honourable Minister of Agriculture and Natural Resources between 1990 and 1992, Honourable Minister of Defence between 2008 and 2009 and Minister of Interior between 2009 and 2010. He previously held the position of Head, Agricultural Projects Monitoring and Evaluation Unit, where he was the Overseer of the ADPs nationwide. He holds a B.Sc Honours and Ph.D from the Ahmadu Bello University, Zara.

Mr. Pieter Van Dessel

Mr. Pieter Van Dessel is a Bio-engineer, majoring in Plant Protection with a minor in Tropical Agriculture. He had worked for nv Siat sa and Presco Plc from 2007 to 2008 as Project Manager/Agronomist, R&D 2008/2009. He was Director of Operations 2009-2010, and as the Chief Operating Officer to date. He was appointed as a Director of the Company on December 12, 2012

Miss Marie Vandebeeck

Miss Marie Vandebeeck was reappointed to the board of Presco Plc, in December 2012. She is a Belgian and the Deputy Managing Director in charge of Corporate Affairs at Siat sa, Brussels, Belgium. Previous positions held include Assistant to the COO for the African Region at Heidelberg Cement in Brussels; Deputy Managing Director in charge of Finance and Logistics at Siat sa, Brussels. She previously served at Siat Gabon where she held the position of Deputy Managing Director. She started her career at Siat sa, Brussels as Business Development Manager. Miss Vandebeeck holds a Master in Business Engineering from the Catholic University, Leuven and studied at College of management, ESC Lyon and followed with a general management program at the Vlerick Leuven-Ghent Management School. She is on the Board of Siat sa, Brussels and other Companies in the Siat Group.

Mr. Isaac O. Ona

Mr. Ona is the Company Secretary. He joined the Company in 2003 and became the substantive Company Secretary in July 2005. He served in the Nigerian Air Force where he held the position of Group Finance Officer. He subsequently joined the Universal Investment and Development Company Plc as Company Secretary, and became the Managing Director of the Company, a position he held for six years. He was a member of Board of Directors of Eternit Ltd, and UIDC Securities Ltd. Mr. Ona holds LLB (Hons) degree of the University of Benin, and a call to the Nigerian Bar. He also has MA (Business Law) from London Metropolitan University and is a Fellow of the Institute of Chartered Secretaries and Administrators (FCIS) and an Associate of the Institute of Chartered Arbitrators of Nigeria (ACIArb) (Nig).

The Directors submit their report together with the audited financial statements for the year ended December 31, 2012, which disclose the state of affairs of the company.

1. Principal Activities

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

2. Result

The Company's performance during the year under review is summarized below.

Turnover was 36.00.% higher than the previous year. A net operating profit after taxation of N3.488 Billion was achieved during the year under review compared to a (IFRS) profit of N1.796 Billion for the year ended December 31, 2011.

	2012 N'000
Revenue	11,251,521
Gain on Biological asset revaluation	998,582
	12,250,103
Result of the year	3,488,069

3. Dividend

In respect of the current year, the directors recommend for approval a dividend of 100 kobo per share amounting to N 1 billion, subject to the deduction of withholding tax at the appropriate rate.

At the last AGM, shareholders approved the directors' recommendation of a dividend of 100 Kobo per share amounting to N1 billion, subject to the deduction of withholding tax at the appropriate rate.

4. Directors

The directors who held office during the year and to the date of this report were:

Mr. Pierre Vandebeeck	(Belgian)	Chairman
Mr. U. Pilani	(Indian)	Managing Director
Mr. Pieter Vandessel	(Belgian)	Chief Operating Officer
H. R. H. (Dr.) O. Akenzua, JP		Director (Died on 26th March, 2013)
Engr. J. B. Erhuero, mni, JP, OON		"
Mr. Osa Osunde		"
Chief O. F. J. Oyaide OON		Director (Retired July 25, 2012)
Mr. Atedo N. A. Peterside, CON		Director
Dr. Shettima Mustafa, CON		"
Miss Marie Vandebeeck	(Belgian)	"

In accordance with the Company's Articles of Association, Dr. S Mustafa and Mr. Atedo Peterside retire at this Annual General Meeting; being eligible they offer themselves for re-election.

Miss Marie Vandebeeck, Mr. Pieter Vandessel, who were appointed directors after the last Annual General Meeting retire at this AGM and offer themselves for re-election.

5. Directors' Interest In Shares

The interest of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 275 of the Companies and Allied Matters Act, CAP C2O LFN 2004, and disclosed in accordance with the Listing Rules of the Nigerian Stock Exchange is as follows:

Names of Directors	As at December 31, 2012 (No. of Shares)
H. R. H. (Dr.) O. Akenzua, JP	562,000
Engr. J. B. Erhuero, mni, JP, OON	624,000
Chief O. F. J. Oyaide, OON	252,500
Mr. Atedo N. A. Peterside, CON	25,000,000
Dr. Shettima Mustafa, CON	167,500
Mr. Osa Osunde	1,000

There is no notification of any change in the above shareholding as at March 19, 2013.

6.1 Substantial Shareholders

The following shareholders held 5% and above of the issued share capital of the Company as at December 31, 2012.

	Shareholding %
sa Siat nv	60.00
Stanbic Nom/Amcon/Fin Bank Nig. Plc	8.16

6.2 Active Shareholders-summary (Share Range Analysis)

Rang		No of Holders	Holders%	Holders Cum	Units	Units %	Units Cum
1	1,000	2,383	25.29%	2,383	1,679,420	0.17%	1,679,420
1,001	5,000	3,831	40.66%	6,214	10,407,136	1.04%	12,086,556
5,001	10,000	1,351	14.34%	7,565	10,985,961	1.10%	23,072,517
10,001	50,000	1,394	14.79%	8,959	33,105,518	3.31%	56,178,035
50,001	100,000	256	2.72%	9,215	20,206,658	2.02%	76,384,693
100,001	500,000	157	1.67%	9,372	33,714,693	3.37%	110,099,386
500,001	1,000,000	19	0.20%	9,391	13,676,475	1.37%	123,775,861
1,000,001	5,000,000	21	0.22%	9,412	47,762,038	4.78%	171,537,899
5,000,001	10,000,000	4	0.04%	9,416	31,286,998	3.13%	202,824,897
100,000,001	50,000,000	5	0.05%	9,421	115,541,315	11.55%	318,366,212
500,000,001	100,000,000	1	0.01%	9,422	81,633,788	8.16%	400,000,000
5,000,000,001	1,000,000,000	1	0.01%	9,423	600,000,000	60.00%	1,000,000,000
Grand Total		9,423	100.00%		1,000,000,000	100.00%	

6.3 Fixed Assets

	N'000
Work in Progress	1,398,498
Building	165,274
Heavy Duty Equipment	269,175
Utilities	33,957
Furniture and Fittings	13,490
Motor Vehicles & Wheel Tractors	325,614
Processing Equipment	837,008
Biological Assets	825,024

7. Community Development Projects/Community Relations

The Company's host communities' development programme continued during the year ended December 31, 2012. The focus is on education, roads, water and electricity infrastructure provision. Total expenditure for the year was =N=43,335,696.

8. Donations

There was no donation during the year under review.

9. Research & Development

The Company commits itself to Research and Development. It is at the fore-front of new planting material development and has been successful in increasing the quantity of FFB and Oil per Ha of plantation.
We continue to make effort to be a leader in R & D and amount expended on R & D during the year under review was N148,312,045.

10. Employment Of Disabled Persons

The Company maintains a policy of giving fair consideration to applications for employment of disabled persons having regards to their particular aptitudes and abilities. At present there are three disabled persons employed by the Company.

11. Health, Safety And Welfare

Medical services are provided free of charge for Company employees at the estate clinics. Appropriate personal protective equipment is provided for employees at work. There is a fire-fighting programme, which involves all employees and the use of sophisticated equipment. Welfare facilities provided include housing for employees (or payment of an allowance in lieu) and transport to and fro the work place.

12. Employee Involvement And Training

The Company maintains communication and consultation on a regular basis with employee representatives to brief employees on matters affecting them. On-the-job training facilities are provided for all categories of employees with a view to improving their performance, job satisfaction and prospects. External training programme are also undertaken.

13. Events After The End Of The Reporting Period

There were no material events that occurred after the end of the reporting period.

14. Auditors

In accordance with Section 357(2) of the Companies and Allied Matters Act (CAP C20) 2004, Messrs. Spiropoulos, Adiele, Okpara & Co. (Chartered Accountants) will continue in office as Auditors to the Company having indicated their willingness to do so. A resolution will be proposed to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD

Isaac O. Ona Esq.
Company Secretary - March 19, 2013

Corporate Governance Report

For The Year Ended December 31, 2012

Presco Plc follows the Corporate Governance guidelines which is in compliance with the code of Corporate Governance for public companies in Nigeria, 2011 issued by the Securities and Exhange Commission. This is supplemented by the Corporate Governance guideline of Siat Group of which Presco Plc is a member. These Corporate Governance codes are in accord with international best practice.

The Board

The Board is made up of ten (10) Directors including the Chairman who has no executive responsibilities. The primary responsibility of the Board is to ensure that the Company's business strategy is appropriate and implemented effectively.

On appointment, Directors receive a comprehensive induction, including site visits and meetings with senior management to enable them familiarise themselves with the operations of the company, strategy plans and its business environment. Additional training is arranged as appropriate at the Company's expense.

Independence & Executive Status Of Directors

Mr. Pierre Vandebeeck	Non-Executive	
Mr. U. Pilani	Executive	
Mr. Pieter Vandessel	Executive	(Appointed Oct. 17, 2012)
H. R. H. (Dr.) O. Akenzua, JP	Independent	(Died on 26th March, 2013)
Engr. J. B. Erhuero, mni, JP, OON,	Independent	
Mr. Osa Osunde	Non-Executive	
Chief O. F. J. Oyaide, OON	Independent	(Retired July 25, 2012)
Mr. Atedo N. A. Peterside, CON	Non-Executive	
Dr. Shettima Mustafa, CON	Non-Executive	
Miss Marie Vandebeeck	Non-Executive	(Appointed Dec. 12, 2012)

Details of each Director's experience can be found on the Company's website.

Information about Directors' remuneration is covered in the Annual Report.

The average length of service of Directors is six years. However, one third of Directors retire annually by rotation and can present themselves for re-election.

Board Meetings

The Board of Directors met four times during the year, as follows:

Meeting Date	Main Items of Business
March 23, 2012	Review of 2011 accounts and operation report for the first two months.
June 25, 2012	Review of 2nd quarter operations report and Remuneration Committee's report. Adoption of order of proceeding of Annual General Meeting.
October 17, 2012	Review of 3rd quarter operation report and financial result. Appointment of Mr. Pieter Vandessel as a Director and the Presentation of 2013 Draft Budget.
December 12, 2012	Review of 4th quarter operation report and approval of meetings days for 2013. Appointment of Miss Marie Vandebeeck as a Director.

Attendance At Meeting By Board Members

The number of attendance at meetings by Board members during the year under review is as follows:

Names of Directors	Number of Attendance at Meetings	
Mr. P. Vandebeeck (Chairman)	4	
Mr. U. Pilani	4	
Engr. (Chief) J. B. Erhuero, JP, mni, OON	4	
Dr. S. Mustafa, CON	1	
Mr. Atedo N. A. Peterside, CON	2	
H.R.H. (Dr.) O. Akenzua, JP.	0	(Died on 26th March, 2013)
Chief O. J. Oyaide, OON	1	(Retired July 25, 2012)
Mr. Pieter Vandessel	1	
Mr. O. Osunde	1	
Miss Marie Vandebeeck	1	

Conflict Of Interest

All Directors and employees are expected to avoid direct or indirect conflicts of interest. Where a conflict of interest may arise in a matter to be decided by the Board of Directors, the Director concerned is expected to inform the Board and to abstain from voting. Transactions between the Company and Directors, where they arise, take place at arm's length.
There have been no transactions and other contractual relationships between the Company and its Board members and executive managers, which are not covered by its legal provisions on conflicts of interest.
The Company carries out transactions with its parent company, sa Siat nv on an arm's length basis. The terms and conditions of transactions are covered by an agreement between Siat and Presco Plc. These transactions are in the nature of secondment of personnel and the purchase and supply of equipment and materials.

Transaction In Shares And Compliance With Directives On Market Abuse

The use of inside or unpublished information about the Company in buying or selling of its shares is strictly forbidden. In order to comply with legislation on insider dealing and market manipulation (market abuse), Directors and executive management are expected to declare transactions on their own account in the shares or other financial instruments of the Company. Such transactions will be disclosed to the Securities and Exchange Commission (SEC).

Committees

Statutory Audit Committtee	
Mr. Famous Igbinevbo (Chairman)	Shareholder member, (elected on July 25, 2012).
H.RH. (Dr.) O. Akenzua, JP	Director member. (Died on 26th March, 2013)
Mr. Kingsley Iyekekpolor	Shareholder member, (elected on July 25,2012).
Engr. J. B. Erhuero, mni, JP, OON	Director member.
Engr. M.O. T. Tobun	Shareholder member, (elected on July 25, 2012).
Dr. Shettima Mustafa, CON	Director member.

Attendance at meetings by Statutory Audit Committee members

The number of attendance at meetings by Audit Committee members during the year under review is as follows:

Names of Audit Committee Members	Number of Attendance at Meetings	
Mr. Famous I. Igbinevbo (Chairman)	4	
Mr. Kingsley Iyekekpolor	4	
Engr. M. Olayiwola Tobun	4	
H. R. H. (Dr.) O. Akenzua	0	(Died on 26th March, 2013)
Chief J. B. Erhuero, mni, JP, OON	4	
Dr. S. Mustafa, CON	1	

The Audit Committee met four times during the year, as follows:

Meeting Date	Main Items Of Business
March 21, 2012	Consideration of the draft audited accounts and management report of the External Auditors for the year ended December 31, 2011.
July 24, 2012	Review of Internal Auditor's Report.
October 16, 2012	Appointment of Mr. F. Igbinevbo as Audit Committee Chairman and the review of Internal Audit Update Report.
December 12, 2012	Review of Internal Audit Report and the adoption of External Auditors' 2012 audit planning memorandum.

Remuneration Committee

A remuneration committee was constituted by the Board during the year under review in line with the requirement of Security and Exchange Commission (SEC). The members of the committee are:

Mr. Pierre Vandebeeck (Belgium)	Non Executive
Engr. J. B. Erhuero, JP, mni OON	Independent
Mr. Osa Osunde	Non Executive
Mr. Atedo N. A. Peterside, CON	Non Executive

There is currently no Board Business Development Committee because the full Board reviews the long-term business plan annually.

There is currently no Board Corporate/Public Relations Committee because the full Board regularly reviews and evaluates aspects of the social and business environment and duly guides Executive Management.

Company Secretary

All Directors have access to, and the services of the Company Secretary and may take independent professional advice at Presco's expense.

The Company Secretary is also responsible for facilitating the induction and professional development of Board members as well as ensuring information flow within the Board, its Committees and between the Non-Executive Directors and senior management.

The Company Secretary is Mr. Isaac Ona. He has held the position since July 2005.

Executive Management

Under the leadership of the Managing Director, Executive Management is responsible to the Board for the implementation of the strategy and policies approved by the Board, making and implementing operational decisions and running the Company. Non-executive Directors, using their knowledge and experience, challenge, monitor and approve the strategy and policies recommended by Executive Management.

Internal Audit

The Company's internal audit function reports to the Managing Director. For its day-to-day and project work. The department is guided by the instructions of the Audit Committee and the Company's Internal Audit Procedures Manual. The Internal Auditor is Mr. Michael O.A. Onabanjo. He has held the position since April 2012.

Environment, Health and Safety

The Company conducts its affairs in a safe and environmentally sustainable manner as well as promotes the health of its employees, contractors, customers and host communities. Presco Plc complies with all applicable environmental, health and safety laws and regulations and aims to improve its performance in these areas. Environmental, health and safety matters are integrated into business decision-making and training is provided to ensure that stakeholders are aware of the requirements of the Company's Corporate Governance Guidelines.

The company commits significant resources towards environmental protection, health and safety. There are independent departments with budgets for same. The company is playing a leading role in the bid to certify Nigerian Palm Oil under Roundtable for Sustainable Palm Oil (RSPO).

Major Contracts between the Company and Third Parties

There was no major contract with any third party.

Shareholder Relations

The Company is committed to maintaining good relations with all Shareholders through the annual report, general meetings, website and Presco News. Shareholders are able to put questions to the Board at the Company's Annual General Meeting. Directors are available to talk on an informal basis to Shareholders at the Annual General Meeting.

At least 21 days' notice of the Annual General Meeting is given to Shareholders.

Isaac O. Ona Esq.
Company Secretary
March 19, 2013

Statement of Directors' Responsibilities

For The Year Ended December 31, 2012

The Companies and Allied Matters Act, Cap C20 LFN 2004 requires the Directors to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the company at the end of each financial year and its profit or loss. The responsibilities include ensuring that the Company:

- Keeps proper accounting records that disclose with accuracy, the financial position of the company and comply with the requirement of the Companies and Allied Matters Act;
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the Nigerian Accounting Standards and the Companies and Allied Matters Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

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

Chairman

Managing Director/CEO

Certification Pursuant To Section 60(2) Of Investment And Securities Act No. 29 Of 2007

For The Year Ended December 31, 2012

We the undersigned hereby certify the following with regards to our financial reports for the year ended December 31, 2012 that:

a) We have reviewed the report;

b) To the best of our knowledge, the report does not contain:
i) Any untrue statement of a material effect, or
ii) Omit to state a material fact, which would make the statements, misleading in the light of the circumstance under which such statements were made;

c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the period presented in the report.

d) We:
i) Are responsible for establishing and maintaining internal controls;
ii) Have designed such internal controls to ensure that material information relating to the company are made known to such officers within the entity particularly during the period in which the periodic reports are being prepared;
iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
iv) Have presented in the report our conclusions about the effectiveness of the company's internal controls based on our evaluation as of that date;

e) We have disclosed to the Auditors and Audit Committee:
i) All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record process, summarise and report financial data and have identified for the company's auditors any material weakness in internal controls, and
ii) Any fraud, whether or not material, that involves management or other employees who have signficant role in the company's internal controls;

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

Managing Director/CEO

Chief Financial Officer

Report Of The Audit Committee

For The Year Ended December 31, 2012

In compliance with the provisions of section 359 (3) to (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the committee reviewed the Audited Financial Statements of the company for the year ended December 31, 2012 and report as follows:

1. The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.

2. The scope and planning of the external audit was adequate.

3. The Company maintained effective systems of accounting and internal control during the year.

4. The Company's management adequately responded to matters covered in the management report issued by the External Auditors.

Mr. Famous Igbinevbo
Chairman, Statutory Audit Committee

Members of the Statutory Audit Committee are:

1.	Mr. Famous Igbinevbo	Shareholder - Chairman	
2.	H.R.H (Dr.) O. Akenzua, JP.	Director - Member	(Died on 26th March, 2013)
3.	Mr. Kingsley Iyekekpolor	Shareholder - Member	
4.	Engr. J. B. Erhuero, mni, JP, OON	Director - Member	
5.	Engr. M. O. T. Tobun	Shareholder- Member	
6.	Dr. Shettima Mustafa, CON	Director - Member	

The Company Secretary, Mr. Isaac O. Ona, acted as secretary to the committee.

Spiropoulos, Adiele, Okpara & Co

Chartered Accountants
Nigerian Correspondent firm of
Grant Thornton International
Member of ICAN Faculties

Report of the Independent Auditors on the Financial Statements

To the members of Presco Plc.

Report on the Financial Statements

We have audited the accompanying financial statements of **Presco Plc,** for the year ended 31 December 2012, set out on pages 16 to 19 which have been prepared on the basis of significant accounting policies on pages 22 and the other explanatory notes on pages 31 to 44.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in **compliance with Financial Reporting Council of Nigeria Act, No. 6, 2011** and with requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. **We conducted our audit in accordance with Internaltional Standards on Auditing (ISA)** Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 December, 2012 in **compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011** and the Companies and Allied Matters Act, CAP C20, LFN 2004.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20, LFN 2004 requires that in carrying out our audit we consider and report to you 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 purpose of our audit.

ii) In our opinion, proper books of account have been kept by the Company; and

iii) The Company's Statement of financial position and its financial performance are in agreement with the books of accounts.

Spiropoulos, Adiele, Okpara & Co

(Chartered Accountants)
Benin City, NIGERIA
March 20, 2013.
FRN/2013/ICAN/00000001968

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A 243474

3rd & 4th Floor,
294, Herbert Macaulay Way
Sabo - Yaba
P. O. Box 5996, Surulere,
Lagos - Nigeria
Tel: 01 - 7744970, 0805 784 9477

Peter N. Orizu, Isaac E. Esene, Ngozi A. Ogwo, Orji J. Okpechi, Victor O. Osifo, Nkwachi U. Abuka.

Statement of Comprehensive Income

For The Year Ended December 31, 2012

	Notes	2012 N,000	2011 N,000
Revenue	5	11,251,521	8,536,172
Cost of sales	6	(6,016,135)	(4,484,970)
Gross Profit		**5,235,386**	**4,051,202**
Gain/(loss) on biological assets revaluation		998,582	471,118
Selling, general and administrative expenses		(1,968,941)	(1,496,352)
Distribution expenses		(181,977)	(140,938)
Other operating income	7	104,433	181,995
Operating profit		**4,187,484**	**3,067,025**
Financial income	8	(311,862)	(345,568)
Result before tax	9	**3,875,622**	**2,721,457**
Income tax expense (-)	10.1	(387,553)	(924,680)
RESULT OF THE YEAR		**3,488,069**	**1,796,777**
Other comprehensive income			
Actuarial gains (losses) on defined benefit plans		61,650	(18,419)
Income tax relating to components of other comprehensive income (-)			
Other comprehensive income, net of tax		**61,650**	**(18,419)**
TOTAL COMPREHENSIVE INCOME OF THE YEAR		**3,549,719**	**1,778,358**
Earnings Per Share (expressed in N per share)			
Basic		3.55	1.78

The statement of significant accounting policies and notes on pages 28 to 41 form an integral part of these financial statements.

Statement Of Financial Position

As At December 31, 2012

	Notes	Dec. 31, 2012	Dec. 31, 2011	Jan. 01, 2011
ASSETS				
Non-current assets	**Notes**	**N,000**	**N,000**	**N,000**
Intangible assets	11	169,024	166,063	126,909
Biological assets	12	16,839,424	15,719,891	15,143,200
Property, plant and equipment	13	8,534,791	6,251,093	5,050,441
Other non-current assets	14	110	110	110
		25,543,349	**22,137,156**	**20,320,660**
Current assets				
Inventories	15	1,798,846	1,847,739	722,054
Trade and other receivables	16	350,805	590,500	172,384
Other current assets	17	184,022	365,668	304,328
Cash and cash equivalents	18	129,483	28,959	161,524
		2,463,156	**2,832,866**	**1,360,291**
TOTAL ASSETS		**28,006,505**	**24,970,023**	**21,680,951**
EQUITY AND LIABILITIES				
Equity				
Share capital	19	500,000	500,000	500,000
Share premium		1,173,528	1,173,528	1,173,528
Retained earnings		15,371,339	17,083,877	11,606,062
Other reserves		43,231	(18,419)	-
		17,088,098	**18,738,986**	**13,279,590**
Non-current liabilities				
Provisions		730	730	730
Provisions for employee benefits		260,656	257,953	198,241
Financial liabilities	20	2,015,474	1,787,125	2,358,293
Deferred tax liabilities	21	5,852,143	1,610,267	5,081,506
		8,129,003	**3,656,075**	**7,638,770**
Current liabilities				
Provisions				
Financial liabilities	22	63,056	776,320	34,905
Trade and other payables	23	217,491	139,012	136,976
Current tax liabilities	10.2	32,009	203,864	26,719
Other current liabilities		2,476,848	1,455,766	563,990
		2,789,404	**2,574,962**	**762,590**
TOTAL EQUITY AND LIABILITIES		**28.006.505**	**24,970,023**	**21,680,951**

The statement of significant accounting policies and notes on pages 28 to 41 form an integral part of these financial statements.

Director

Director

Statement of Changes in Equity

As of December 31, 2012

	Share Capital	Share Premium N'000	Retained Earnings N'000	Other Reserves N'000	TOTAL N'000
Balance- January 1 ,2011	500,000	1,173,528	11,606,062	-	13,279,590
Net income for the year	-	-	1,796,777	-	1,796,777
Adjustment in intangible asset	-	-	11,072	-	11,072
Adjustment in PPE			259,218		259,218
Adjustment in employers benefit			2,690		2,690
Adjustment in Biological Assets			(131,924)		(131,924)
Adjustment in Others			4,076,689		4,076,689
Dividend paid			(500,000)		(500,000)
Under provision for deferred taxation in 2010	0	0	(18,287)	0	(18,287)
Other comprehensive income	-	-	(18,419)	(18,419)	(36,838)
Balance-December 31 ,2011	**500,000**	**1,173,528**	**17,083,877**	**(18,419)**	**18,738,986**
Balance - January 1 ,2012	500,000	1,173,528	17,083,877	(18,419)	18,738,986
Net income for the year	-	-	3,488,069	-	3,488,069
Dividend paid			(1,000,000)		(1,000,000)
Adjustment in intangible asset			(6,567)		(6,567)
Adjustment in PPE			142,664		142,664
Adjustment in Biological Assets			51,498		51,498
Adjustment in employers benefit			(71,638)		(71,638)
Adjustment in Others			(4,378,215)		(4,378,215)
Other comprehensive income			61,650	61,650	123,300
Balance-December 31 ,2012	**500,000**	**1,173,528**	**15,371,339**	**43,231**	**17,088,098**

Statement Of Cash Flows

For The Year Ended December 31, 2012

	Notes	Dec. 31 2012 N'000	Dec. 31 2011 N'000
Cash flows operating activities			
Profit before taxation		3,875,622	2,721,457
Adjustments:			
Interest paid		311,862	217,742
Amortisation of intangible assets		5,042	70,022
Amortisation of biological assets		58,067	43,696
Depreciation of property, plant and equipment		577,616	474,502
Unrealised net gain/(loss) arising from fair value changes		(257,192)	149,027
Loss /(profit) on disposal of fixed assets		181,703	(6,935)
Changes in assets and Liabilities			
Decrease/(increase) in inventory		48,892	(1,125,685)
Decrease/(increase) in trade and other receivables		239,695	(418,116)
Decrease/(increase) in other current assets		181,646	(61,340)
Increase/(decrease) in provision for employee benefit		2,703	59,712
Increase/(decrease) in financial liabilities (current)		(713,264)	741,414
Increase/(decrease) in trade and other payables		78,479	2,036
Increase/(decrease) in other current liabilities		1,021,082	891,777
			-
Tax paid		(559,408)	(73,257)
Net cash provided by operating activities		5,052,082	3,686,053
Cash Flows from Investing Activities			
Acquisition of Property and Equipment		(3,043,016)	(1,675,826)
Acquisition of Intangible Assets		(469)	(109,176)
Acquisition of biological assets		(825,024)	(752,311)
Proceeds on sale of assets		-	7,606
Net Cash used in Investing Activities		**(3,868,509)**	**(2,529,707)**
Cash Flows from Financing Activities			
Loan Received/(Repayment) during the year		228,350	(571,168)
Interest Paid		(311,862)	(217,742)
Dividend Paid		(1,000,000)	(500,000)
Net Cash used in Financing Activities		**(1,083,512)**	**(1,288,910)**
Net increase/(decrease) in Cash and Cash Equivalents		100,525	(132,565)
Cash and Cash Equivalents at January 1, 2012		28,959	161,524
Cash and Cash Equivalents at December 31		**129,483**	**28,959**

The statement of significant accounting policies and the notes on 28 to 41 form an integral part of these financial statements.

Notes To The Financial Statements

For The Year Ended December 31, 2012

1. General Information

Presco Plc was incorporated in Nigeria on 24th September, 1991 as Presco Industries Limited, a private limited liability company, and became a public limited liability company in February, 2002.

The company owns oil palm plantations, a palm oil mill and palm kernel crushing plant, vegetable oil refining and fractionation plants and is at present the only fully integrated company of its kind in Nigeria.

Presco Plc specializes in the cultivation of oil palms and in the extraction, refining and fractionation of crude palm oil into vegetable oil and palm stearin. The company supplies these specialty fats and oils to the high quality specifications of its customers and assures a reliability of supply of its products all year round, due to the integration of the entire cycle. The company operates from two States, Obaretin Estate and Ologbo Estate in Edo State and Cowan Estate in Delta State.

The Obaretin Estate was initiated by the then Bendel State Government in the second half of the seventies with financial support from World Bank as part of the State Government oil palm development programme. The implementing agency was the Oil Palm Company Limited (OPCL), a state government concern. In 1985, the Bendel State Government relinquished control of Obaretin Estate to President Industries Nigeria Limited, a textile manufacturing group. Planting activities resumed in 1986 and construction of an integrated processing facility began in 1989.

The President group operated the project, then known as Presco Oil Mill and Plantations, as a division until 1991, when Presco was established as an incorporated company and all the assets and liabilities of the project were transferred to the new company.

nv Siat sa, a Belgian company involved in plantation investment and management in West Africa was invited to participate in the company as Shareholders and Technical Partners in order to effect an intended broadening of the company's capital base by bringing in professional managers as shareholders.

President Industries then held 67% of Presco's paid-up share capital of N50,000,000 comprising 50 million ordinary shares of N1 each. Siat sa of Belgium held the balance of 33%. Following a capitalization exercise in 1995, the Siat group increased its shareholding in Presco to 50%. The Siat Group subsequently became the only shareholders in December 1997 when the President Group divested its interest in the company.

In 2002, the company became a public limited liability company and with a successful Initial Public Offer (IPO) completed in October the same year, Presco shares were admitted to quotation at The Nigerian Stock Exchange. Presco Plc's shares are now actively traded on The Nigerian Stock Exchange, with the Siat Group holding 60% while the Nigerian Public holds 40%.

On re-registration as Public Company in 2002, the authorized share capital of the company was raised to N250,000,000 divided into 500,000,000 ordinary shares of 50k each. The authorized share capital was raised to N500,000,000 in 2008 divided into 1,000,000,000 ordinary shares of 50k each, issued and fully paid up. There are currently 9,423 shareholders on the company's register of shareholders.

2. Basis of Preparation and Adoption of IFRS

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first financial Statements prepared in accordance with IFRS.The IFRS 1 - First-time Adoption of International Financial Reporting Standards have been applied.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the company is provided in note 27.

The Financial Statements were authorized for issue by the Board of Directors of Presco Plc on March 19, 2013.

(b) Basis of Measurement

The principal accounting policies applied in the preparation of the above financial statements are set out below. The financial statements have been prepared on the basis of the historical cost price method. Any exceptions to the historical cost price method are disclosed in the valuation rules described hereafter (such as biological assets).

(c) Functional and Presentation currency

These Financial Statements are presented in Nigeria Naira which is the company's functional currency. Except otherwise indicated, financial information presented in Nigerian Naira has been rounded to the nearest thousand.

(d) Use of Estimates and judgements

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Summary of Significant Accounting Policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the income statement part of the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

(b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;

The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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

(c) Biological Assets

Biological activities are measured at fair value (IAS 41).

Biological assets are recognised at the fair value according to an internal valuation model. This model is based on the discounted cash flow method (DCF).

The main variables in these models concern:

- Production volumes
- Selling price
- Cost price
- Discount rate

A biological asset or agricultural produce is only recognised when the entity controls the asset as a result of past events, and when it is probable that future economic benefits associated with the asset will flow to the Company and when the fair value or cost of the asset can be measured reliably.

A gain or loss arising on initial recognition of a biological asset at fair value less estimated selling costs and from the change in fair value less estimated selling costs of a biological asset is included in net profit or loss in the period in which it arises.

(d) Property, Plant & Equipment

Items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their cost, less accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Unless revised due to specific changes in the estimated useful life, annual depreciation rates are as follows:

- Buildings: 30 years
- Plant, Machinery: 10-20 years
- Furniture: 5-7 years
- Vehicles: 5-10 years
- IT equipment: 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Leases

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a financial liability.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(f) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

At this moment, the Company does only have financial assets classified as "loans and receivables".

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.
Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis.

The stock of finished products (including biological assets after harvest) are valued by adding production cost to the fair value of the biological asset concerned.

Inventories are written down on a case-by-case basis if the estimated net realizable value declines below the carrying amount of the inventories. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale. When the reason for a write-down of the inventories has ceased to exist, the write-down is reversed.

(i) **Cash and Cash Equivalent**

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

For the purpose of the statements of cash flows, cash and cash equivalents includes cash in hand and deposits held at call or short term maturity with banks (three months or less), net of bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

(j) **Shareholders' Equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the Company's equity holders.

(k) **Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is reasonably certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) **Retirement Benefits and Other Long Term Employee Benefits**

Employee benefits mainly concern:

- Retirement benefits: pension plans, termination benefits, other retirement obligations and supplemental benefits;
- Other long-term employee benefits: long-service benefits granted to employees according to their seniority in the Group;
- Other employee benefits: post-employment medical care.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses are recognised immediately in profit or loss. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(m) Financial Liabilities

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified as either “financial liabilities at fair value through profit or loss” or “other financial liabilities”.

The Company does not hold any financial liabilities at fair value through profit or loss.

Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(n) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.
The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(o) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (e.g. differences between carrying amounts under IFRS and the statutory tax bases). Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(p) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognized using the effective interest rate method.

Dividends are recognized when the right to receive payment is established.

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following area are areas where key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Useful lives of property, plant and equipment
- Valuation of biological assets at fair value
- Post-employment benefits

	2012 N'000	2011 N'000
5. Revenue		
Local sales		
Sales of main products	11,251,521	8,526,198
Mill by-products	0	6,148
Sales of palm seedlings & fertilizers	0	1,068
Export sales	0	2,758
	11,251,521	**8,536,172**
6. Cost of sales		
Raw materials consumed	3,129,954	2,227,999
Upkeep of mature plantings, harvesting & lab.	645,221	618,730
Mill processing, refinery and packaging costs	2,240,960	1,638,241
	6,016,135	**4,484,970**
7. Other Operating Income		
Discount received	0	41,683
Live stock sales	188	121,078
Various services	93,231	19,233
Bad debt written off recovered	11,013	0
Financial income	1	0
	104,433	**181,994**

Notes To The Financial Statements

For The Year Ended December 31, 2012 Cont'd

		2012	2011
8.	**Financial Expenses**	N'000	N'000
	Interest on loans	283,434	335,509
	Interest on Overdrafts, etc.	28,428	10,058
	Total interest expenses	**311,862**	**345,567**
9.	**Profit before taxation**		
	Profit before taxation is stated after charging/ (crediting) the following:		
	Depreciation of fixed assets	640,725	532,826
	Directors' remuneration	13,581	6,102
	Auditors' remuneration	12,000	8,000
	Loss/(Profit) on disposal of fixed assets	39	(4,154)
	Interest on loans, overdraft, etc	311,862	345,568
	Management fee	300,000	279,800
	Seconded staff cost	458,482	465,821
	Exchange (gain)/loss	(17,619)	14,854
10.	**Tax expenses**		
10.1	**Income tax**		
	Provision for the year	258,727	150,547
	Adjustment	41,273	36,796
		300,000	**187,343**
10.2	**Education tax**		
	Provision for the year	**87,553**	63,059
10.3	**Deferred tax**		
	Provision for the year	**0**	**674,278**
	Total tax expenses	**387,553**	**924,680**

11. Intangible assets	Software
	N
At January 1, 2011	
Cost	167,922
Accumulated amortization	(41,013)
Net book value	126,909
Year ended December 31, 2011	
Opening net book value	126,909
Additions	109,176
Amortization for the year	(70,022)
Closing net book value	166,063
At December 31, 2012	
Cost	285,101
Accumulated amortization	(116,078)
Net book value	169,024
Year ended December 31, 2012	
Opening net book value	166,063
Additions	469
Revaluation	

Amortization of =N= 5,042 (2011 : =N= 70,022) is included in cost of sales in the statement of comprehensive income.

The measurement of biological assets at fair value less costs to sell instead of at cost is the most important difference between Nigerian GAAP and IFRS.

12. Biological assets

At January 1, 2011	**N**
Cost	1,689,295
Accumulated amortization	(188,761)
Revaluation of biological assets	13,642,667
Net book value	15,143,200
Year ended December 31, 2011	
Opening net book value	15,143,200
Additions	752,311
Amortization for the year	(43,696)
Revaluation of biological assets	(131,924)
Closing net book value	15,719,891
At December 31, 2012	
Cost	17,129,949
Accumulated amortization	(290,525)
Net book value	16,839,424
Year ended December 31, 2012	
Opening net book value	15,719,891
Additions	825,024
Revaluation of biological assets	352,576
Amortization for the year	(58,067)
Closing net book value	**16,839,424**

At 31st December 2012, Presco's material biological asset consists only in palm trees coming from 3 existing estates (Obaretin, Cowan and Ologbo):

- Mature Palm trees for a total of 8,310 hectares;
- Immature Palm trees for a total of 3,413 hectares and;
- Pre nursery and Main nursery seedlings available to generate a total of 3,062 hectares of planting.

Since no reliable market-based prices are available to value the biological asset, the calculation method used being called the income method determines the present value of expected net cash flows from the biological asset in its present location and condition, discounted at a current market-determined rate. Net cash flow that the asset is expected to generate in its most relevant market meaning at the earliest point at which a market exists being the price/ MT of FFB used to value the harvest net of cost of up keeping, harvesting, transporting and selling the fruits. Any cash flows for financing the assets, taxation or re-establishing biological assets after harvest have been excluded. The assumptions applied in the valuation were an assumed CPO CIF Rotterdam price of 1,170 USD and a discount rate of 23% at 31st December 2012 (CPO CIF Rotterdam price per 31st December 2011 of 1,050 USD).

13. Property, Plant And Equipment

	Building	Leasehold Land	Processing Equipment	Heavy Duty Equip	Vehicles & Wheel Tractors	Furniture & Fittings	Utilities	Work-In-Progress	Total
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
At January 1, 2011									
Deemed Cost	519,768	1,272,724	2,914,982	352,034	562,099	264,773	236,087	1,953,612	8,076,079
Accumulated Depreciation	230,751	447,406	1,494,114	134,299	318,958	247,760	152,350	0	3,025,638
Net Book Value	289,017	825,318	1,420,868	217,735	243,141	17,013	83,737	1,953,612	5,050,441
Year ended December 31, 2011									
At January 1, 2011	289,017	825,318	1,420,868	217,735	243,141	17,013	83,737	1,953,612	5,050,441
Additions	89,507	1,810	729,331	40,636	183,950	34,990	9,036	(843,969)	245,291
Reclassification	914,721	0	515,704	0	110	0	0	0	1,430,535
Disposals	-	-	-	-	(671)	-	-	-	(671)
Depreciation for the period	(28,850)	(59,326)	(230,703)	(45,601)	(85,158)	(8,728)	(16,136)	-	(474,502)
Closing net book value	1,264,395	767,802	2,435,200	212,770	341,372	43,275	76,637	1,109,643	6,251,094
At December 31, 2011									
Cost	1,523,996	1,274,534	4,160,017	392,670	706,395	299,763	245,123	1,109,643	9,712,141
Accumulated depreciation	259,601	506,732	1,724,817	179,900	365,023	256,488	168,486	-	3,461,047
Net book value	1,264,395	767,802	2,435,200	212,770	341,372	43,275	76,637	1,109,643	6,251,094
Year ended December 31, 2012									
At January 1, 2012	1,264,395	767,802	2,435,200	212,770	341,372	43,275	76,637	1,109,643	6,251,094
Additions	165,274	-	837,008	269,175	325,614	13,490	33,957	1,398,498	3,043,016
Disposals				(176,705)	(4,998)				(181,703)
Depreciation for the period	(30,396)	(58,962)	(269,026)	(79,132)	(109,259)	(12,419)	(18,422)	-	(577,616)
Closing net book value	1,399,273	708,840	3,003,182	226,107	552,730	44,345	92,172	2,508,141	8,534,791
At December 31, 2012									
Cost	1,689,270	1,274,534	4,997,025	485,139	1,027,012	313,253	279,080	2,508,141	12,573,454
Accumulated depreciation	289,997	565,694	1,993,843	259,032	474,282	268,907	186,908	-	4,038,663
Net book value	1,399,273	708,840	3,003,182	226,107	552,730	44,345	92,172	2,508,141	8,534,791

14. Other non-current assets	Dec. 31, 2012	Dec. 31, 2011	Jan. 01, 2011
	N,000	N,000	N,000
Guarantee Paid in Cash	110	110	110

15 Inventories			
Raw Materials	-	-	9,000
Supplies	894,898	698,936	568,775
Finished Goods	85,230	389,531	43,712
Goods in Transit	818,718	759,272	100,567
	1,798,846	**1,847,739**	**722,054**

16. Trade and other receivables			
Trade receivables	350,805	590,500	172,384
Less: allowance for doubtful accounts	-	-	-
Trade receivables-net	**350,805**	**590,500**	**172,384**

17. Other current assets			
Payments in Advance	14,054	51,104	44,633
Amount Reinvoiced	58,404	160,001	3,581
Sundry Debtors	111,565	154,563	256,114
	184,023	**365,668**	**304,328**

	Dec. 31, 2012 N,000	Dec. 31, 2011 N,000	Jan. 01, 2011 N,000
18. Cash and cash equivalents			
Cash at bank and on hand	129,483	28,959	161,524
Bank overdraft	(63,056)	(754,055)	-
Cash and cash equivalents	**66,427**	**-725,096**	**161,524**

19. Share Capital	Number of shares	Norminal Value =N=	=N=
Opening balance as at January 1, 2011 and December 2011	1,000,000,000	0.50	500,000
Opening balance as at January 1, 2012	1,000,000,000	0.50	500,000
Balance as at December 31, 2012	**1,000,000,000**	**0.50**	**500,000**

20. Financial Liabilities (Non - Current)			
Bank Overdraft	63,097	776,320	128,194
UBA CACS Loan & Leases	1,293,612	1,779,256	2,000,000
Access Bank		7,869	230,099
Zenith Bank Import Finance Facility	721,862		
	2,015,474	**1,787,125**	**2,358,293**
21. Deferred Taxation			
Balance as at January 1	1,610,848	5,081,506	673,990
Provision for the year	0	674,278	206,913
	1,610,848	**5,755,784**	**880,903**
Adjustment	4,241,876	(4,144,936)	4,200,603
	5,852,724	**1,610,848**	**5,081,506**
22. Financial Liabilities (Current)			
Bank Overdraft	63,056	776,320	-
Siat sa EUR	-	-	34,905
	63,056	**776,320**	**34,905**
23. Trade and Other Payables			
Suppliers	**217,491**	**139,012**	**136,976**
24. Current Tax Liabilities			
24.1 Income tax			
Opening balance	150,547	0	0
Provision for the year	258,727	494,344	0
Other estimates	165	165	0
	409,439	**494,509**	**0**
Payment during the year	(510,000)	(343,798)	0
	(100,561)	**150,711**	**0**
24.2 Education tax			
Opening balance	203,864	26,718	13,731
Provision for the year	87,553	126,275	33,732
Other estimates	(95,394)	(36,624)	(18,692)
	196,023	**116,369**	**28,771**
Payment during the year	(63,453)	(63,216)	(2,053)
	132,570	**53,153**	**26,718**
Total tax liabilities	**32,009**	**203,864**	**26,718**

	Dec. 31, 2012 N,000	Dec. 31, 2011 N,000	Jan. 01, 2011 N,000
25. Other Current Liabilities			
Advances from customers	-	-	3,200
Accruals	823,820	685,408	349,417
Sundry creditors	157,594	766,897	211,372
	981,414	**1,452,305**	**563,990**

26. Reconciliation of The Transition To IFRS	Notes	NIGERIAN GAAP N,000	Adj N,000	IFRS N,000
Revenue		8,536,172	-	8,536,172
Cost of sales		(4,306,177)	1,203,845	(3,102,332)
Gross profit		**4,229,995**	**1,203,845**	**5,433,840**
Gain/(loss) on biological assets revaluation		-	471,118	471,118
Selling, general and administrative expenses		(1,493,234)	(1,526,691)	(3,019,925)
Distribution expenses		-	-	-
Other operating expenses		-	-	-
Other operating income		61,286	120,709	181,995
Operating profit		**2,798,047**	**268,981**	**3,067,028**
Financial income		-	-	-
Financial expenses		(217,742)	(127,826)	(345,568)
Exchange gains/(losses)		-	-	-
Result before tax		**2,580,305**	**141,155**	**2,721,460**
Income tax expense (-)		(887,884)	(36,796)	(924,680)
RESULT OF THE PERIOD		**1,692,421**	**104,359**	**1,796,780**
Other comprehensive income				
Exchange differences on translating foreign operations		-	-	-
Actuarial gains (losses) on defined benefit plans		-	(18,419)	(18,419)
Income tax relating to components of other comprehensive income (-)		-	-	-
Other comprehensive income, net of tax		**-**	**(18,419)**	**(18,419)**
TOTAL COMPREHENSIVE INCOME OF THE PERIOD		**1,692,421**	**85,940**	**1,778,361**

27. Nigeria GAAP to IFRS

	Notes	December 31, 2011 NIGERIAN GAAP N,000	Adj N,000	IFRS N,000	January 1, 2011 NIGERIAN GAAP N,000	Adj N,000	IFRS N,000
Assets							
Non-current assets							
Intangible assets		-	166,063	166,063	-	126,909	126,909
Biological assets		-	15,719,891	15,719,891	-	15,143,200	15,143,200
Property, plant and equipment		7,550,528	(1,299,435)	6,251,093	5,914,343	(863,902)	5,050,441
Other non-current assets		-	110	110	-	110	110
		7,550,528	**14,586,629**	**22,137,157**	**5,914,343**	**14,406,317**	**20,320,660**
Current assets							
Inventories		2,017,738	(169,999)	1,847,739	828,482	(106,428)	722,054
Trade and other receivables		956,277	(365,777)	590,500	172,384	0	172,384
Other current assets		-	365,668	365,668	304,333	(5)	304,328
Cash and cash equivalents		28,958	1	28,959	161,524	0	161,524
		3,002,973	**(170,107)**	**2,832,866**	**1,466,722**	**(106,432)**	**1,360,290**
TOTAL ASSETS		**10,553,501**	**14,416,522**	**24,970,023**	**7,381,065**	**14,299,885**	**21,680,950**
Equity							
Share capital		500,000	-	500,000	500,000	0	500,000
share Premium		1,173,528	(0)	1,173,528	1,173,528	0	1,173,528
Retained earnings		3,017,625	14,066,252	17,083,877	1,843,494	9,762,568	11,606,062
Other reserves		-	(18,419)	(18,419)	1,174	(1,174)	-
		4,691,153	**14,047,833**	**18,738,986**	**3,518,196**	**9,761,395**	**13,279,590**
Non-current liabilities							
Provision		-	730	730	-	730	730
Provision for employment benefits		196,015	61,938	257,953	151,303	46,938	198,241
Financial liabilities		1,626,917	160,208	1,787,125	2,296,528	61,765	2,358,293
Deferred tax liabilities		1,573,471	36,796	1,610,267	880,903	4,200,603	5,081,506
		3,396,403	**259,672**	**3,656,075**	**3,328,734**	**4,310,036**	**7,638,770**
Current liabilities							
Financial liabilities		754,055	22,265	776,320	-	34,905	34,905
Trade and other payables		1,508,026	(1,369,014)	139,012	150,150	(13,174)	136,976
Current tax liabilities		203,864	0	203,864	26,719	-	26,719
Other current liabilities		-	1,455,766	1,455,766	357,266	206,723	563,990
		2,465,945	**109,017**	**2,574,962**	**534,135**	**228,454**	**762,590**
TOTAL EQUITY		**10,553,501**	**14,416,522**	**24,970,023**	**7,381,065**	**14,299,885**	**21,680,950**

	Dec. 31, 2012 N,000	Jan. 01, 2011 N,000
28.1 Directors		
Directors Remuneration Fees	8,981	6,102
Others	4,600	5,403
	13,581	11,505
Chairman	4,309	2,719
Highest Paid Director	3,954	2,685

The number of Directors with gross emoluments within the bands stated were:

N	N	Number	Number
600,000	610,000	0	0
690,000	700,000	0	0
1,320,000	1,330,000	9	9
1,450,000	1,460,000	1	1
1,500,000	Above	0	0
		10	**10**

28.1 Employees

	Number	Number
Average number of persons employed during the year:		
Management Staff	25	30
Senior Staff	72	68
Junior	352	347
	449	**445**
	N'000	N'000
Aggregate payroll costs:		
Wages, salaries and allowances	424,448	397,146
Gratuity and pension costs	24,831	61,525
	449,279	**458,671**

The table below shows the salary band and the number of the employees of the company, other than employees who discharged their duties wholly or mainly outside Nigeria during the year.

		2012
		N'000
Number	Number	N
70,001	200,000	0
200,001	300,000	0
300,001	400,000	6
400,001	500,000	348
500,001	600,000	0
600,001	700,000	38
700,001	800,000	1
800,001	900,000	0
900,001	1,000,000	18
1,000,001	1,100,000	9
1,100,001	1,200,000	6
1,200,001	1,300,000	0
1,300,001	1,400,000	0
1,400,001	1,500,000	0
1,500,001	1,600,000	0
1,600,001	1,700,000	0
1,700,001	1,800,000	0
1,800,001	1,900,000	0
1,900,001	2,000,000	0
2,000,001	3,000,000	23
3,000,001	4,000,000	2
		449

29. Contingent Liabilities

The company is the defendant in various law suits arising from normal course of business.

There were contingent liabilities as at December 31, 2012 in respect of pending litigations estimated at N305,290,114.

30. Capital Commitments

Capital expenditure authorised by the directors, but not provided for in these financial statements was N752.7 million (2011 N1.172 billion)

31. Related Party Transactions

sa Siat nv, Belgium

Presco Plc is a subsidiary of sa Siat nv, Belgium with 60% holding. The company had significant transactions during the year.

Ghana Oil Palm Development Company Limited

Ghana Oil Palm Development Company Limited is a related Company to Presco Plc. During the year, the company had no significant transactions.

Siat Gabon

Siat Gabon is a related company to Presco. There was no material transaction between the two companies during the period.

Compagnie Hévéicole de Cavally, Ivory Coast

Compagnie Hévéicole de Cavally is a related company to Presco Plc. There was no material transaction between the two companies during the year.

32. Comparative Figure

Some comparative figures have been restated to reflect a more meaningful comparison.

Due to changes in format to comply with satutory requirements some comparative figures are not available.

Share Capital History

Year	AUTHORISED Number of Share	Value (Naira)	FULL PAID Number of Share	Value (Naira)	Description
1991	50,000,000	50,000,000	50,000,000	50,000,000	*Cash*
1992	50,000,000	50,000,000	50,000,000	50,000,000	
1993	50,000,000	50,000,000	50,000,000	50,000,000	
1994	100,000,000	100,000,000	100,000,000	100,000,000	*cash*
1995	100,000,000	100,000,000	100,000,000	100,000,000	
1996	130,000,000	130,000,000	100,000,000	100,000,000	
1997	130,000,000	130,000,000	100,000,000	100,000,000	
1998	130,000,000	130,000,000	130,000,000	130,000,000	*conversion of debt to equity*
1999	260,000,000	130,000,000	260,000,000	130,000,000	*conversion of share N1 to 50k*
2000	260,000,000	130,000,000	260,000,000	130,000,000	
2001	500,000,000	250,000,000	300,000,000	150,000,000	*conversion of debt to equity*
2002	500,000,000	250,000,000	500,000,000	250,000,000	*IPO*
2003	500,000,000	250,000,000	500,000,000	250,000,000	
2004	500,000,000	250,000,000	500,000,000	250,000,000	
2005	500,000,000	250,000,000	500,000,000	250,000,000	
2006	500,000,000	250,000,000	500,000,000	250,000,000	
2007	500,000,000	250,000,000	500,000,000	250,000,000	
2008	1,000,000,000	500,000,000	1,000,000,000	500,000,000	*Bonus of 1:1*
2009	1,000,000,000	500,000,000	1,000,000,000	500,000,000	

BONUS HISTORY

Date Issued	Number Issued	Amount (Naira)	Bonus Ratio
2008	500,000,000	250,000,000	0

PROXY FORM

20TH ANNUAL GENERAL MEETING

I/We* ....
the undersigned, being a member/members of Presco Plc, Rc 174370, hereby appoint

**..
or failing him/her.

**..
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 18th July 2013 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he / she thinks fit.

Dated This..............................day of..............................2013

Signature..

NOTES
1. This form of proxy together with the power of attorney or other authority. If any, under which it is signed or a notarially certified copy thereof must reach the company Secretary's office at Obaretin Estate, km 22, Benin/Sapele Road, Ikpoba-Okha Local Government Area PO Box 7061, Benin City, Edo State, not less than 48 hours before the time of the meeting
2. Where the appointer is a corporation, this form may be under seal or under hand of an officer or attorney duly authorised.
3. This proxy will be used in the event of a poll being directed, or demanded.
4. In the case of joint holders the signature of any one of them will suffice, but the names of all joint holders must be shown.

THE PROXY WILL VOTE (OR ABSTAIN FROM VOTING) AS HE/SHE THINKS FIT IN RESPECT OF ANY OTHER, BUSINESS PROPOSED AT THE MEETING OF PRESCO PLC. RC 174370 (20TH ANNUAL GENERAL MEETING) HELD AT THE DURA CLUB, OBARETIN ESTATE, KM 22 BENIN/SAPELE ROAD, IKPOBA/OKHA LGA, EDO STATE ON THURSDAY 18 JULY 2013 AT 11.00 AM.

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

ORDINARY RESOLUTION	FOR	AGAINST
1. To declare a dividend		
2. To elect and re-elect Director		
3. To authorise Directors to fix the remuneration of the Auditors		
4. To elect members of the Audit Committee. Name of Candidate:.................. Name of Candidate:.................. Name of Candidate:..................		

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

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

ADMISSION CARD

PRESCO PLC, RC 174370,

Number of shares held...
please admit the shareholder named on this form or his/her duly appointed proxy to the company's 20th Annual General meeting to be held at the Dura Club, Obaretin Estate Km. 22, Benin/Sapele Road, Ikpoba-Okha L.G.A, Edo State on Thursday 18th July, 2013 at 11:00am.

Name of Shareholder: * .... Signature..
Name of Proxy: ** .... Signature..

A member (shareholder) entitled to attend and vote is enttitled to apoint a proxy to attend and vote instead of him/her.
A proxy need not be a member. The proxy form has been prepared to enable you to exercise your right to vote.

IMPORTANT
Please insert name in BLOCK CAPITALS on both the proxy form and admission card where marked*
If a proxy is attending on your behalf, please insert the name of the person, whether a member of the Company or not, who will attend the meeting and vote on your behalf where marked**

The Company Secretary
Presco Plc, Km. 22, Benin/Sapele Road
Ikpoba-Okha Local Government Area
PO Box 7061, Benin City, Edo State.


PRESCO
PLC
REFINED PALM KERNEL
RBDPO
PFAD
Palm Olein
Palm Stearin

Note


PRESCO Plc
RC 174 370