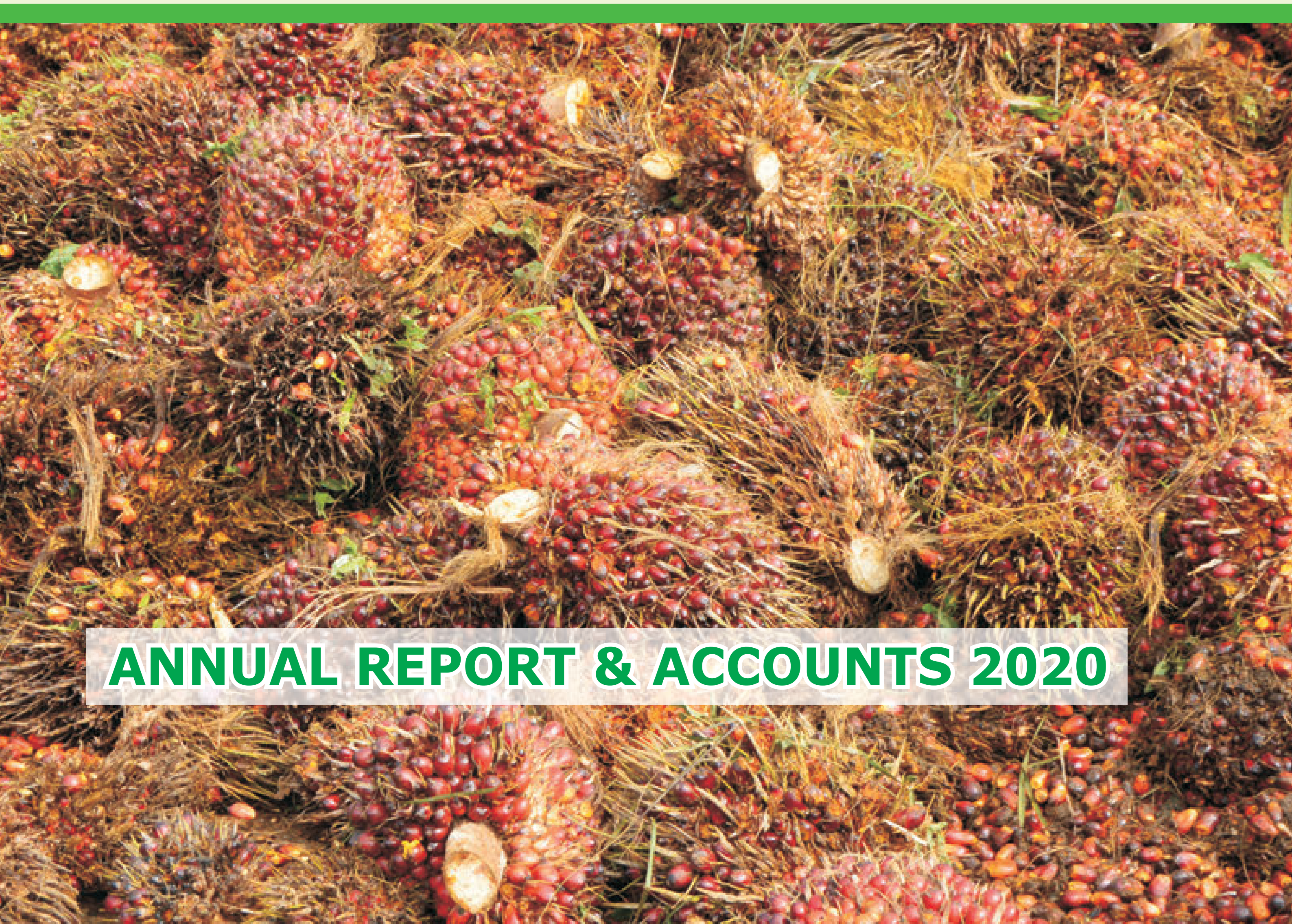
Presco

PRESCO PLC

RC 174370



ANNUAL REPORT & ACCOUNTS 2020


Fresh Palm Fruit
Crude Palm Oil
PFAD
RBDPO
Palm Olein
Palm Stearin
Palm Kernel Oil


Cuisin'Or
CHOLESTEROL FREE
Oil for frying and seasoning
5 Litres x 4 Packs
NAFDAC REG

Contents

COMPANY PROFILE

Presco is a Public Limited Company (PLC) incorporated on September 24, 1991 and listed on the Nigerian Stock Exchange in 2002 after a successful initial public offer. Presco PLC is a fully integrated agro-industrial establishment with oil palm plantations in Edo and Delta States, palm oil mill, palm kernel crushing plant and vegetable oil refining plant and operates as a major producer of specialty oils and fats of outstanding quality in the Nigeria oil palm and vegetable oil industry. Its corporate head office is at Obaretin Estate, Km 22 Benin/Sapele Road, Ikpoba-Okha L.G.A Edo State.

Brief History: sa Siat nv, a Belgium company, became involved in Presco in 1991 at which time 2,700 hectares were planted at Obaretin Estate, a palm plantation formally owned by the old Bendel State Government. Under the management of Siat, Presco has over the years significantly expanded its oil palm plantations and industrial facilities. With a total land bank of about 40,000 hectares in its holdings, of which about 25,000 hectares is fully planted with oil palm, Presco PLC is making giant strides in the agro-business sector in Nigerian economy.

Our Products: We produce and supply specialty fats and oils of outstanding quality to customer's specification and guarantee reliable supply of these products all year round due to the fully integrated nature of our operations. Our products include Special Palm Oil (SPO), Crude Palm Kernel Oil (CPKO), Refined Bleached Deodorized Oil (RBDO), Olein, Stearin, Palm Fatty Acid Distillate (PFAD) and Palm Kernel Cake.
To make its products available for household use, a Jerry can plant for bottling vegetable oil in small jerry cans of 25 litres and 5 litres was installed.

Employment: Presco is one of the largest employers of labour in Edo and Delta states, with a total of about 8,000 employees. Presco's operations positively impact on the livelihoods of many more people through the business opportunities made available across its business value chain.

Community Relations: In order to sustain a friendly operating environment, and in an effort to ensure that its presence impacts positively on the lives and social well-being of its host communities, Presco's Corporate Social Responsibility Policy focuses on the provision of educational infrastructure and scholarships, road maintenance, provision of electricity, potable water supply and other essential basic services for its host communities.

Environment: Presco firmly believes in environmentally friendly and sustainable operation. All factory wastes from the oil mill are recycled into the plantation or used as fuel to generate green process steam and energy. The company now rely majorly on green energy for its operation at Obaretin Estate by harnessing methane gas produced from its palm oil mill effluent through its bio-methanisation plant commissioned in 2014. We are also a leader in the effort to develop the national interpretation for Round Table on Sustainable Palm Oil (RSPO) in Nigeria and are currently working towards RSPO certification.

Research and Development: Presco is committed to and actively involved in research and development. The company is at the forefront of new planting material development and has been very successful in increasing the quality of fresh fruit bunches (FFB) and oil production per hectare of land cultivated. Presco continues to invest efforts to become a known leader in research and development in the oil palm industry.

Awards and Recognition: Presco has won many awards including the Nigerian Stock Exchange (NSE) Annual President's Merit Award 2007; Manufacturers Association of Nigeria (MAN) Chairman's Award for Community Development Excellence among companies in Edo and Delta States of Nigeria, 2008; Nigerian Union of Journalist (NUJ), Edo State Chapter Award for remarkable contribution to the development of agriculture and for good Corporate Social Responsibility (CSR) programmes, 2010; Institute for Government Research & Leadership Technology's Best Oil Palm Development & Extraction Company Award, 2012. Others include The Achievers in Agriculture Award (2015), Pearl Awards for Sectorial leadership in Agriculture (2015) Award for highest Dividend Growth, NAA (Nigeria Agric Awards) Winner of Corporate Social Responsibility Award (2017), Achiever in Agriculture Awards, Pearl Most Outstanding CEO of the Year Award, Pearl Award of Sectorial Leadership in Agriculture (2018) Year 2021 ICAN Merit Award in Corporate Body Category (2021) etc.

For more information on Presco Plc, please visit www.presco-plc.com
Tel: 08034134444; 07035622750; 07034141113

PRESCO PLC

RC 174370

NOTICE OF THE 28TH ANNUAL GENERAL MEETING OF PRESCO PLC

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of Presco PLC will be held **(BY PROXIES)** at The Dura Club, Obaretin Estate, Km. 22, Benin Sapele Road, Ikpoba-Okha LGA, Edo State, Nigeria on Wednesday. July 28, 2021 at 12.00 noon to transact the following business:

(ATTENDANCE IS BY PROXIES)

ORDINARY BUSINESS

1. To lay before the meeting the audited accounts of the Company for the year ended 31st December, 2020 together with the reports of the Directors, Auditors and Statutory Audit Committee thereon.

2. To declare a dividend.

3. To re-elect Chief (Engr.) James B. Erhuero JP, mni, OON as a Director notwithstanding that he is over 70 years. Chief (Engr.) James B. Erhuero whose profile can be found in the company's website retired by rotation and being eligible offered himself for re-election.

4. To disclose the remuneration of managers

5. To re-appoint Deloitte as Independent Auditors of Presco PLC.

6. To authorize the Directors to fix the remuneration of Independent Auditors.

7. To elect members of Statutory Audit Committee

SPECIAL BUSINESS

8. To approve the remuneration of the Directors

9. To authorize the Directors to raise additional capital by the issue of debts instruments

10. To authorize the Directors and Management to invest in and acquire all the shares of a private limited company in the same line of business with Presco PLC

11. To authorize the Directors to take such steps, and to do all acts to such things including the appointments of professionals and parties and advisers, etc.

NOTES

1. COVID-19 Overall Risk to Stakeholders

The novel COVID-19 virus pandemic has had significant impact on global economies around the world, and it is having accounting implications for many entities. Our company is no different, which is why we have put in place protective measures in keeping with World Health Organization, NCDC, Edo State Government and Corporate Affairs Commission guidelines (safety protocols) to mitigate the spread. To ensure the safe conduct of the 28thAnnual General Meeting of Presco PLC, Notice is Hereby Given to Shareholders that all attendees must comply fully with COVID-19 virus pandemic safety protocols.

Pursuant to the above stated. Shareholders are encouraged to appoint any one of the under listed proposed proxies to attend and vote in their stead at the meeting.

1.	Mr. Felix Nwabuko	2.	Mr. Gerald Royle Ray
3.	Mr William Kenneth Crockett	4.	Mr. Osa Osunde
5.	HRH Prince A. O. Akenzua	6.	Chief (Dr.) Bassey E. O. Edem
7.	Mr. Patrick Uwadia	8.	Mr. Famous Igbinevbo
9.	Mr. Kingsley Iyekekpolor	10.	Engr. MOT Olayiwola Tobun
11.	Bishop Goodluck Akpore	12.	Mr. Olugbosun Banji
13.	Hon. Bright Nwabugho		

Instruments of PROXY shall be at the company's expense.

Duly completed and stamped instruments of PROXY can be returned by email: info@firstregistrarsnigeria.com or patrick.uwadia@siat-group.com

2. 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 Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos, or, by email: info@firstregistrarsnigeria.com not less than 48 hours before the time of the meeting.

3. Closure of Register and Transfer Books

The Register of Members and Transfer Books will be closed from Wednesday July 7th, to Friday July 9th, 2021 (both days inclusive) to enhance preparation for the payment of dividend.

4. Dividend

If the dividend recommended by the Directors is approved, dividend will be paid electronically on Wednesday July 28th, 2021 to shareholders whose names appear on the Register of Members as at the close of business on Tuesday July 6th, 2021, and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their Bank accounts.

5. E-Dividend

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to shareholders to provide account for the purpose of e-dividend/bonus. A form is inserted into this Annual Report and Accounts 2020 for completion by all shareholders to furnish the particulars of their accounts to the Registrar (First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu).

6. The Qualification Date

The qualification date for payment of dividend is July 6th, 2021.

7. Registered Office

Obaretin Estate, Km 22, Benin/Sapele Road, Ikpoba-Okha LGA, Edo State, Nigeria.

8. Shareholders Right to Ask Questions

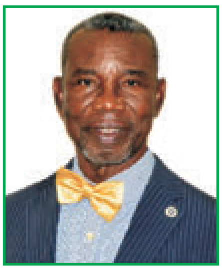
Shareholders reserve the right to ask questions at the Annual General Meeting. Shareholders may also submit their questions prior to the meeting in writing to the company, in line with Rule 19.12 (c) of the listing rules of The Nigerian Exchange Limited (NGX). Such questions should be addressed to the Company Secretary and reach the Company at its Registered Office or by electronic mail at info.presco@siat-group.com not later than 7 days prior to the date of the meeting.

9. Statutory Audit Committee

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020 any member may nominate a qualified shareholder as a member of Statutory Audit Committee by giving written notice of such nomination to the Company Secretary at least 21 days before the meeting.

BY ORDER OF THE BOARD

Patrick Uwadia, Esq.
Company Secretary
Dated this 17th day of March, 2021
FRC/2013/ICSAN/00000004864



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

NOTE: The Notice of the 28th Annual General Meeting of the Company together with the Annual Report and Accounts, 2020 has been published in the company's website: www.presco-plc.com

Financial Highlights

FOR THE YEAR ENDED DECEMBER 31, 2020

Statement of Comprehensive Income

	31-Dec-20 N'000	31-Dec-19 N'000
Revenue	23,891,766	19,723,641
Gross profit	16,088,518	12,721,831
Operating profit	10,549,785	8,126,477
Interest expenses	1,918,292	2,133,709
Profit before taxation	8,690,351	6,059,683
Profit after taxation	5,261,929	3,838,746
Total comprehensive income	5,163,578	3,736,388
EBITDA	12,332,251	9,581,189
Gross Margin %	67%	65%
Operating Profit %	44%	41%
Profit before tax %	36%	31%

Statement of Financial Position

	31-Dec-20 N'000	31-Dec-19 N'000
Total Assets	73,768,995	71,009,830
Total Liabilities	42,717,541	43,121,954
Equity	31,051,454	27,887,876
Current Assets	20,034,901	21,150,004
Current Liabilities	25,259,937	26,286,284
Retained Earnings	29,518,014	26,256,085
Return On Equity	17%	14%
Return on Total Assets	14%	11%
Current Ratio	0.79	0.80
Debt/Equity Ratio	1.38	1.55
Equity/Total Assets	42%	39%
Debt/Total Assets	58%	61%
Earning Per Share	516	374
Interest Cover	5.53	3.84

BOARD OF DIRECTORS

Mr. Paul Cardoen (Belgian)	Non-Executive Director, Chairman
Mr. Felix O. Nwabuko FCA	Managing Director/CEO
Mr. Osa Osunde FCS, FCTI, F.loD	Independent Non-Executive Director
Chief (Engr.) James B. Erhuero, JP, mni, OON	Non-Executive Director
Chief (Dr.) Bassey E. O. Edem, FCA, MFR	Independent Non-Executive Director
HRH Prince Aiguobasinmwin O. Akenzua	Independent Non-Executive Director
Mr. William Kenneth Crockett (Irish)	Executive Director (CFO)
Mr. Gerald Ray (South African)	Executive Director (COO),
Amb. Nonye Udo	Independent Non-Executive Director,
Mrs. Ingrid Vandewiele (Belgian)	Non-Executive Director

COMPANY SECRETARY: Patrick Uwadia, Esq.

REGISTERED OFFICE:
Obaretin Estate,
Km. 22, Benin/Sapele Road,
Ikpoba-Okha Local Government Area,
Edo State

REGISTRARS & TRANSFER OFFICE:
First Registrars & Investor Services, Limited
Plot 2, Abebe Village Road, Iganmu,
P.M.B. 12692, Marina,
Lagos, Nigeria

TECHNICAL PARTNER/MANAGING AGENT:
NV Siat S.A.
Brussels, Belgium

SOLICITORS:
Abdulai, Taiwo & Co. Solicitors
Goodwill House,
278, Ikorodu Road,
Lagos, Nigeria.

AUDITORS:
Deloitte & Touche
(Chartered Accountants)
Civic Towers, Plot GA1, Ozumba
Mbadiwe Avenue, Victoria Island,
P.O. Box 965, Marina,
Lagos, Nigeria

BANKERS:

Access Bank PLC
Ecobank Limited
Fidelity Bank PLC
First Bank of Nigeria Limited
Guaranty Trust Bank PLC
Stanbic IBTC Bank PLC
United Bank for Africa PLC
Union Bank PLC
Zenith Bank PLC

Chairman's Statement

Mr. Paul Cardoen
Chairman

Distinguished Shareholders, Fellow Directors, Ladies and Gentlemen,

I am delighted to welcome you to the 28th Annual General Meeting of our Company, Presco PLC, and to present to you our Annual Report and Financial Statements for the year ended December 31, 2020.

My sincere appreciation and thanks to you all for your steadfast commitment, loyalty and support which contributed tremendously to the continued growth and success of our company through the very eventful year under review.

The Business Environment

In contrast to the gradual recovery from the recession that was witnessed at the end of 2019, in 2020 the economy shrank 1.9%, compared with a 2.27% expansion in 2019. The collapse in oil prices coupled with the COVID-19 pandemic together with issues such as rising inflation, rising unemployment, infrastructural deficit, insecurity challenges and other structural issues existing before the pandemic plunged the Nigerian economy into further severe economic recession leading to reported GDP contractions of -6.10% and -3.62% in Q2 and Q3 2020 respectively. However, by Q4 2020 it recorded 0.1% growth.

Inflation soared to 15.75% in December 2020 from 11.98% of end of 2019. That was the highest inflation rate over a three-year period to that date.

The paucity of forex for business transactions continued to be a very significant challenge as a result of a short supply of foreign exchange due to a significant drop in crude oil prices. In addition, the average Naira exchange rate depreciated during the year following from the adjustment of the official exchange of the Naira by Central Bank of Nigeria during 2020; from NGN307/$1 to NGN360/$1 in March 2020 and from NGN360/$1 to NGN381/$1 in July 2020.

Undoubtedly the year under review has been one of significant challenges, but we are happy that the fundamentals of our business remained strong which enabled us to emerge a better business for it and achieve the improved operational and financial results that we present to you today and continues to support the opportunity to successfully grow our business and the important contributions we make to Nigeria's agriculture and agribusiness as well as the wider society.

According to the National Bureau of Statistics Nigeria, it is hoped that the positive growth as seen in the Q4 GDP report can be sustained in 2021 based on the opportunities offered in the AfCTA, the roll out of vaccines globally and the regulatory changes made by the Nigerian Government as seen in the Finance Act 2020, CAMA, among others.

Operating Results

Revenue for the year was N23.89Billion, representing a 21% increase on N19.72 Billion of 2019. We realized a gross profit of N16.08Billion, a 26% increase on N12.72 Billion of 2019 and a 37% increase in profit after tax (after accounting for changes in fair value of biological assets) of N5.26 Billion (2018: N3.84 Billion). 52,178 tons of crude and refined products were sold during the year under review (2019: 50,335 tons). In the same period fresh fruit bunches harvest was 214,872 tons (2019: 200,163 tons); Crude Palm Oil (CPO) produced was 45,467 tons (2019: 43,757 tons), Refined, Bleached and Deodorized Oil (RBDO) produced was 19,486 tons (2019: 20,594 tons) and Olein and Stearin produced was 7,352 tons (2019: 7,967 tons).

Average unit selling prices of crude palm oil and crude palm kernel oil achieved increased marginally by 1.59% and 1.15% respectively year on year. Average unit selling prices of bulk sales of refined products (Olein, Stearin, and RBDO) achieved in 2020 improved marginally by between 1.05% and 1.37% compared to 2019 while that of packaged refined products (Olein and Stearin) also improved marginally by 1.13% and 1.27% respectively.

The completion and commissioning of the new 500 tons per day vegetable oil refinery scheduled for the second quarter of 2020 was delayed by the travel restrictions imposed by COVID-19 pandemic. By the end of the year, we completed pre-commissioning tests in preparation for the final commissioning which we now hope to achieve within the first quarter of 2021.

I reiterate our confidence that Presco PLC is well positioned to generate sustainable long-term growth which should in turn drive shareholders returns.

Dividend

Your Board of Directors has proposed a dividend of 200 kobo per share, which amounts to N2,000,000,000 (Two Billion Naira only) for shareholders' approval subject to withholding tax at the appropriate rate.

Corporate Governance

Grant Thornton Consultants, an international corporate consultant, carried out the annual Board Assessment. Their report forms part of the annual report and accounts as required by the Securities and Exchange Commission (SEC) Code and the 2018 National Code of Corporate Governance Practice. Also, the company's technical partners Siat SA, published a comprehensive Sustainability Report on Presco PLC which can be found on the company's web site. In line with national and international requirements for greater disclosure and transparency of corporate governance this year's Annual Report as in the past retains in additional section, the Corporate Governance Report. It is expected that this will give greater confidence to our shareholders as well as other stakeholders.

COVID-19 Overall Risk to Operations

The COVID-19 pandemic manifested in full force in our environment from early 2020 and of course, had significant repercussions, not just for our company, but for the entire world, and for our customers, too. Our company responded rapidly to the changing circumstances. Our priorities were to protect the health, safety and well being of our people in line with the guidelines of World Health Organization and national regulatory bodies and maintaining our leadership position in the industry. The additional costs involved in implementing additional protective measures and providing well being support to our teams and palliatives to our host communities and State Governments were essential investments underpinning our successful management of the pandemic to date. We are happy to reconfirm that to date we have not had the unpleasant situation of being forced to consider workforce reductions resulting from illnesses and quarantines.

Management has performed preliminary assessment of the impact of COVID-19 on the company's operations and do not anticipate the pandemic to have significant negative impact on its operations.

Appreciation

I hereby express the recognition and gratitude of the Board of Directors of the dedication and commitment of our workforce and their ongoing support.
I wish you a very happy Annual General Meeting.

Paul L. Cardoen
Chairman
FRC WAIVER

BOARD OF DIRECTORS

Mr. Paul Cardoen(Belgian)	Non-Executive Director, Chairman
Mr. Felix O. Nwabuko FCA	Managing Director/CEO
Mr. Osa Osunde FCS, FCTI, F.loD	Independent Non-Executive Director
Chief (Engr.) James B. Erhuero, JP, mni, OON	Non-Executive Director
Chief (Dr.) Bassey E. O. Edem, FCA, MFR	Independent Non-Executive Director
HRH Prince Aiguobasinmwin O. Akenzua	Independent Non-Executive Director
Mr. William Kenneth Crockett (Irish)	Executive Director (CFO)
Mr. Gerald Ray (South African)	Executive Director (COO),
Amb. Nonye Udo	Independent Non-Executive Director,
Mrs. Ingrid Vandewiele (Belgian)	Non-Executive Director

DIRECTORS' BRIEF

Mr. Paul Cardoen (Belgian)

Is the Chief Executive Officer of Siat sa. A successful Chief Executive Officer (CEO) and Non-Executive Director (NED). He has an international mind-set with extensive work experience in financial services across Europe, USA, Asia and Africa. His core capability is to advise and lead on strategy, governance, risk and regulatory compliance, motivated by new challenges and complex situations where the broad experience built from cross-cultural teams can be applied. He led various teams through significant strategic and organizational change, including but not limited to: digital transformation, mergers and acquisitions (M&A), growth acceleration, operating model re-design, turnaround activity and crisis situations. He is a former CEO of FBN Bank (UK) Ltd; Deputy General Manager (Member of Executive Committee), MUFG Bank (UK); Managing Director (Member of Executive Committee), BNP Paribas/Fortis (UK); CEO, The Trust Bank Ltd (Ghana) and CEO, Bank Belgolaise (UK) among others.

Mr. Felix Onwuchekwa Nwabuko

Chartered Accountant and a Consultant with extensive multi industry, international, and business management experience within big four audit firm, international industrial group including twenty three years in expert management of leading large scale industrial oil palm plantation and processing enterprises in the Nigerian and Ghanaian oil palm and vegetable oil industry and world class university environments, Fellow of Institute of Chartered Accountants of Nigeria, Associate of Chartered Institute of Taxation Nigeria, Alumni of Manchester Business School, United Kingdom and University of Benin, Nigeria. Group Country Managing Director with effect from 1st February 2015.

Osa Osunde, FCS, FCTI, F.IoD

Osa Osunde, FCS, FCTI, F.IoD is an alumnus of Auchi Polytechnic with a qualification in Accounting. With vast experience in Capital Market Operations, Banking and Financial Services. Mr. Osunde belong to several professional bodies amongst which are: Fellow, Chartered Institute of Stockbrokers, Fellow, Institute of Administrative Management of Nigeria, Fellow, Chartered Institute of Taxation of Nigeria and Member, Nigeria Institute of Management. As part of his early working experiences, he was Head of Stockbroking with Wintrut Limited, one of the early stockbroking firms in Nigeria based in Lagos at the time before moving to Fidelity Finance Company Limited as the company's pioneer Managing Director/Chief Executive Officer soon after incorporation. He is a graduate of the prestigious New York Institute of Finance, New York, USA in 1992 and has attended several local and international multi-disciplinary courses. A member of New York Stock Exchange, he is also an Authorized Dealer/Clerk of the Nigerian Stock Exchange (NSE) and he was one time a member of Council of The Exchange. He sits on the boards of many quoted and private limited liability companies. Mr. Osunde is currently the Executive Chairman of Fidelity Finance Company Limited. He was appointed as a director of Presco PLC on May 7, 2003. He is widely traveled and happily married.

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

(Engr.) J.B. Erhuero joined the Board of Presco PLC on 15th July, 2004. He was one time Secretary to the Delta State Government 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 defunct Bendel State and Delta State Civil Service in the Ministries of Com & Industry, Finance & Economic Planning & Works & Transport. Engr. Erhuero holds a B.Sc. honours degree in Mechanical Engineering and an MBA from University of Benin. Certificate in Industrial Projects' Appraisal from the University of Bradford, UK, Member of the Nigeria Institute of Policy Strategic Studies, Kuru, Jos, Fellow of the Nigerian Institute of Management, and once a member of the Governing Council of the Institute 2009 to 2013. He is a Knight of St. Mulumba (KSM).

Chief (Dr.) Bassey Edem Orok Edem, FCA, MFR

Chief Bassey Edem Orok Edem is an administrator, Chartered Accountant and an Agri-Business Magnate. He holds a Diploma in Accountancy from Yaba College of Technology, a Bachelor of Science (B.Sc.) in Accounting from University of Lagos, a Master of Business Administration (MBA) from University of Calabar and a Doctor of Business Administration (DBA) from the London Graduate

School of Commonwealth University. He worked with the United Africa Company of Nigerian (UACN) PLC. In November 1979, he was transferred to Pamol (Nigeria) Limited where he was Promoted Managing Director/Chief Executive Officer 1982 and appointed Vice Chairman, MD/CEO. He voluntarily retired in 2006. He was also an Executive Director of Dunlop Nigeria PLC (the parent company of Pamol Nigeria Limited). Chief Edem won the Unilever international Managing Director of the year Award in 1988. He is a fellow of Chartered Association of Certified Accountants UK; Fellow of the Institute of Chartered Secretaries and Administrators UK, Fellow of the Institute of Chartered Accountants of Nigeria and Alumnus of The Lagos Business School (CEP. 1994) and the past President of NACCIMA. He was appointed as a director of Presco PLC on December 6, 2013.

HRH (Prince) Aiguobasinmwin Ogie Akenzua

HRH (Prince) Aiguobasinmwin Ogie Akenzua was appointed a Director of Presco PLC on April 16, 2015. He holds a B.Sc. in Computer Science and Information Technology, Igbinedion University, Okada and MPA, University of Benin, Benin City. He is Enogie of Siluko. He is also Special Adviser to the Governor of Edo State on Special Duties. He was the Special Adviser to the Executive Governor of Edo State on Youth and Special interests from 2008 to 2012 and the Special Adviser to the Executive Chairman of Ovia South West Local Government Area from 2007 to 2008.

Mr. William Kenneth Crockett, DBS, BBS, FCMA, CGMA (Appointed CFO w.e.f May 1, 2017)

Mr. William Kenneth Crockett is a Global Chartered Management Accountant and Fellow of the Chartered Institute of Management Accountants. He is a former Council Member of the Institute in the Republic of Ireland and former President of the institute's Cork and Kerry region and also a Business graduate from the National University of Ireland, University College, Cork. Prior to joining Presco PLC as Chief Financial Officer he was Financial Director of PW Nigeria LTD, an Irish Civil Engineering, Construction and Mining company based in Nigeria. Prior to that he was Financial Director of Minteq Europe Limited, (a subsidiary of Minerals Technologies Inc.), Manufacturers and Distributors of Refractory Products for the steel industry. His area of responsibility covered Europe, Middle East, Russia, Turkey and South Africa. Before joining Minteq Europe Limited he was Financial Manager of PW Ghana Limited an Irish Mining Civil Engineering and Construction Company.

Previous positions include Financial Controller & Company Secretary of Peter France and Manford Clothing Ireland, Group Internal Auditor for O.K.R. Group (Burgerking), Restaurants in Ireland, Finance and Administration Manager at F.H. Thompson & Sons Limited, Bakers, Ireland and Branch Accountant and Credit Controller at Chadwicks Limited, Builders Merchants, (Grafton Group PLC), Ireland.

Nonye Udo (Ambassador)

Ambassador Nonye Udo is an accomplished career diplomat who represented Nigeria admirably both at home and abroad. Her distinguished service to Nigeria in the Ministry of Foreign Affairs earned her the 2017 Presidential Civil Service Merit Award. At the United Nations Headquarters she was a well-respected expert member of the United Nations revered Advisory Committee on Administrative and Budgetary Questions, the ACABQ.

As a female officer in a mostly male dominated field of diplomacy, Ambassador Udo was very sensitive to women empowerment, gender mainstreaming and mentoring of the underprivileged. This was a continuation of her work on Sustainable Development Goals (SDGs) at the United Nations as well as Nigeria's expert to the Committee on Responsibility to Protect (R2P). As a further recognition of her expertise and dedication to service both to humanity in general and Nigeria in particular, she was nominated and served as the first Nigeria female Ambassador to the Kingdom of Belgium, Luxembourg and to the European Union headquarters.

Mr. Gerald Royle Ray

Mr. Gerald Royle Ray joined Presco PLC with effect from July 24, 2019 as Chief Operating Officer (COO) from Siat Nigeria Limited (SNL) where he worked from January 2016 – July 2019 as Chief Operating Officer. Gerald has broad and diverse operational and agriculture background that spans 37 years in South, East and West Africa. His previous roles include General Manager Land Preparation (Golden Veroleum Liberia), General Manager (New Forests Company Rwanda), Director of Operations (Buchanan Renewables Liberia) Harvesting and Transport Manager (Shiselweni Forestry Company Swaziland) Gerald worked for Mondi Ltd over a period of 26 years in which he had various positions. He has completed several acknowledged in-house management and training courses; he has also attended external courses at Stellenbosch University , Saasveld Forestry Collage, Pretoria Technicon and ICFR.

MRS. INGRID VANDEWIELE

Mrs. Ingrid Vandewiele was appointed as non-executive director (NED) of Presco PLC on May 22, 2020. She has a solid experience in Financial Management of which 16 years in the Siat Group, Belgium. She has contributed to more consistent and drill down accounting by standardization and automatization. Her core skills are but not limited to; Commercial Finance in an international environment, cash management, operational efficiency and analyst. Prior to her appointment as non- executive director of Presco PLC; She acquired professional experience in (1), SIAT N.V., Brussels, Belgium; a Belgium agro-industrial company, operational in Western Africa, China, USA and Cambodia in the Palm oil, rubber and ornamental sector as Group Chief Financial Offer; (2) IMPERBEL N.V., Lot, Belgium; Producer of Bituminous, water proofing products mainly for flat roofs; such as membranes ("DERBIGUM") and cold adhesives as an Assistant-Cost controller as CEO Assistant – Cost Controller; (3) SKF International S.A. (Brussels) – Headquarters of Middle East and Africa area as Credit Controller, Overall Accountant Finance Department, and as Assistant Logistic Manager. Education include High School at Ten Doorinistituut in Eeklo – Majoring in Classic language (Latin) and Matthematics; Master in Savonic Philology Rijksuniversiteit Gent – Belgium and Post University Deploma in Business Management VUB – Belgium.

Patrick Uwadia, Esq.

Patrick Uwadia, Esq. is the Company Secretary. He joined the Company in April, 2013. A Chartered Secretary, PGD, ACIS UK. He has worked for Federal Ministry of Housing, Urban and Environment - Internal Audit, Road Construction Company of Nigeria Limited - Internal Audit, Godfray Konu & Co/Island Nominees Ltd. Company Secretary, Peat, Marwick, Ani, Ogunde & Co/Marina Nominees Limited - Company Secretary, Abdulai Taiwo & Co Ltd – Company Secretary and The Okomu Oil Palm Company PLC - Company Secretary.

DIRECTORS OF PRESCO

Mr. Paul Cardoen
Chairman

Mr. Felix O. Nwabuko
Managing Director/CEO

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

Mr. Osa Osunde

Chief (Dr.) Bassey E.O. Edem

Mr. Gerald Royle Ray

Mr. William Kenneth Crockett

HRH (Prince)
Aiguobasinmwin O. Akenzua

Ambassador Nonye Udo

Mrs. Ingrid Vandewiele

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended December 31, 2020 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. OPERATING RESULT

The company's performance during the year under review is summarized below:

Particulars	31-Dec-20	31-Dec-19	Difference %
	N'000	N'000	
Revenue from operations	23,891,766	19,723,641	21%
Gross profit	16,088,518	12,721,831	26%
Profit for the year	5,261,929	3,838,746	37%

3. DIVIDEND

In respect of the current year, the Directors recommend for approval a dividend of 200 kobo per 50 kobo share amounting to N2,000,000,000 subject to the deduction of withholding tax at the appropriate rate.

At the last AGM, shareholders approved the Directors' recommendation of a dividend of 200 kobo per 50 kobo share amounting to N2,000,000,000, 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 (Resigned 22 May, 2020
Mr. Paul Cardoen	[Belgian]	Chairman (Appointed 22 May, 2020)
Mr. Felix O. Nwabuko FCA	[Nigerian]	Managing Director/CEO
Mr. Osa Osunde FCS, FCTI, F,IoD	[Nigerian]	Independent Non-Executive Director
Chief (Engr.) James B. Erhuero, JP, mni, OON	[Nigerian]	Non-Executive Director
Mrs. Marie William Vendebeeck	[Belgian]	Non-Executive Director (Resigned February, 2020
Chief (Dr.) Bassey E.O. Edem, FCA, MFR	[Nigerian]	Independent Non-Executive Director
HRH Prince Aiguobasinmwin O. Akenzua	[Nigerian]	Independent Non-Executive Director
Mr. William Kenneth Crockett	[Irish]	Executive Director/CFO
Mr. Gerald Royle Ray	[South African]	Executive Director/CFO
Ambassodor Nonye Udo	[Nigerian]	Independent Non-Executive Director
Mrs. Ingrid Vandewiele	[Belgian]	Non-Executive Director (Appointed May, 2020)

In accordance with the company's articles of association, Mr. J. B. Erhuero retire by rotation at this annual general meeting; being eligible he offers himself 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 301 of the Companies and Allied Matters Act,2020, and disclosed in accordance with the Listing Rules of the Nigerian Stock Exchange is as follows:

Name of Director	2020 Units (Direct)	2020 Units (Indirect)	2019 Units (Direct)	2019 Units (Indirect)
Mr. Pierre Vandebeeck	-	-	-	208,320
Mr. Felix O. Nwabuko FCA	250	47,052	250	47,052
Mr. Osa Osunde FCS, FIoD	1,000	-	1,000	-
Chief Engr. James B. Erhuero, nmi, JP, OON	624,000	-	624,000	-
William Kenneth Crockett	56,242	-	-	-
Chief (Dr.) Bassey Edem, FCA, MFR	50,000	-	50,000	-
Total	**731,492**	**47,052**	**675,250**	**225,372**

The indirect shares of Felix O. Nwabuko is held in the name of Mega Equities Limited.

The Direct and Indirect Holdings of the other directors remain unchanged.

The Directors with indirect shares are not representing any individual or company.

6. SUBSTANTIAL SHAREHOLDERS

The following shareholders held 5% and above of the issued share capital of the Company as at December 31, 2020:

Name of Shareholder	Address	Holdings (2020)	% Holdings (2020)	Holdings (2019)	% Holdings (2019)
SIAT SA	Romboutsstraat 6-8, 1932 Zaventem, Belgium	600,000,000	60%	600,000,000	60%
20450 ZPC/SIPML RSA Fund Ii-Main A/C	4th & 6th Floor, Civic Tower, Ozumba Mbadiwe Road, Victoria Island, Lagos	72,544,666	7.25%	–	–

STATEMENT OF DECLARATION

We declare that no other shareholder aside from the two (2) substantial shareholders hold(s) 5% and above of the issued and fully paid shares of the company

7. SHARE RANGE ANALYSIS

The range of the distribution of the shares of the Company as at 31 December, 2020 is as follows:

RANGE ANALYSIS AS AT 31/12/2020

RANGE		No of Holders	% Holders	Units	% Units
1	- 1,000	3,475	37.80	1,850,265	0.19
1,001	- 5,000	3,367	36.62	8,936,315	0.89
5,001	- 10,000	998	10.85	8,060,295	0.81
10,001	- 50,000	986	10.72	22,696,552	2.27
50,001	- 100,000	163	1.77	12,519,210	1.25
100,001	- 500,000	137	1.49	30,533,415	3.05
500,001	- 1,000,000	20	0.22	13,953,723	1.40
1,000,001	- 5,000,000	31	0.34	80,624,536	8.06
5,000,001	- 10,000,000	7	0.08	42,287,459	4.23
10,000,001	- 50,000,000	9	0.10	178,538,230	17.85
50,000,001	- 1,000,000,000	1	0.01	600,000,000	60.00
		9,194	**100.00**	**1,000,000,000**	**100.00**

8. CAPITAL ASSETS

Significant capital assets expenditure during the year was as follows:

	31-Dec-20	31-Dec-19
	N'000	N'000
Work in progress	7,073,769	6,990,003
Building	14,151	16,967
Heavy duty equipment	-	13,451
Utilities	219,162	-
Furniture and fitting	43,003	24,385
Motor vehicles & wheel tractors	-	104,760
Processing Equipment	32,690	898

9. MAJOR CUSTOMERS

The Company's products are sold directly to customers comprising wholesalers, consumers and industrial users with majority located within the Country.

Some of these are: Nestle Nigeria PLC, Lagos; Wamco Nigeria PLC, Lagos; Chikki Food Industries, Lagos; PZ Cusson Nigeria PLC, Lagos; PZ Wilmar LTD, Lagos; Fan Milk PLC, Ibadan; Golden Pasta Company LTD, Lagos; Aspira Nigeria LTD, Kano; KLK Emmerich GmbH, Germany; Promasidor, Lagos; Primera foods, Lagos; Orient foods Lagos; Beloxxi Industries Limited, Lagos; Dangote Group, Lagos; amongst others."

10. COMMUNITY DEVELOPMENT PROJECTS/COMMUNITY RELATIONS

The Company's Host Communities' Development Programme continued during the year ended 31 December, 2020. The focus was on education, roads, water, electricity and support to out-growers. Total expenditure in respect of the programme was N51,071,000 (2019: N22,985,000) and is included within the Corporate social responsibility (CSR) expense of Note 9 in the financial statement.

11. DONATIONS

The Company made donations of N29,577,762.00 (2019: N16,484,252.00) to various organisations: Office of The Special Adviser to Government Workshop N500,000.00, Edo Trade Fair N500,000.00, Orhionwon Local Government N50,000.00, Physically Handicapped Associate N462,762.00, EthiopeEast Local Government N3,250,000.00, Federal Ministry of Environment N250,000.00, POFON Exclusive Project Fund N19,000,000.00, Manufacturers Association of Nigeria N1,550,000.00, Food Nigeria Summit N1,000,000.00, Anthony, Osa COVID 19 Media N875,000.00, FIRS Logistics 1,040,000.000, Oghobaghase Dukedom N150,000.00, AderemiOlakunle inauguration N600,000.00, NPF Zone 5 SupportN250,000.00 and Omorogieva Rites N100,000.00.

12. RESEARCH & DEVELOPMENT

We are committed to Research and Development; it is at the forefront of our new planting material development and has been very successful in increasing the quantity of Fresh Fruit Bunches (FFB) and Oil production per hectare. We continue to put efforts to be the leader in Research and Development.

The amount expended on research and development in the year under review was nil (2019: N210.45 million). See Note 16.

We have collaborated with first class research organizations, national and international universities. Every year the research activities are increasingly bringing us closer to our ambition of establishing Presco as a Centre of Excellence for oil palm cultivation and research in the West African region."

13. 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 fifty (50) disabled persons employed by the Company.

14. HEALTH, SAFETY AND WELFARE

Medical services are provided free of charge for Company employees at the estate clinics and retainer hospital. Appropriate personal protective equipment is provided for employees at work. There is a fire-fighting program, 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 from the work place.

15. EMPLOYEE INVOLVEMENT AND TRADING

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 program are also undertaken.

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

As at the date of the approval of the financial statements, management has performed a preliminary assessment of the impact of COVID-19 on its operations. Management, however, do not anticipate the COVID-19 to have a significant impact on its operations.

17. AUDITORS

In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020, Deloitte & Touche (Chartered Accountants) will continue in office as Auditors to the Company, having indicated their willingness to do so. A resolution will be proposed to reappoint them and to authorize the Directors to fix their remuneration.

In line with the requirement of Rule 3 of the Financial Reporting Council of Nigeria(FRC), the Auditor to the company did not offer any non-audit service to the company during the financial year ended December 31, 2020.

BY ORDER OF THE BOARD

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Patrick Uwadia, Esq.
Company Secretary
FRC/2013/ICSAN/00000004864
17 March 2021, Obaretin Estate,
Ikpoba Okha LGA, Edo State, Nigeria

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REPORT OF THE EXTERNAL CONSULTANTS ON PRESCO PLC'S BOARD OF DIRECTORS' APPRAISAL FOR THE YEAR ENDED 31 DECEMBER 2020

We have completed our procedures for Presco Plc's board of directors' appraisal for the year ended 31 December 2020 in accordance with the Nigeria Code of Corporate Governance 2018 for public and private sectors in Nigeria and the Securities and Exchange Commission (SEC) form 01.

Based on our review as well as analysis of board members self-evaluation questionnaires, we are of the opinion that the board's performance complied with the requirements set out in the Nigeria Code of Corporate Governance 2018 for public and private sectors in the Nigeria andSEC Form 01.

Our review procedures were in accordance with the limited scope of our engagement and might not necessarily identify all irregularities that may exist in the underlying information.
This report should not be construed as expression or approval of matters not specifically mentioned therein

The review was concluded in March 2021. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the board of directors.

Yours faithfully

Orji Okpechi
FRC/2013/ICAN/00000001968
For Grant Thornton

31 March 2021

CORPORATE GOVERNANCE REPORT

Presco PLC follows the Corporate Governance Guidelines which is in compliance with the Code of Corporate Governance in Nigerian 2018 SSC Code of Corporate Governance as amended and supplemented by the Company's Code of Corporate Governance and the Corporate Governance Guidelines for the Siat Group of which it is a member which is in line with International Best Practice.

THE BOARD

The Board is constituted of ten 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. The Board is also responsible for the management of the Company's relationship with its various stakeholders.

On appointment, Directors receive all codes of corporate governance, charters and policy document and a comprehensive induction, including site visits and meetings with senior management to help them build up quickly detailed understanding of the Company. Additional training is arranged as appropriate, by the Company and at the Company's expense.

INDEPENDENT & EXECUTIVE STATUS OF DIRECTORS

Mr. Paul Cardoen (Belgian)	Chairman, Non-Executive
Mr. Felix O. Nwabuko	Managing/CEO
Mr. Osa Osunde	Ind. Non-Executive
Chief (Engr.) James B. Erhuero, JP, mni, OON	Non-Executive
Chief (Dr.) Bassey E.O. Edem, MFR	Ind. Non-Executive
HRH Prince A. O. Akenzua	Ind. Non-Executive
Mr. William Kenneth Crockett (Irish)	Executive Director, CFO
Mr. Gerald Royle Ray (South African)	Executive Director, COO
AMB. Nonye Udo	Ind. Non-Executive Director
Mrs. Ingrid Gabrielle Vandewiele	Non-Executive Director

BOARD MEETINGS

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

Meeting Date	Main Item of Business
December 2019/ January 2020	Unaudited Financial Statements for the year ended December 31, 2019 Operations Report, 2020 Budget Proposals, Establishment of Corporate Governance Committees. Quarterly forecast, use of common seal among other matters
May 22nd 2020	Audited Report and Financial Statements December 31, 2019, 27th Annual General Meeting, stepping down as Chairman and Sakponba Land
July 24th 2020	Unaudited accounts for Q2 2020, Marketing Report, Operations Report, Sakponba Land, Internal Audit Report, Election and Appointment of Directors
September 2nd, 2020	Unaudited accounts as at July 31, 2020, Sakponba Land, Operations Report, 2020 Budget Proposals, among other matters.
October 28th 2020	Reconstitution of Board Committees, Unaudited Accounts as at September 30, 2020, Operations Report Election of Chairman of the Board and of the company

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. Paul Cardoen (Belgian) (Chairman)	4
Mr. Felix O. Nwabuko FCA, MD/CEO	5
Chief (Engr.) James B. Erhuero, JP, mni, OON	5
Mr. Osa Osunde, FCS, FCTI, F.IoD	5
Chief (Dr.) Bassey E.O. Edem, FCA, MFR	5
HRH (Prince) A.O. Akenzua	5
Mr. William Kenneth Crockett (Irish)	5
AMB Nonye Udo	5
Mr. Gerald Royle Ray (South African)	5
Mrs. Ingrid Gabrielle Vandewiele	4

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. Transaction between the Company and Directors, where they arise, take place at arm's length.

There have been no transaction 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. Where significant, such transactions will be disclosed to the market. There were no such transactions in the year under review.

The Company has adopted the code of conduct regarding Securities transactions by its directors on terms no less exacting than the required standard set on the rules. Having made enquiry of all directors, all directors have complied with the listing rules and the issuers' code of conduct regarding securities transactions by directors.

It is hereby confirmed that the Company also has in place a Securities Trading policy in compliance with Rule 17.15 Disclosure of Dealings in issuers' Shares, Rulebook of The Exchange, 2015 (Issuers' Rules) which states that: "Every Issuer shall establish a Securities Trading policy which apply to all employees and Directors and shall be circulated to all employees that may at time possess any insider or material information about the Issuer. The trading policy shall include the need to enforce confidentiality against external advisers". This policy is posted on the company's website.

COMMITTEES

Statutory Audit Committee

Chief (Dr.) Bassey E.O. Edem FCA MFR (Chairman)	Director, member (Re-appointed on 02/09/2020)
Engr. M.O.T. Olayiwola Tobun	Shareholder, member (Re-elected on 02/09/2020)
Mr. Famous Igbinevbo	Shareholder, member (Re-elected on 02/09/2020)
Mr. Kingsley Iyekekpolor	Shareholder, member (Re-elected on 02/09/2020)
Mr. Osa Osunde FCS. FCTI, F.IoD	Director, member (Re-appointed on 02/09/2020)
HRH Prince A.O. Akenzua	Director, member (Re-appointed on 02/09/2020)

Attendance at meeting 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 Meeting
Chief (Dr.) Bassey E.O. Edem (Chairman)	4
Engr. MOT Olayiwola Tobun	4
Mr. Famous Igbinevbo	4
Mr. Kingsley Iyekekpolor	4
Mr. Osa Osunde FCS, FCTI, F.IoD	4
HRH Prince A. O. Akenzua	4

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

Meeting Date	Main Items of business
January 21, 2020	Whistle Blowing Policy, Unaudited Q4 Financial 2019, Internal Audit Report, 2020 Budget Proposals among others
May 24th, 2020	Approval of Management Letter., Draft Audited Financial Statement for the year ended December 31, 2019. Unaudited Financial Statement as at March 31, 2020, First Quarter Internal Audit Manager's Report.
September 1st, 2020	Approval of Unaudited accounts as at June 30, 2020 and internal Audit Report as at June 30, 2020
October 27th, 2020	Election of Chairman, Approval of Audit Planning Memorandum for Presco Plc for the year ending December 31, 2020, Unaudited accounts as at September 30, 2019 and internal Audit Report as at September 30, 2020

Risk Management Committee

The primary responsibility of the Risk Committee is to oversee and approve the company-wide risk management practices to assist the board in:

(a) Overseeing that the executive team has identified and assessed all the risks that the company faces and has established a risk management infrastructure capable of addressing those risks.

(b) Overseeing in conjunction with other board-level committees or full board, if applicable, management of risks, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks

(c) Overseeing the division of risk-related responsibilities as clearly as possible and performing a gap analysis to determine that the oversight of any risks is not missed.

(d) In conjunction with the full board, approving the company's enterprise-wide risk management framework

(e) The risk committee may have the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities. of the board, the chief executive officer of the company, and all other executive and non-executive directors and senior management positions.

DUTIES

To fulfil its responsibilities, the risk committee will:

(a) Help to set the tone and develop a culture of the enterprise vis-a-vis risk, promote open discussion regarding risk, integrate risk management into the Company's goals and compensation structure, and create a corporate culture such that people at all levels manage risks rather than avoid them

(b) Provide input to management regarding the enterprise's risk appetite and tolerance and, ultimately, approve risk appetite and the statement of risk appetite and tolerance messaged throughout the company and by line of business

(c) Monitor the Company's risk profile - its on-going and potential exposure to risks of various types

(d) Approve on behalf of the Board, the risk management policy and plan. Management develop both the risk management policy and the plan for approval by the committee. The risk management plan should consider the maturity of the risk management of the company and should be tailored to the specific circumstances of the company. The risk management plan should include:

(i) The company's risk management structure

(ii) The risk management framework i.e. the approach to be followed

(iii) The measureable milestones such as tolerances, intervals, frequencies, frequency rates, etc

(iv) Risk management guidelines reference to integration through, for instance, training and awareness programmes, and details of the assurance and review of the risk management process.

(v) The Committee should review the risk management plan at least once a year.

(vi) Define risk review activities regarding the decisions (e.g. acquisitions), initiatives (e.g. new products), and transactions and exposures (e.g. by amount) and prioritise them prior to being sent to the board's attention

(vii) Review and confirm that all responsibilities outlined in the Charter have been carried out

(viii) Monitor all enterprise risks; in doing so, the Committee recognises the responsibilities delegated to other committees by the board and understands that the other committees may emphasise specific risk monitoring through their respective activities

(ix) Conduct an annual performance assessment relative to the Committee's purpose, duties, and responsibilities

(x) Oversee the risk programme/interactions with Management

(xi) Review and approve the risk management infrastructure and the critical risk management policies adopted by the Company

(xii) Periodically review and evaluate the company's policies and practices with respect to risk assessment and risk management and annually present to the full board a report summarising the Committee's review of the company's methods for identifying, managing, and reporting risks and risk management deficiencies.

(xiii) Continually, as well as at specific intervals, monitor risks and risk management capabilities within the Company, including communication about escalating risk and crisis preparedness and recovery plans

(xiv) Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed

(xv) Communicate formally and informally with the executive team regarding risk governance and oversight

(xvi) Discuss with the CEO and management the company's major risk exposures and review the steps Management has taken to monitor and control such exposures, including the company's risk assessment and risk management policies

(xvii) Review and assess the effectiveness of the company's enterprise-wide risk assessment processes and recommend improvements, where appropriate; review and address, as appropriate, management's corrective actions for deficiencies that arise with respect to the effectiveness of such programmes

(xviii) Monitor governance rating agencies and their assessments of the company's risk and proxy advisory services policies, and make recommendations as appropriate to the Board

(xix) In coordination with the Audit Committee, understand how the company's internal audit work plan is aligned with the risks that have been identified and with risk governance (and risk management) information needs

Understand and approve management's definition of the risk-related reports that the Committee could receive regarding the full range of risks the Company faces, as well as their form and frequency

(xx) Respond to reports from Management so that Management understands the importance placed on such reports by the Committee and how the Committee views their content

(xxi) Read and provide input to the Board and Audit Committee regarding risk disclosures in financial statements and other public statements regarding risk

(xxii) Keep risk on both the full board's and management's agenda on a regular basis

(xxiii) Disclose in the Company's Integrated Report how it has satisfied itself that risk assessments, responses and interventions are effective

(xxiv) Approve the appointment and, when and if appropriate, replacement of the Chief Risk Officer, who shall report directly to the Committee as well as to the Chief Executive Officer and who shall have qualifications commensurate with applicable legal and regulatory guidance relating to risk management expertise.

(xxv) Review and evaluate annually the qualifications, performance and compensation of the Chief Risk Officer.

(xxvi) Review with the Chief Risk Officer the adequacy of staffing and resources of the risk management function.

(xxvii) Make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.

(xxviii) Regularly evaluate its performance and that of its individual members.

(xxix) Have such other authority, duties and responsibilities as may be delegated to the Committee by the Board.

Date of Meeting	Name of Members		Attendance
-	Amb. Nonye Udo	Chairman	-
	Mr. Osa Osunde	Member	-
	Chief (Dr.) Bassey E. O. Edem	Member	-
	Mrs. Ingrid Gabrielle Vandewiele	Member	-
	Company Secretary	Secretary	-

BOARD AUDIT COMMITTEE

Purpose

The purpose of the Audit Committee is to provide a Structured, systematic oversight of the organisation's governance, risk management, and internal control practices. The committee assists the board and management by providing advice and guidance on the adequacy of the organisation's initiatives for:

* Values and ethics
* Governance structure
* Risk management
* Internal control framework
* Oversight of the internal audit activity, external auditors, and other providers of assurance.
* Financial statements and accountability reporting.

In broad terms, the audit committee reviews each of the items noted above and provides the board with advice and guidance regarding the adequacy and effectiveness of management practices and potential improvements to those practices.

Authority

The Audit Committee charter sets out the authority of the Audit Committee to carry out the responsibilities established for it by the board as articulated within the Audit Committee Charter.

In discharging its responsibilities, the Audit Committee will have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The committee also will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Audit Committee will follow a prescribed, Board approved mechanism for resolution of the matter.

The Audit Committee is entitled to receive explanatory information that it deems necessary to discharge its responsibilities. Presco's management and staff should cooperate with Audit Committee requests.

The Audit Committee may engage independent counsel and/or other advisers it deems necessary to carry out its duties.

The Audit Committee is empowered to:

* Appoint, compensate, and oversee all audit and non-audit services performed by auditors, including the work of any external auditor
* Resolve any disagreement between management and external auditor regarding financial reporting and other matters.
* Pre-approve all auditing and non-audit services performed by auditors.

Members of Board Audit Committee

Date of Meeting	Name of Members		Attendance
-	Chief (Dr.) Bassey E. O. Edem	Chairman	-
	Osa Osunde	Member	-
	HRH Prince Akenzua	Member	-
	Company Secretary	Secretary	-

The board audit committee did not meet during the year.

Nomination and Governance Committee

Responsibilities of the Committee

1 Consider and review proposals from Management for the recruitment, promotion and employment /termination of Senior Management Staff;

2 Consider and make recommendations to the Board for approval of disciplinary action to be carried out against Senior Management Staff;

3 Consider and make recommendations to the Board for approval on the organizational structure, and policies covering the evaluation, compensation and provision of benefits to employees and any other human capital issues;

4. Consider and make recommendations to the Board for approval of the Company's policy on Health and Safety at work and any proposed amendments;

5. Consider and make recommendations to the Board for approval of the Company's human resource strategies and Compensation Policy.

6. Assess the effectiveness of the Corporate Governance Framework.

7. Consider and make recommendations to the Board on composition and the experience required by Board committee members, committee appointments and removal, operating structure, reporting and other Committee operational matters
8. Consider and make recommendations to the Board on appointment and re-election of directors.
9. Ensure that all new directors receive formal letters of appointment specifying their tenure, responsibilities, board committee involvement and other relevant details.
10. Ensure that new directors receive a formal induction training to familiarize them with the Company's business, strategy and operations, assist them in discharging their fiduciary duties, responsibilities, and understand their powers and potential liabilities.
11. Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
12. Ensure adequate succession planning for Board of Directors and key management staff in the Company.
13. Review and make recommendations to the Board for approval of the company's organization structure, and the company's policies on evaluation, compensation and provision of benefits to its employees and any other human capital issues.
14. Review and make recommendations to the Board for approval of the terms and conditions of employment of company's staff, its staff handbook and any proposed amendment.
15. Consider and advise the Board on its size, composition and balance of the Board and its Committees, retirement and appointment of additional Directors, and the replacement of Directors
16. Prepare a description of the role and capabilities required for a particular appointment and ascertain that nominees for the position of director are fit and proper and are not disqualified from being directors.
17. Oversees the implementation of the Company's Code of Business Conduct and reporting lapses and recommending appropriate actions to the Board from time to time.

18. Ensure the performance evaluation of the CEO is performed by the Board on an annual basis and formal feedback provided to the CEO;
19. Nominate independent consultants to conduct annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship to shareholders.
20. Regularly evaluate its performance and that of its individual members.
21. Perform such other matters as may be specifically delegated to the Committee by the Board.

Nomination and Governance Committee

Date of Meeting	Name of Members		Attendance
-	Mr. Osa Osunde	Chairman	-
	Chief (Dr.) Bassey Edem	Member	-
	Amb. Nonye Udo	Member	-
	Company Secretary	Secretary	-

SECURITIES TRADING POLICY

The Securities Trading Policy (“Policy”) of Presco PLC (“the Company”) provides information regarding insider trading provisions in compliance with the Listing Rules (“Listing Rules”) of the Nigerian Stock Exchange (“Exchange”) and the Rules and Regulations of the Securities and Exchange Commission(“SEC”) both as amended. This Policy sets out the requirements for Directors, Principal Officers, Employees, persons discharging managerial responsibility, External Advisers (“Officials”) of the Company and persons closely connected to them, to determine their conduct regarding securities transactions in the Company.

The objective of this Policy is to ensure that all Insiders and or Officials (who become aware of or have the knowledge of any negotiations or agreements related to intended acquisitions or disposals, which are notifiable transactions or connected transactions under the Listing Rules or any insider information), must refrain from dealing in the Company's securities, as soon as they become aware of them or have the information, until such a time that the information has been made public.

Any unauthorized disclosure of confidential information to any other person or the use of such information for the advantage of himself/herself or others is disallowed. Consequently, all dealings in which Insiders or Officials are deemed to be interested in, must be conducted in accordance with this Policy. Insiders or Officials who are desirous of dealing in any securities in the Company must have regard to the provisions of the Investments and Securities Act ("ISA") and the Listing Rules with respect to Insider dealing and market misconduct.

We confirm that Presco PLC's Securities Trading Policy has been posted on the Company's website

COMPLAINTS MANAGEMENT POLICY

To establish and maintain complaints management framework in compliance with rules relating to complaints management framework of the Nigeria Capital Market.

To establish and maintain open easy accessible window to enable all stakeholders and members of the public present or lodge complaints concerning the company's operations, business activities, management, administration and public relation.

To establish and maintain competent and functional complaints committee to investigate and resolve complaints received or lodged.

To establish and maintain electronic complaints register.

To take all necessary measures in full compliance with the provisions of the code of good corporate governance for public quoted company in particular and organizations in general.

To carry out the Complaints Management policy of the company as summarized above under complaints management policy.
Complaints Management committee

We confirm that Presco PLC Complaints Management Policy has been posted on the Company's website.

COMPLAINTS MANAGEMENT COMMITTEE

Date of Meeting	Name of Members		Attendance
-	HRH (Prince) A. O. Akenzua	Chairman	-
	Mrs. Ingrid Gabrielle Vandewiele	Member	-
	Engr. James B. Erhuero	Member	-
	Company Secretary	Secretary	-

The complaints management committee did not meet during the year under review.

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). NCCG (National Code of Corporate Governance)
The members of the committee are:

Remuneration Committee

Date of Meeting	Name of Members		Attendance
-	Chief James B. Erhuero	Chairman	-
	Amb. Nonye Udo	Member	-
	HRH Prince A. O. Akenzua	Member	-
	Company Secretary	Secretary	-

The remuneration committee did not meet during the year under review.

Purpose of the Committee

The Board Remuneration Committee (the "Committee") is established to assist the Board of Presco PLC (the "Board") to ensure the effectiveness of the overall governance of remuneration of members of the Board and Senior Management staff and to undertake any other assignments that the Board may assign to it from time to time.

This committee Charter sets out the authority of the Board Remuneration Committee to carry out the responsibilities established for it by the Board as articulated within this Charter.

In discharging its responsibilities, this committee will have unrestricted access to Members of Management, employees, and relevant information it considers necessary to discharge its duties. The committee also will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Committee will follow a prescribed Board approved mechanism for resolution of the matter.

The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities.

Responsibilities of the Committee

1. Review and make recommendations to the Board on all retirement and termination payment plans due to employees on the Executive Management cadre.
2. Make recommendations to the Board regarding the remuneration of the members of the Board and its Committees.
3. Ensure proper disclosure of directors' remuneration to stakeholders.
4. Review the Remuneration Policy and make appropriate recommendations to the Board
5. Present any recommendations for change to the Board for discussion and vote
6. Perform other activities related to this Charter as requested by the Board of Directors.
7. Regularly evaluate the performance of this Committee performance and that of its members.

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 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. Patrick Uwadia. He was employed on April 8, 2013.

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.

Information Flows

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

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 Statutory Audit Committee and the Company's internal Audit Charter/Procedures Manual. The Internal Auditor is Mr. Fayoyin Oyekunle. He has held the position since May 5th, 2014.

Management

No change in management in the period under review

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 a foremost sponsor in the exercise to classify Nigerian Palm Oil under Roundtable for Sustainable Palm Oil (RSPO).

REPORT OF THE AUDIT COMMITTEE

To the members of Presco PLC

In compliance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, the members of the Audit Committee reviewed the financial statements of the company for the year ended December 31, 2020 and reports as follows:

a) Reviewed the scope and planning of the audit requirements and found them adequate;

b) Reviewed the financial statements for the year ended December 31, 2020 and are satisfied with the explanations obtained;

c) Reviewed the external auditors' management letter for the year ended December 31, 2020 and are satisfied that management is taking appropriate steps to address the issues raised; and

d) Ascertained that the accounting and reporting policies for the year ended December 31, 2020 are in accordance with legal requirements and agreed ethical practices.

The external auditors confirmed having received full cooperation from the Company's management and that the scope of their work was not restricted in any way.

Chief (Dr.) Bassey E.O. Edem, FCA, MFR
FRC/2015/ICAN/00000012205
Chairman, Statutory Audit Committee

16 March 2021

Members of the Statutory Audit Committee:

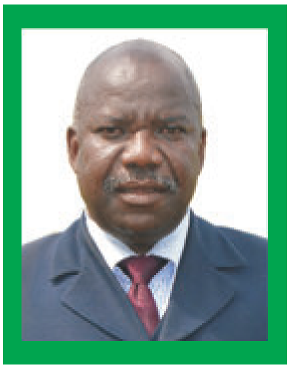
Chief (Dr.) Bassey E. O. Edem, FCA, MFR	Director	Chairman
Engr. M.O.T. OlayiwolaTobun	Shareholder	Member
Mr. Famous Igbinevbo	Shareholder	Member
Mr. Kingsley Iyekekpolor	Shareholder	Member
Mr. Osa Osunde FCS. FCTI, F.Iod	Director	Member
HRH Prince A.O. Akenzua	Director	Member

The Company Secretary, Patrick Uwadia, acted as secretary to the audit committee

Members of the Statutory Audit Committee

Chief (Dr.) Bassey E. O. Edem FCA MFR
Chairman

Engr. M. O. T. Olayiwola Tobun
Member



Mr. Famous Igbinevbo
Member

Mr. Kingsley Iyekekpolor
Member

Mr. Osa Osunde FCS. FCTI. F.Iod
Member

HRH Prince A. O. Akenzua
Member

Certification Pursuant to Section 60 (2) of Investment and Securities Act No. 29 of 2011

We the undersigned hereby certify the following with regards to our financial reports for the year ended December 31, 2020 that;

a) We have reviewed the report;

b) To the best of our knowledge, the report does not contain:

   (i) Any untrue statement of materials effect, or
   (ii) Omit to state a material fact, which would make the statements misleading in the light of the circumstances 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 is made known to such officers by others within entities 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 our report our conclusions about the effectiveness of the company's internal controls based on our evaluation as of that date;

e) We are not aware of and have disclosed as such to the Auditors and the Audit Committee:

   (i) Significant deficiencies in the design and operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls; and

(ii) Any fraud, whether or not material, that involves management or other employees who have significant 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.

______________________	______________________
Felix O. Nwabuko	William Kenneth Crockett
Managing Director	Chief Financial Officer
FRC/2016/ICAN/00000014276	FRC/2019/ICAN/00000019300

STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the preparation and approval of financial statements

The Directors of Presco Plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at December 31 2020, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Certification of financial statements

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the company, particularly during the period in which the audited financial statement report is being prepared,

(ii) has evaluated the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements, and

(iii) certifies that the company's internal controls are effective as of that date;

We have disclosed:

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the company ability to record, process, summarize and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and

(iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Company for the year ended 31 December 2020 were approved by the directors on March 23, 2021.

Paul Cardoen	Felix O. Nwabuko	William Kenneth Crockett
Chairman	Managing Director	Chief Financial Officer
FRC WAIVER	FRC/2016/ICAN/00000014276	FRC/2019/ICAN/00000019300

Deloitte.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Presco PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Presco PLC** set out on pages**5 to 95** which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Presco PLC** as at 31 December 2020 and the financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA
Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Deloitte.

Key Audit Matter	How the matter was addressed in the audit
Biological Assets Valuation	
The value of the biological assets (Fresh Fruit Bunches) is a significant balance in the Company's statement of financial position and is disclosed in note 17 to the financial statements. The valuation of the biological assets involves significant judgments and assumptions. Accordingly, for the purposes of our audit, we identified the valuation of biological assets as a key audit matter based on the significant judgement and assumption made by the directors. The assumptions which have the most significant impact on the biological asset valuation are: The Fresh Fruit Bunches (FFB) yield of the palm tree, which is subjective since it is based on the directors' experience and expectations rather than observable market data. The yield is estimated based on age profile of the palm trees. Relevant assumptions and judgements have been included in note 3 of the financial statements. • The discount rate, which is based on the weighted average cost of capital. The calculation of the weighted average cost of capital is a complex process that involves judgements and specific risk adjustments. • The applicable market to determine the most appropriate Crude Palm Oil price and related transactional costs to the Company with consideration for the effective foreign exchange rate impacting the Company's operations.	In evaluating valuation of the Biological Assets, we tested the assumptions used and checked compliance with the requirements of relevant accounting standards. Our procedures included the following: • Challenged the model in use with respect to compliance with IAS 41 provision and ensured appropriate adjustments made when necessary. • Reviewed the inputs used in the valuation by holding discussions with the farm manager and obtaining and reviewing the farm report to verify the input factors used. • Benchmarked the inputs used in the valuation to applicable market data. • Obtained the relevant and applicable Crude Palm Oil (CPO) price converted at the appropriate exchange rate. • Reviewed the assumptions used in the discount cash flow computation and ensured that they were reasonable considering the recent economic trends in the country. • Reviewed historical price margins to determine the reasonability and appropriateness of the cash flows. • Ensured that discounting factors used in the computation was the weighted average cost of capital of the Company's industry

Deloitte.

Key Audit Matter	How the matter was addressed in the audit
Biological Assets Valuation	
• The forecast for the biological produce which were based on management's expectation and experience. The estimated cost of disposing off the biological asset which includes the incremental costs to take to market, the cost of engaging professionals to assist with the disposal process and other transaction costs, and these are based on the fair value to arrive at the fair value less cost to sell.	• Performed sensitivity analysis to assess the impact of any change on the assumptions and inputs. • Involved our internal valuation expert in the valuation of the Company's biological assets. • Evaluated the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities. The judgement and assumptions made by the directors for the biological assets valuation were found to be appropriate and the inputs and rates appear to be based on applicable supporting information.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' report, the Investment and Security Act No. 29 of 2007 Section 60(2) certification, the Statement of directors responsibilities, the Audit committee's report, corporate information and financial highlights, which we obtained prior to the date of this auditors' report. The o*ther information does not include the financial statements and our report thereon.*

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies and Allied Matters Act (LFN) we expressly state 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) The Company have kept proper books of account, so far as appears from our examination of those books.

iii) The Company's financial position, statements of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Hassan Lawal, FCA - FRC/2013/ICAN/000000001382
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31-Dec-20 N'000	31-Dec-19 N'000
Revenue	7	23,891,766	19,723,641
Cost of sales	8	(7,803,248)	(7,001,810)
Gross profit		**16,088,518**	**12,721,831**
Administrative expenses	9	(6,815,194)	(6,430,911)
Selling and distribution expenses	10	(318,364)	(382,709)
Other gains and losses	11	158,319	147,450
Other operating income	11.1	(408,861)	236,752
Gain/(loss) on biological asset revaluation	17	1,845,367	1,832,064
Operating profit before finance cost and finance income		**10,549,785**	**8,126,477**
Finance cost	12	(1,918,292)	(2,133,709)
Finance income	13	58,858	66,915
Profit before tax	14	**8,690,351**	**6,059,683**
Tax expense	15	(3,428,422)	(2,220,937)
Profit for the year		**5,261,929**	**3,838,746**
Other Comprehensive Income (OCI)			
Item(s) that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation	26.2	(140,501)	(146,225)
Income tax relating to components of OCI (-)	15.2	42,150	43,867
Items that will be reclassified to profit or loss		-	-
Other comprehensive income, net of tax		**(98,351)**	**(102,358)**
Total comprehensive income for the year		**5,163,578**	**3,736,388**
Earnings Per Share			
Basic (Kobo)	34	516	374
Diluted (Kobo)	34	516	374

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Notes	31-Dec-20 N'000	31-Dec-19 N'000
Assets			
Non-current assets			
Intangible assets	16	74	121
Property, plant and equipment	18	52,109,564	48,211,859
Right-of-use assets	19	1,624,456	1,647,846
Total non-current assets		**53,734,094**	**49,859,826**
Current assets			
Inventories	22	3,549,206	3,329,438
Biological assets	17	6,937,844	5,092,477
Trade and other receivables	23	6,962,759	6,793,152
Cash and bank balances	24	2,585,092	5,934,937
Total current assets		**20,034,901**	**21,150,004**
Total assets		**73,768,995**	**71,009,830**
Equity and liabilities			
Equity			
Share capital	25.1	500,000	500,000
Share premium	25.2	1,173,528	1,173,528
Other reserves		(140,088)	(41,737)
Retained earnings		29,518,014	26,256,085
Total equity		**31,051,454**	**27,887,876**
Non-current liabilities			
Borrowings	27	6,810,189	8,487,757
Deferred benefit obligations	26	938,705	694,053
Deferred tax liabilities	31	9,055,816	6,784,632
Deferred income	29	466,365	682,697
Lease liabilities	30.2	186,529	186,531
Total Non-current liabilities		**17,457,604**	**16,835,670**

	Notes	31-Dec-20 N'000	31-Dec-19 N'000
Current liabilities			
Trade and other payables	32	11,541,335	8,180,957
Current tax liabilities	31	628,181	1,562,333
Bank overdraft	28	6,364,154	7,093,237
Borrowings	27	6,425,272	9,155,154
Deferred income	29	267,489	261,097
Lease liabilities	30.2	33,506	33,506
Total current liabilities		**25,259,937**	**26,286,284**
Total liabilities		**42,717,541**	**43,121,954**
Total equity and liabilities		**73,768,995**	**71,009,830**

The financial statements were approved and authorised for issue by the board of directors on 23 March 2021 and signed on its behalf by:

Mr Paul Cardoen
Chairman

Felix Nwabuko
Managing Director
FRC/2016/ICAN/00000014276

William Kenneth Crockett
Chief Financial Officer
FRC/2019/ICAN/00000019300

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Other Reserves N'000	Total N'000
Balance at 1 January, 2019	**500,000**	**1,173,528**	**22,440,193**	**60,621**	**24,174,342**
Adjustment on initial application of IFRS 16	-	-	1,964,686	-	1,964,686
Adjusted balance at 1 January 2019	500,000	1,173,528	24,404,879	60,621	26,139,028
Profit for the year	-	-	3,838,746	-	3,838,746
Net remeasurement gain on defined benefit plan	-	-	-	(102,358)	(102,358)
Total Comprehensive Income	**-**	**-**	**3,838,746**	**(102,358)**	**3,736,388**
Statute barred unclaimed dividend			12,460	-	12,460
Dividend paid			(2,000,000)		(2,000,000)
Balance at 31 December 2019	**500,000**	**1,173,528**	**26,256,085**	**(41,737)**	**27,887,876**
	-	-	-	-	-
Adjusted balance at 1 January 2020	500,000	1,173,528	26,256,085	(41,737)	27,887,876
Profit for the year	-	-	5,261,929	-	5,261,929
Net remeasurement loss on defined benefit plan	-	-	-	(98,351)	(98,351)
Total Comprehensive Income	-	-	**5,261,929**	**(98,351)**	**5,163,578**
Dividend paid	-	-	(2,000,000)	-	(2,000,000)
Balance at 31 December 2020	**500,000**	**1,173,528**	**29,518,014**	**(140,088)**	**31,051,454**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Notes	31-Dec-20 N'000	31-Dec-19 N'000
Cash flows from operating activities			
Profit for the year		5,261,929	3,838,746
Adjustments for:			
- Loss on sale of property plant and equipment	11	83,945	15,509
- Gain on disposal of palm seedlings	11.1	-	(82,332)
- Loss on sales of palm seedlings	11.1	611,172	-
- Tax expense	15	3,428,422	2,220,937
- (Gain)/Loss on biological asset valuation	17	(1,845,367)	(1,832,064)
- Depreciation of property plant and equipment	18	1,759,029	1,431,275
- Depreciation of Right-of-use assets	19	23,390	23,390
- Amortization of intangible assets	16	47	47
- Recognition of government grant on additional loan	29.1	(205,006)	(164,959)
- Finance cost	12	1,918,292	2,133,709
- Finance income	13	(58,858)	(66,915)
- Service cost	26	61,174	31,573
- Actuarial loss on long service award	26	6,592	8,041
- Expected Credit Loss Allowance/(Write-back)	9	(37,257)	33,392
		11,007,504	**7,590,349**
Movement in working capital:			
- (Increase) in trade and other receivable		(93,095)	(1,803,227)
- (Increase)/decrease in inventories		(259,022)	1,341,532
- Increase in trade and other payable		3,281,778	195,083
- Increase in deferred income from advances from customers		(4,934)	10,576
- Strategic spares transferred into inventory	18.0	66,719	847,164
Cash generated from operating activities		**13,998,950**	**8,181,477**
-Benefits paid	26.2	(50,236)	(17,112)
-Tax paid	31	(2,049,240)	(1,416,018)
Net cash generated from operating activities		**11,899,474**	**6,748,347**
Cash flows from investing activities			
Acquisition of Property, plant and equipment	18	(7,382,775)	(7,150,464)
Acquisition of Intangibles	16	-	(210,452)
Proceeds from sale of property, plant and equipment		12,813	2,555
Proceeds from sale of palm seedling		951,390	158,515
Interest received	13	58,858	66,915
Net cash used in investing activities		**(6,359,714)**	**(7,132,931)**

Cash flows from financing activities			
Interest paid	27	(1,569,177)	(1,950,787)
Loan received during the year	27	4,527,101	22,841,704
Repayment during the year	27	(9,130,665)	(16,212,450)
Dividend paid during the year	32.2.b	(2,000,000)	(2,000,000)
Unclaimed dividend received from Registrars	32.2b	51,069	60,932
Repayment of lease liabilities	30.3	(38,850)	(38,850)
Net cash used in financing activities		**(8,160,522)**	**2,700,549**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT		(2,620,762)	2,315,965
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR		(1,158,300)	(3,474,265)
CASH AND CASH EQUIVALENT AT END OF YEAR	**24**	**(3,779,062)**	**(1,158,300)**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

Societed'Investissement pour l'AgricultureTropicale ('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. Siatsa 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. The company also increased its authorized share capital in 2014 to N550,000,000 divided into 1,100,000,000 ordinary shares of 50 kobo each with 1,000,000,000 issued and fully paid. There are currently 9,194 shareholders on the Company's register of shareholders.

1.1 Principal activities

Presco Plc specializes in the cultivation of oil palms and in the extraction, refining and fractioning of crude palm oil into vegetable oil and palm stearin. The Company produces 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, Ologbo Estate and Sakponba Estate in Edo State and Cowan Estate in Delta State.

2. Changes in accounting policies

Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRSs that are mandatorily effective for periods beginning on or after 1 January 2020

The IASB has issued a number of new IFRSs and amendments thereto that are first effective for the current accounting period of the company as detailed below:

i. Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.
ii. Amendments to References to the Conceptual Framework in IFRS Standards
iii. Amendments to IFRS 3 Definition of a business
iv. Amendments to IAS 1 and IAS 8 Definition of material
v. Amendment to IFRS 16-Covid-19-Related Rent Concessions

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company given that it does not applies hedge accounting to its benchmark interest rate exposures. The application of the amendments impacts the Company's accounting in the following ways:

- The Company has no floating rate debt, linked to, which it cash flow hedges using interest rate swaps. The amendments permit continuation of hedge accounting even though there is uncertainty about the timing and amount of the hedged cash flows due to the interest rate benchmark reforms.

- The Company has not issued-denominated fixed rate debt which it fair value hedges using interest rate swaps. The amendments permit continuation of hedge accounting even if in the future the hedged benchmark interest rate, [Currency B] IBOR, may no longer be separately identifiable. However, this relief does not extend to the requirement that the designated interest rate risk component must continue to be reliably measureable. If the risk component is no longer reliably measurable, the hedging relationship is discontinued.

- The Company will need not retain the cumulative gain or loss in the cash flow hedge reserve for designated cash flow hedges that are subject to interest rate benchmark reforms even though there is uncertainty arising from the interest rate benchmark reform with respect to the timing and amount of the cash flows of the hedged items. Should the Company consider the hedged future cash flows are no longer expected to occur due to reasons other than interest rate benchmark reform, the cumulative gain or loss will be immediately reclassified to profit or loss.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Amendments to References to the Conceptual Framework in IFRS Standards
Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework.

Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.
The amendments did not have impact on the Company's financial statements as the Company has no associates or joint ventures.

Amendments to IFRS 3 Definition of a business
The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

The Company's activities and assets has outputs. Therefore it is a business.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The directors agree that it is appropriate to align the definition of materiality as disclosed in IFRS standards and conceptual framework.

Amendment to IFRS 16-Covid-19-Related Rent Concessions

In the current year, the Company has applied amendments to IFRS 16 ""Leases"" and other standards that are effective for an annual period that begins on or after 1 January 2020. Amendment to IFRS 16 Leases provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. A lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

It applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).

There is no substantive change to other terms and conditions of the lease.

2.2 Accounting standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective

(i) IFRS 17: Insurance Contracts

(ii) IFRS 10 and IAS 28 (amendments): Sale or Contribution of Assets between an investor and its Associates or Joint Venture

(iii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

(iv) Amendments to IFRS 3: Reference to the Conceptual Framework

(v) Amendments to IAS 16: Property, plant and equipment - Proceeds before intended use

(vi) Amendments to IAS 37: Onerous contracts - Cost of fulfilling a contract

(vii) Annual improvements to IFRS Standards 2018-2020 Cycle: Amendments to IFRS 1 First-Time Adoption of International Financial Reporting Standards, IFRS 9 Financial instruments, IFRS 16 Leases, and IAS 41 Agriculture

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. An exposure draft Amendments to IFRS 17 addresses concerns and implementation challenges that were identified after IFRS 17 was published. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2022.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements as the entity does not have insurance contracts in its books.

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.	The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements.
Amendments to IFRS 3 : Reference to the Conceptual Framework	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendment to IAS 1 - Classification of Liabilities as Current or Non-current	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classifications is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if	The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements.

covenants are complied with at the end of the reporting period, and introduce a definition of settlement to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services..

The amendments are applied retrospectively for annuals periods beginning on or after 1 January 2023, with early application permitted.

Amendment to IFRS 3 - Reference to the Conceptual Framework	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements.

Amendment to IAS 16 - Property, plant and Equipment- Proceeds before intended Use	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while turning the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of testing whether an asset is functioning properly "IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect if initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are effective for annual beginning on or after 1 January 2022, with early application permitted.	The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements.

Amendment to IAS 37 - Onerous Contracts - Cost of fulfilling a Contract	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.	The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements.
*Annual Improvements to IFRS Standards 2018-2020 Cycle *Amendment to IFRS 1, First-time adoption of international financial reporting standards*	The annual improvement include amendments to four standards. *IFRS 1 First time adoption of International Financial Reporting Standards* The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for	The directors of the Company have noted the amendments and will be applied as and when due, if necessary

**Amendments to IFRS 9 Financial Instruments*
**Amendments to Illustrative examples accompanying IFRS 16, Leases*
**Amendment to IAS 41 Agriculture*

all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.
The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.
As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair

value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretaxor post-tax cash flows and discount rates for the most appropriate fair value measurement.
The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB (and adopted by FRC). Additional information required by national regulations is included where appropriate.

(b) Functional and presentation currency

(i) Presentation currency

These Financial Statements are presented in Nigeria Naira.

(ii) Functional and presentation currency

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

(c) Basis of preparation and measurement

The principal accounting policies applied in the preparation of the financial statements are set out below.

The financial statements have been prepared on the basis of the historical cost price method except for biological assets stated at fair value. Any exceptions to the historical cost price method are disclosed in the valuation rules described hereafter.

(d) Revenue

The Company manufactures and produces Oil Palm products and recognizes revenue from the sale of these products which include RBDO, PFAD, Palm Olein, Palm Stearin, CPKO, RPKO amongst others.

Revenue is measured based on the consideration to which the company expects to be entitled in a contract witha customer and excludes amounts collected on behalf of third parties. The company recognises revenue when ittransfers control of a product or service to a customer.

Sale of goods

For sales of consumer goods to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location (delivery). Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the company when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, beingat the point the customer purchases the goods at the company. Payment of the transaction price is dueimmediately at the point the customer purchases the goods.

The Company has no variable consideration from its contracts with its customers as the contract consideration is pre-determined with the customers.

(e) Foreign currencies

Functional and presentation currency

Items included in the financial statements of the company is measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Nigerian Naira' (N).

Transactions and balances

In preparing the financial statement of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented separately in the income statement where material.

(f) Finance income and expense

Finance income and expense are recognised in the income statement in the period in which they are earned or incurred.

Interest income and expense are recognised using the effective interest method.

(g) 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 relating to genetic plants 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 disposed. 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.

(h) Biological Assets

Produce growing on bearer plants

Produce growing on bearer plants are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell of produce growing on bearer plants are recognised in profit or loss.

For the purpose of determining the fair value of Presco's biological asset by management, the discounted cash flow approach ("DCF") has been adopted as the primary valuation methodology. The DCF approach is a generally accepted valuation approach and requires the valuer to estimate the relevant cash flows from the produce growing on the bearer plants and discount these cash flows by the required discount rate in order to arrive at an appropriate asset value.

(i) 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.

Historical cost includes purchase costs, expenditure that is directly attributable to the acquisition of the items and the estimate of the cost of decommissioning (dismantling, removing the asset and restoring the site).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. Land has an unlimited useful life and as such is not depreciated. 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:

-	Freehold Land:	Nil
-	Leasehold land:	Over the lease period
-	Other land related expenditure:	20 years
-	Building:	30 years
-	Processing equipment:	10-20 years
-	Heavy duty equipment:	10-20 years
-	Furnitures, fixtures and fittings:	3 -10 years
-	Utilities	10 years
-	Vehicles, wheels & tractors:	5-10 years
-	Bearer plant:	25 years
-	Rubber Budwood:	30 years
-	Work-In-Progress:	Nil

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.

The annual rates of depreciation are consistent with those of prior year.

Property, plant and equipment that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Property, plant and equipment that suffer impairment are reviewed for possible reversal of the impairment at each balance sheet date.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-eight years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants.

The mature bearer plants are depreciated over its remaining useful lives of twenty-five (25) years on a straight-line basis. The immature bearer plants, included as work-in-progress, are not depreciated until such time when it is available for use.

(j) Leases

Assets held under finance leases are initially recognised as assets of the Company 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 straightline basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at thecommencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised leasepayments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which casethe lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Company made such adjustments during the course of the financial year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are not presented as a separate line in the statement of financial position but are however included as part of the company's property, plant & equipment as Leasehold land.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company as lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease.

All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the company applies IFRS 15 to allocate the consideration under the contract to each component.

(k) Impairment of tangible and intangible assets excluding goodwill

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(l) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value through profit or loss and fair value through other comprehensive income, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

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.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated futurecash 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) excluding expected credit losses, through the expected life ofthe debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interestrate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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 amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of anydifference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

-Interest income is recognised using the effective interest method for debt
-instruments measured subsequently at amortised cost and at FVTOCI.
-financial assets other than purchased or originated credit impaired
-financial assets, interest income is calculated by applying the effective
-interest rate to the gross carrying amount of a financial asset, except for
-financial assets that have subsequently become credit impaired. For
-financial assets that have subsequently become credit impaired, interest
-income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impairedfinancial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Company recognises interest income by applyingthe credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improvesso that the financial asset is no longer credit impaired.

(ii) Debt instruments classified as at FVTOCI

Debt instruments classified as at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments classified as FVTOCI as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments classified as FVTOCI are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has evidence of a recent actual pattern of short term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Company does not have and neither have they designated any investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above)are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in the Company's accounting policies.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations."

The company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the company considers the changes in the risk that the specified debtor will default on the contract."

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the company, in full (without taking into account any collateral held by the company).

Irrespective of the above analysis, the company considers that default has occurred when a financial asset is more than 365 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or

contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the company expects to receive from the holder, the debtor or any other party.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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.

Equity instruments

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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

"The component parts of convertible loan notes issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date."

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium or other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained profits or other component of equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the company, are measured in accordance with the specific accounting policies set out below:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirerin a business combination, (ii) held for trading or (iii) designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedginginstrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed

and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item (note 11) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.
Gains or losses on financial guarantee contracts issued by the company that are designated by the company as at FVTPLarerecognised in profit or loss.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently 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 amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse theholder for a loss it incurs because a specified debtor fails to make payments when due in accordance with theterms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisationrecognised in accordance with the revenue recognition policies set out above.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) 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.

Trade payables

Trade payables are not interest bearing and are stated at fair value and subsequently measured at amortised cost.

Loans and borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of direct issue costs, and are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis through the Income Statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss (note 11) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bring them to their existing location and condition.

Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The basis of costing is as follows:

Supplies (Spares)	- purpose cost on a weighted average basis including transportation and applicable clearing charges
Finished Goods	-the stock of finished products (including biological assets after harvest) are valued by adding the total cost to produce the goods.

Goods in Transit -purchase cost incurred to date

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.

(n) 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 on 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 current liabilities on the balance sheet.

(o) 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.

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

(q) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. In respect of interim dividends these are recognised once paid. Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of Companies and Allied Matters Act of Nigeria are written back to retained earnings.

(r) Derivative financial instruments

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, deposits for import etc.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date less impairment losses. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair valueis recognised as a financial liability. Derivatives are not offset in the financial statements unless the company has botha legally enforceable right and intention to offset.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(s) Retirement benefits and other long term employees' 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 company;
- other employee benefits: post-employment medical care.

Defined contribution scheme
The company operates a defined contribution plan. The defined contribution plan pays a fixed contribution into a separate entity.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss. The Company contributes 10% and employees contribute 8% of their insurable earnings (basic, housing and transport allowances) each to the scheme.

The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current year.

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

Defined benefit scheme
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. Remeasurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit

recognised in other comprehensive income in the period in which they occur. Remeasurementrecognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:
- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

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.

Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

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

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

(t) 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.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The fair value of the government loan at below market rate of interest is estimated as the present value of all future cash flows discounted using the prevailing market rate(s) of interest for a similar instrument with a similar credit rating. The benefit of the government grant is measured as the difference between the fair value of the loan and the proceeds received.

(u) Current and deferred income tax

The tax for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 at the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such 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 nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(v) 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.

(w) Earnings per share (EPS)

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(x) Related parties

Related parties include its parent company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(y) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are 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.

Critical judgements in applying the company's accounting policies

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Biological assets

Fair value of the produce is measured with reference to the price in an active market at the point of harvest adjusted for its present location and condition. For the purpose of determining the fair value of Presco's biological asset, management adopted the discounted cash flow approach (multi-period earning) as the primary valuation methodology. The multi-period earning approach is a generally accepted valuation approach and requires the valuer to estimate the relevant cash flows and discount these cash flows by the required discount rate in order to arrive at an appropriate asset value.

The relevant cash flow calculation includes:
Cash-in/revenue: This includes the expected yield from each plantation estate taking into consideration the expected extraction rate and purchase price. The cash-in/revenue cash flows were based on the forecast extraction rate for Presco Plc, the forecast production and the respective sales price for each forecast year.

Cash-out/costs: The upkeep costs, harvesting/collection costs, overheads and factory costs have been included as part of the cash-out costs.

Cash-out costs were computed thus:
- Upkeep cost was forecasted based on the historical average cost per mature hectares and increased at the forecast inflation rate per annum.
- Harvesting/collection cost was based on the historical average collection cost per fresh fruit bunch (FFB) and increased at the forecast inflation rate per annum."

In estimating the net cashflows, management considered cashflows which were derived by estimating the expected yield from each plantation estate taking into consideration expected extraction rate and purchase price. The extraction rate was adopted based on management's judgement while the purchase price is based on observable selling price per tonne.

The forecast growth rate was based on management's expectation and experience. Estimated cash flows derived was based on upkeep cost, harvesting/collection cost, and agric overhead cost. The net cash flow derived was discounted by the weighted average cost of capital (WACC) which reflects market participant's view.

In arriving at the reported fair value, management estimated the cost of disposing off the biological asset (incremental costs to take the asset to market, cost of engaging professionals to assist with the disposal process, and other transaction costs as management deemed necessary) and deducted these estimated costs from the fair value to arrive at the fair value less cost to sell of about N6.94billion.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(ii) Useful lives of property, plant and equipment

Property plant and equipment represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

(iii) Provision for defined benefit obligation

The Company operates an unfunded defined benefit scheme. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

(iv) Taxation

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority. Under the Nigerian tax system, self-assessment returns are subjected to a desk review for the determination of tax due for remittance in the relevant year of assessment. This is however not conclusive as field audits are carried out within six years of the end of the relevant year of assessment to determine the adequacy or otherwise of sums remitted under self-assessment thus making tax positions uncertain.

(v) Valuation of financial liabilities

As at the end of the reporting period, the Company had in its books some government assisted loans at below market rates. In accordance with IAS 20, the government grant which is the difference between the proceeds of the loans and their fair value should be accounted for. Based on IFRS 9, all financial liabilities should be initially recognized at fair value. In computing the fair value of these loans, the imputed interest rate used in discounting the cashflows associated with the loans is based on management judgement of best estimate of its borrowing cost at the time the loans were granted.

(vi) Calculation of loss allowance

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

4. Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the equity balance. The Company's overall strategy remained unchanged.

The capital structure of the Company consists of Net debt (bank overdrafts, short and long term bank loans, less cash and bank balances) excluding derivatives and financial guarantee contract and the equity of the Company comprising issued capital, reserves, retained earnings as disclosed in the statement of financial position).

The Company's risk management committee reviews the capital structure of the Company on a frequent basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on the committee's recommendations, the Company expects to maintain its current gearing ratio unchanged.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio The gearing ratio at the year-end is as follows:	**31-Dec-20** **N'000**	**31-Dec-19** **N'000**
Debt	19,599,615	24,736,148
Cash and bank balances (Note 24)	(2,585,092)	(5,934,937)
Net debt	**17,014,523**	**18,801,212**
Equity	31,612,654	27,887,876
Net debt to equity ratio	**54%**	**67%**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

5. Financial instruments

All the company's financial assets and liablities are measured at amortised cost and due to the short term nature of these financial instruments, the fair value reasonably approximates the carrying value in the statement of financial position.

5.1 Categories of financial instruments

	31-Dec-20 N'000	31-Dec-19 N'000
Financial assets		
Cash and bank balances	2,585,092	5,934,937
Trade and other receivables	6,962,760	6,793,152
	9,547,852	**12,728,089**
Financial liabilities		
Amortized cost:		
Borrowings	13,235,461	17,642,911
Overdrafts	6,364,154	7,093,237
Trade and other payables	11,541,335	8,180,957
Lease liabilities	220,037	220,037
	31,360,987	**33,137,142**

5.2 Financial Risk Management

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the Company;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, credit risk, liquidity risk and interest rates.

The overall Company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.
The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

The Company monitors and manages financial risks relating to its operations through internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls and to monitor the risks and limits continually by means of reliable and up-to-date systems. The Company modifies and enhances its risk management policies and systems to reflect changes in markets and products. The Audit Committee, under authority delegated by the Board, formulates the high-level Company risk management policy, monitors risk and receives reports that allow it to review the effectiveness of the Company's risk management policies.

The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to both senior Management and the Audit Committee.

5.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.

The Company's activities expose it primarily to financial risks of changes in foreign currency exchange rates and interest rates. Market risks exposures are measured using sensitivity analysis.

5.2.1.1 Foreign currency risk management

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. The company manages foreign exchange risk through foreign exchange forward contracts.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company are mainly exposed to USD and EUR.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
USD	283,119	1,712,314	121,198	1,741,697
EUR	2,629,071	4,869,402	6,793,670	6,638,985
GBP	3,024	3,024	-	-

The following exchange rates were applied during the year ended 31 December 2020:

	31-Dec-20		31-Dec-19	
	Average Rate	Year End Spot Rate	Average Rate	Year End Spot Rate
USD	406.00	423.56	339.24	358.51
EUR	454.64	519.74	371.41	402.68
GBP	498.25	578.14	436.54	473.23

The following table details the Company's sensitivity to a 15% (2019; 15%), increase and decrease in Naira against foreign currencies. Management believes that a 15%

movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding balances of foreign currencies denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 15% against the foreign currencies. For a 15% weakening of Naira against the foreign currencies there would be an equal and opposite impact on profit, and the balances below would be negative. The analysis assumes that all other variables remain constant.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

	31-Dec-20 Profit/(loss) after tax N'000	31-Dec-19 Profit/(loss) after tax N'000
Naira strengthens by 15% against the USD	(3,269)	(1,580)
Naira strengthens by 15% against the EUR	(311,783)	(106,886)
Naira strengthens by 15% against the GBP	278	215
Naira weakens by 15% against the USD	3,269	1,580
Naira weakens by 15% against the EUR	311,783	106,886
Naira weakens by 15% against the GBP	(278)	(215)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

The foreign exchange risk is mainly from related parties payable and receivable balances with foreign related parties

5.2.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates.

The Company is not exposed to interest rate risk because it borrows funds denominated only in Naira at a fixed interest rates. The sensitivity analyses below have been determined based on the exposure to interest rates for both USD and Naira denominated borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 10 basis points (BP) increase or decrease are used when reporting LIBOR and NIBOR risks internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

If LIBOR had been 10 basis points (i.e. 1%) higher/lower and all other variables were held constant, the Company's profit or loss will be affected as follows:

	31-Dec-20 Profit/(loss) after tax N'000	31-Dec-19 Profit/(loss) after tax N'000
If LIBOR is 10 BP lower:		
Borrowings (USD)	-	-
If LIBOR is 10 BP higher:		
Borrowings (USD)	-	-
If NIBOR is 10 BP lower:		
Borrowings (NGN)	-	-
If NIBOR is 10 BP hig		
Borrowings (NGN)	-	-

5.2.2 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company maintains a strong liquidity position and manages the liquidity profile of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company enjoys favourable 90 days of credit from its suppliers as against 30 days of credit it gives to its customers. Thus, the company is always at an advantage position to meet its obligations because funding is quickly available from credits extended to its customers than the timing it requires to settle its obligations.

5.2.2.1 Maturity analysis of financial liabilities

The following table details the Company's expected maturity for its non-derivative financial liabilities with agreed repayment periods. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	0-6 months N'000	6-12 months N'000	12-24 months N'000	24 months and above N'000	Total N'000
31-Dec-20					
Trade and other payables	5,930,550	5,583,985	-	-	11,514,535
Borrowings	4,670,050	3,505,000	3,134,528	1,925,883	13,235,461
Overdraft	3,250,000	3,114,154	-	-	6,364,154
Lease liabilities	16,753	16,753	33,506	153,023	220,035
	13,867,353	**12,219,892**	**3,168,034**	**2,078,906**	**31,334,185**
31-Dec-19					
Trade and other payables	4,565,425	3,615,532	-	-	8,180,957
Borrowings	5,660,470	3,500,074	2,529,305	5,953,062	17,642,911
Overdraft	2,748,249	4,344,989	-	-	7,093,238
Lease liabilities	16,753	16,753	33,506	153,025	220,037
	12,990,897	**11,477,348**	**2,562,811**	**6,106,087**	**33,137,143**

5.2.3 Credit risk management

In order to minimise credit risk, the company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposures to its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit risk of customers is assessed by taking into account their financial positions, past experiences and other factors. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Equity price reviews of counterparties is done through the monitoring of the share price of the counterparties on the floor of the stock exchange.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the company reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the company's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, a guarantee for such receivables is obtained.

The company does not believe it is exposed to any material concentrations of credit risk because the counterparties deal with banks with high credit-ratings.

Overview of the Company's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at 31 December 2020, the company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position. The related loss allowance is disclosed in Note 23.2.

The company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery	Amount is written off

The tables below details the credit quality of the company's financial asset as well as the company's maximum exposure to credit risk by credit risk rating grades:

31- Dec -20	Note	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount N'000	Loss allowance N'000	Net carrying amount N'000
Trade receivables	23.2	(i)	Lifetime ECL (simplified approach)	529,371	(30,908)	498,463
Intercompany receivables	35.1	Doubtful	Lifetime ECL – not credit impaired	5,693,859	-	5,693,859
Call deposits	24	Performing	12-month ECL	496,287	-	496,287
				6,719,517	**(30,908)**	**6,688,609**

31- Dec -19	Note	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount N'000	Loss allowance N'000	Net carrying amount N'000
Trade receivables	23.2	(i)	Lifetime ECL (simplified approach)	774,765	(68,166)	706,600
Intercompany receivables	35.1	Doubtful	Lifetime ECL – not credit impaired	5,408,071	-	5,408,071
Call deposits	24	Performing	12-month ECL	1,106,120	-	1,106,120
				7,288,956	**(68,166)**	**7,220,791**

(i) For trade receivables, the company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 23.1 includes further details on the loss allowance for this asset.
All of the company's financial assets are carried at amortised cost. The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets in the statement of financial position.

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

5.2.4 Fair value of financial instruments

(a) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The Company does not have financial assets and financial liabilities that are measured at fair value on a recurring basis.

(b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
31-Dec-20				
Financial assets				
Loans and receivables:				
Cash and bank balances	-	2,585,092	-	2,585,092
Trade and other receivables	-	6,962,760	-	6,962,760
	-	**9,547,852**	**-**	**9,547,852**
Financial liabilities				
At amortized cost:				
Borrowings	-	13,235,461	-	13,235,461
Trade and other payables	-	11,541,335	-	11,541,335
Overdraft	-	6,364,154	-	6,364,154
Lease liabilities	-	220,037	-	220,037
	-	**31,360,987**	**-**	**31,360,987**
31-Dec-19				
Financial assets				
Loans and receivables:				
Cash and bank balances	-	5,934,937	-	5,934,937
Trade and other receivables	-	6,793,152	-	6,793,152
	-	**12,728,089**	**-**	**12,728,089**
Financial liabilities				
At amortized cost:				
Borrowings	-	17,642,911	-	17,642,911
Trade and other payables	-	8,180,957	-	8,180,957
Overdraft	-	7,093,236	-	7,093,236
Lease liabilities	-	220,035	-	220,035
	-	**33,137,140**	**-**	**33,137,140**

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments classified as trading securities or available for sale.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

The Chief Executive Officer has determined that for the purposes of resource allocation and assessment of segment performance, the business and operating segments of the company is analysed based on the type of goods delivered by the company. Specifically, the company's reportable segments under IFRS 8 are local sales, related party sales and export sales.

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

	Segment Revenue		Segment Revenue	
	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-20 N'000	31-Dec-19 N'000
Local Sales	23,524,522	19,279,686	10,398,481	7,943,560
Export Sales	-	-	-	-
Related parties sales	367,244	443,955	151,304	182,917
	23,891,766	**19,723,641**	**10,549,785**	**8,126,477**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2019: nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3.

Segment profit represents the profit before tax, finance cost and finance income earned by each segment. This is the measure reported to the Chief Operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are used jointly by reportable segments and are allocated on the basis of the revenues earned by individual reportable segments.

There were no segments derecognized in the current year (2019: Nil).

6.1 Revenues from major products and services

The company's revenues from its major products and services are disclosed in Note 7.

6.2 Information about major customers

Revenue from three of the company's major customers represented approximately N7.01billion (2019: N9.42billion) of the company's total revenue. These customers accounted for more than 10% of the company's total revenue individually.

No other single customers contributed 10 per cent or more to the company's revenue in either 2020 or 2019. Therefore, information on these customers is not presented.

7. Revenue

	31-Dec-20 N'000	31-Dec-19 N'000
Revenue comprise:		
-Sales of crude and refined products	23,520,992	19,238,210
-Mill by-products	3,530	41,476
Sales of Fresh Fruit Bunches (FFB)	367,244	443,955
	23,891,766	**19,723,641**
Geographical Market		
Nigeria	23,891,766	19,723,641
	23,891,766	**19,723,641**
Timing of revenue recognition		
-at a point in time	23,891,766	19,723,641
-over time		-
	23,891,766	**19,723,641**

8. Cost of sales

	31-Dec-20 N'000	31-Dec-19 N'000
Raw materials consumed	322,172	10,813
Upkeep of mature plantings, harvesting		
& laboratory expenses	1,726,964	1,706,107
Mill processing, refinery and packaging costs		3,918,438
(Note 8.1)	3,997,793	1,136,286
Depreciation of property, plant and equipment		
(Note 18)	1,455,282	23,390
Depreciation of right-of-use assets (Note 19)	23,390	206,776
Repairs and maintenance	277,647	
	7,803,248	**7,001,810**

8.1 Included in mill processing, refinery and packaging costs is the sum of N967.338 million (2019: N875.304 million) paid to seconded personnel from NV SIAT SA. Also included is the sum of N703. 207 million (2019: N596.84 million) relating to technical knowhow fees paid by the company to NV SIAT SA (see Note 14.1).

9. Administrative expenses

	31-Dec-20 N'000	31-Dec-19 N'000
Clearing and handling	320,051	554,369
Office and housing expenses	161,213	142,463
Rent and rate	7,732	10,667
Repairs and maintenance	166,088	125,540
Gratuity expense (service cost)	28,938	31,573
Actuarial loss/(gain) on long service award	6,592	8,041
Postage and telephone	17,777	19,546
Insurance	184,133	200,612
Legal and regulatory expenses	21,870	237,613
Audit fees	40,000	31,610
Professional and other consultancy fees	183,259	416,435
Donation	29,578	16,484
Subscription and licenses	42,486	50,726
Transport and travelling	2,018,261	1,509,437
Management fees (Note 14.1)	332,794	254,677
Security	186,538	203,218
Community development	51,071	22,985
Meeting, Entertainment and Corporate social responsibility (CSR)	87,392	216,483
Directors' fees	94,072	101,526
Staff costs	1,232,598	1,205,444
Depreciation of property, plant and equipment (Note 18)	303,747	294,989
Amortization of intangible assets (Note 16)	46	47
Bank charges	265,940	333,916
Exchange losses	501,286	389,596
Expected Credit Loss Allowance	-	33,392
Fines and penalties	191	9,680
Other Expenses	531,541	9,842
	6,815,194	**6,430,911**

10. Selling and distribution expenses

	31-Dec-20 N'000	31-Dec-19 N'000
Selling expenses	19,125	24,948
Finished products (Road transport)	299,239	357,761
	318,364	**382,709**

11. Other gains and losses

	31-Dec-20 N'000	31-Dec-19 N'000
Government grants (Note 29.1)	205,006	164,959
Loss on disposal of fixed assets	(83,945)	(15,509)
ECL Impairment in prior year	37,258	-
	158,319	**149,450**

11.1 Other operating (losses)/income

	31-Dec-20 N'000	31-Dec-19 N'000
Livestock sales	2,447	3,034
Scrap sales	22,385	39,349
Short delivery of finished products	24,006	37,933
Fertilizer sales	-	8,123
Palm seedlings sales	(611,172)	82,332
Petrol and diesel sales	88,214	62,407
Use of land	56,399	-
Service income	8,860	3,574
	(408,861)	**236,752**

The company incurred losses on the sales of its palm seedlings to farmers in the current year.

However, palm seedlings sales has been removed from Note 11. Other gains and losses to Note 11.1 other operating (losses)/income

12. Finance cost

	31-Dec-20 N'000	31-Dec-19 N'000
Interest on lease liabilities (Note 30.3)	41,249	41,249
Interests on loans	551,342	880,697
Interests on overdrafts	1,042,966	970,980
Interest on defined benefit obligation	86,621	75,824
Interest on government grant	196,114	164,959
	1,918,292	**2,133,709**

13. Finance income

	31-Dec-20 N'000	31-Dec-19 N'000
Interest on call deposit	56,785	49,350
Interest on fixed deposit	2,073	17,565
	58,858	**66,915**

14. Profit before taxation

Profit before taxation is stated after charging the following:	31-Dec-20 N'000	31-Dec-19 N'000
Depreciation of property plant and equipment (Note 18)	1,759,029	1,431,275
Depreciation of Right-of-use assets (Note 19)	23,390	23,390
Amortization of intangible assets (Note 16)	47	47
Directors' remuneration (Note 35)	94,072	101,526
Auditors' remuneration	40,000	31,610
Loss on disposal of fixed assets	82,745	15,509
Interest on loans, overdraft, etc. (Note 12)	1,918,292	2,133,709
Management fee (Note 14.1)	332,794	254,677
Technical Knowhow (Note 14.1)	703,207	596,844
Seconded staff cost	967,339	875,304
Expected Credit Loss Allowance	-	33,392
Exchange loss	265,940	333,916
Gratuity expense (service cost)	28,938	31,573
Actuarial loss/(gain) on long service award	6,592	8,041

14.1 Technical and Management service fees

The amount payable for Technical Knowhow and Management service agreement is based on applicable rates below. For the year ended 31 December, 2020 the fees inclusive of VAT amounting to N1.03 billion (2019: N0.85 billion) was recognised in these financial statements. The agreement was made with the approval of the National Office for Technology Acquisition and promotion (NOTAP). It was renewed in 2018 for a period of three (3) years with effect from 1 January 2018 to 31 December 2020. The total allowed not exceeding N5,778.98 million

NOTAP Approved Items	NOTAP Certificate No	Rates	Bases
Technical Knowhow	Cr006852	3%	Net Sales
Management Fee	Cr006852	3%	Profit before tax (PBT)

15. Tax expenses

	31-Dec-20 N'000	31-Dec-2019 N'000
Income tax		
Current income tax	297,435	989,907
Education tax	190,008	137,329
Police trust fund	435	303
Tax under provision in prior years and paid during the year	627,210	-
	1,115,088	1,127,539
Deferred tax	2,271,184	1,049,531
	3,386,272	**2,177,070**

15.1 Analysis of tax expense:

	31-Dec-20 N'000	31-Dec-19 N'000
Tax recognised in profit or loss	3,428,422	2,220,937
Tax recognised in other comprehensive income	(42,150)	(43,867)
	3,386,272	**2,177,070**

Income taxes relating to continuing operations

Income tax recognized in profit or loss

Current tax

Current tax expense in respect of the current period:		
Company income tax payable	297,435	801,779
Education tax payable	190,008	128,469
Police trust fund tax payable	435	303
Capital gains tax	-	-
Under provision in prior periods	627,210	-
Adjustments recognized in the current period in relation to the income tax of prior periods	-	188,128
Adjustments recognized in the current period in relation to the education tax of prior periods	-	8,860
	1,115,088	**1,127,539**

Deferred tax		
Deferred tax expense recognized in the current period	2,313,334	1,093,398
Deferred tax reclassified from equity to profit or loss	-	-
Write-downs (reversals of previous write-downs) of deferred tax assets	-	-
Adjustments recognized in relation to the deferred tax of prior year biological asset gain/loss	-	-
	2,313,334	**1,093,398**
Total tax expense recognized in the current period relating to continuing operations	**3,428,422**	**2,220,937**

Deferred tax asset is recognised to the extent that there is probability of future taxable profits or taxable temporary difference available for offset.

The current tax charge has been computed at the applicable rate of 30% (31 December 2019: 30%) plus Tertiary Education levy of 2% (31 December 2019: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as legal fees, donations, public relations expenses and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income include income such as dividend income and income from government bonds which are not taxable.

15.2 Effective tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

The income tax expense for the period can be reconciled to the accounting profit as follows:

	31-Dec-20 N'000	31-Dec-19 N'000
Profit before tax from continuing operations	8,690,351	6,059,683
Income tax expense calculated at 30% of PBT (2019: 30%)	2,607,105	1,817,905
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	186,348	111,299
Effect of concessions (research and development and other allowances)	(179,024)	(34,027)
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	-	-
Education tax at 2% of assessable profits	190,008	128,469
Police trust fund at 0.005% of PBT	435	303
Adjustments recognized in the current period in relation to the income tax of prior periods	627,210	188,128
Adjustments recognized in the current period in relation to the education tax of prior periods	-	8,860
Adjustments recognised in the current year in relation to the deferred tax of prior years	-	-
Tax adjustments (others)	(3,660)	-
Income tax expense recognized in profit or loss	**3,428,422**	**2,220,937**
Effective tax rate	**39%**	**37%**

Income tax recognized in other comprehensive income

	31-Dec-20 N'000	31-Dec-19 N'000
Current tax	**-**	**-**
Deferred tax		
Arising on income and expenses recognized in other comprehensive income:		
Remeasurement of defined benefit obligation	(42,150)	(43,867)
Translation of foreign operations	-	-
Fair value re-measurement of hedging instruments entered into for a hedge of a net investment in a foreign operation	-	-
Fair value re-measurement of available-for-sale financial assets	-	-
Fair value re-measurement of hedging instruments entered into for cash flow hedges	-	-
Property revaluations	-	-
	(42,150)	**(43,867)**

Arising on gains/losses of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items

Total income tax recognized in other comprehensive income	**(42,150)**	**(43,867)**

16 Intangible assets

	Computer software N'000	Genetic N'000	Total N'000
Cost			
At 1 January 2019	116,512	826,677	943,189
Additions during the year	-	210,452	210,452
Transfer to work-in-progress (Note 16.1)	-	(1,037,129)	(1,037,129)
At 31 December 2019	**116,512**	**-**	**116,512**
Additions during the year	-	-	-
Transfer to work-in-progress (Note 16.1)	-	-	-
At 31 December 2020	**116,512**	**-**	**116,512**
Amortization			
At 1 January 2019	116,344	-	116,344
Charge during the year	47	-	47
At 31 December 2019	**116,391**	**-**	**116,391**
Charge during the year	47	-	47
At 31 December 2020	**116,391**	**-**	**116,391**
Carrying amount			
At 31 December 2020	**74**	**-**	**74**
At 31 December 2019	**121**	**-**	**121**
At 1 January 2019	**168**	**826,677**	**826,845**

All intangible assets are non-current. Computer software relates to the cost of acquisition of the company's deployed Agric Business Solution (ABS) system and is amortized over 10 years in line with its accounting policy.

Genetic relates to the cost of fruits planted for research and development purposes and is not subject to amortization.

16.1 Transfer to Work-in-progress (WIP)

This relates to the cost of genetic plant reclassified to work in progress (WIP) after successful growth (i.e. the plants become capable of bearing fruits and can therefore be capitalized as bearer plants in property, plant and equipment when fully mature). See Note 18.

17 Biological assets

17a. Reconciliation of carrying amount

Biological assets (BA) consists of the Fresh fruit bunches from the trees:

	31-Dec-20 N'000	31-Dec-2019 N'000
At Fair Value		
Fresh Fruit Bunches (FFB)		
At 1 January	**5,092,477**	**3,260,413**
Mature hectares	(244,092)	310,627
Fresh Fruit Bunches (FFB) produced	(788,324)	729,120
Extraction rate	(123,012)	60,606
Cost (Upkeep cost, harvesting & collection cost and agric overhead costs)	(36,286)	(411,720)
Change in fair value less costs to sell:	-	-
Selling price	3,177,091	1,350,637
Contributory Asset Charge (CAC)	(155,281)	(219,275)
Discount rate	15,271	12,069
Gain on biological asset revaluation	**1,845,367**	**1,832,064**
At 31 December	**6,937,844**	**5,092,477**
The biological assets are analysed into:		
Non-Current	-	-
Current	6,937,844	5,092,477
At 31 December	**6,937,844**	**5,092,477**

The biological assets of Presco comprises fresh fruit bunches ('FFB"") prior to harvest. The valuation model adopted by the company considers the present value of the net cash flows expected to be generated from the sale of products (CPO) from FFB. In estimating the net cash flows, management considered cash flows which were derived by estimating the expected yield from each plantation estate taking into consideration expected extraction rate and purchase price. The extraction rate adopted was based on management's experience and judgement while the purchase price is based on observable CPO selling price per tonne.

The forecast growth rate was based on management's expectation and experience. Estimated cash flows derived was based on upkeep cost, harvesting/collection cost, overheads and other factory costs. Management estimated these costs based on historical trends. The net cash flow derived was discounted using the weighted average cost of capital (WACC) which reflects market participant's view.

In arriving at the reported fair value, management estimated the cost of disposing off the biological asset (incremental costs to take the asset to market, cost of engaging professionals to assist with the disposal process, and other transaction costs as management deemed necessary) and deducted these estimated costs from the fair value to arrive at the fair value less cost to sell of about N6.94billion.

During the financial year, Presco harvested 214,872 tons of FFB (2019: 200,163 tons).

As at 31 December 2020, none of the biological assets are pledged as securities for liabilities.

The fair value measurement of the company's biological assets are categorised within Level 3 of the fair value hierarchy. If the FFB products selling price changes by 5%, profit or loss for the company would have equally increased or decreased by approximately N415.39 million (2019: N311.82 million).

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

The following table details the sensitivity of the value of the biological assets to the changes in discount rate and extraction rate within a band of +/-0.5%.

NGN'm	6,938		Discount rate (post-tax)		
			15.1%	15.6%	16.1%
Extraction rate	22.0%		6,707	6,701	6,694
	25.5%		6,944	6,938	6,931
	23..0%		7,182	7,175	7,168

The value of the biological assets appears to be sensitive to these inputs (discount rate and extraction rate).

At 31 December 2020, Presco's material biological asset consists only in palm trees coming from 4 existing estates (Obaretin, Cowan, Ologbo and Sakponba):

Mature Palm trees for a total of 18,628 hectares;
Immature Palm trees for a total of 4,386 hectares and;
Pre nursery and Main nursery seedlings available to generate a total of 8,357 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 Malaysian Palm Oil price incremented by a factor taking into account Nigerian Market specificities, and a discount rate of 15.6% (2019: 16.76%)."

17b. Measurement of fair values:

i. **Fair value hierarchy**

The fair value measurements for the FFB Produce have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

ii. **Level 3 fair values**

The following table shows a breakdown of the total gains (losses) recognised in respect of Level 3 fair values:

Gains on biological assets	31-Dec-20 N'000	31-Dec-19 N'000
Change in fair value	**1,845,367**	**1,832,064**

iii. **Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Palm Trees (Fresh Fruit Bunches)			
Palm trees older than 3 years (i.e. the age at which its Fresh fruit bunches (FFB) becomes mature for processing into CPO)	**Discounted cash flows:** The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 6 months. The expected net cash flows are discounted using a risk adjusted discount rate.	**- Estimated future market** prices for CPO per tonne (2020: N541,404; 2019: N381,667). **– Estimated yields per hectare** Obaretin (2020: 0.5–2.3, weighted average 1.6); Ologbo (2020: 0.9–2.0, weighted average 1.4); Cowan (2020: 0.7–1.9, weighted average 1.5); Sakponba (2020: 0.1–0.14, weighted average 0.1); Obaretin (2019: 0.6–2.5, weighted average 1.7); Ologbo (2019: 1.1 – 2.1, weighted average 1.5); Cowan (2019: 1.0 – 2.5, weighted average 1.8); **– Estimated costs (2020: 10.9% –14%, weighted average 12.2%; 2019: 10.7% – 13.8%, weighted average 12.2%).** **– Risk-adjusted discount rate** (2020: 15.1% – 16.1%, weighted average 15.6%; 2019: 16.3% – 17.3%, weighted average 16.8%)	The estimated fair value would increase (decrease) if: – the estimated CPO prices per tonne were higher (lower); – the estimated yields per hectare were higher (lower); – the estimated harvest and transportation costs were lower (higher); or – the risk-adjusted discount rates were lower (higher).

17c. Risk management strategy related to agricultural activities

The Company is exposed to the following risks relating to its plantations:

i. Regulatory and environmental risks

The company is subject to laws and regulations in various Nigeria where it operates. The company has established environmental policies and procedures aimed at compliance with local environmental and other laws.

ii. Supply and demand risk

The company is exposed to risks arising from fluctuations in the price and sales volume of palm oil. When possible, the company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

iii. Climate and other risks

The company's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The company has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and diseases surveys. The company also takes out insurance.

17d. Commitments for development or acquisition of biological assets

The company has not entered into any contract during the financial year to acquire additional palm oil seedlings (2019: nil).

18. PROPERTY, PLANT AND EQUIPMENT

N'000	Bearer Plant N'000	Rubber Budwood N'000	Building N'000	Freehold Land N'000	Leasehold Land N'000	Processing Equipment N'000	Heavy Duty Equipment N'000	Vehicles, Wheel &Tractors N'000	Furniture, Fixtures & Fittings N'000	Utilities N'000	Spareparts (Strategic Spares) N'000	Work-In -Progress N'000	Total N'000
Cost													
At 1 January 2019	9,028,726	-	2,807,688	2,218,144	1,827,179	10,720,533	781,862	1,826,186	451,082	954,566	847,164	22,063,883	53,527,013
Effect of initial application of IFRS 16 (Note 18.6)	-	-	-	-	562,606	-	-	-	-	-	-	-	562,606
Adjusted balance at 1 January 2019	**9,028,726**	-	**2,807,688**	**2,218,144**	**2,389,785**	**10,720,533**	**781,862**	**1,826,186**	**451,082**	**954,566**	**847,164**	**22,063,883**	**54,089,619**
Reclassifications (Note 18.4)	(2)	-	3,247	-	(718,549)	(1,107,537)	(93,893)	27,883	99,661	346,166	-	(769,911)	(2,212,935)
Transfer to Right-of-use asset (Note 18.5)	-	-	-	-	(1,671,236)	-	-	-	-	-	-	-	(1,671,236)
Additions	-	-	16,967	-	-	898	13,451	104,760	24,385	-	-	6,990,003	7,150,464
Transfers (Note 18.1)	2,485,859	129,062	399,406	-	-	940,740	-	9,711	144,011	25,415	-	(4,134,204)	-
Transfer from intangible (Note 16)	-	-	-	-	-	-	-	-	-	-	-	1,037,129	1,037,129
Transfer to inventory (Note 18.3)	-	-	-	-	-	-	-	-	-	-	(847,164)	-	(847,164)
Disposals	-	-	-	-	-	-	(47,296)	(23,281)	-	-	-	(76,183)	(146,760)
At 31 December 2019	**11,514,583**	**129,062**	**3,227,308**	**2,218,144**	-	**10,554,634**	**654,124**	**1,945,259**	**719,139**	**1,326,147**	-	**25,110,717**	**57,399,117**
Reclassifications (Note 18.4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Right-of-use asset (Note 18.5)	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	14,151	-	-	32,690	-	-	43,003	219,162	-	7,073,769	7,382,775
Transfers (Note 18.1)	3,919,170	-	177,794	3,504,448	-	5,715,614	-	-	-	-	-	(13,317,026)	-
Transfer from intangible (Note 16)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to inventory (Note 18.3)	-	-	-	-	-	-	-	-	-	-	-	(66,719)	(66,719)
Disposals	(67,931)	-	(11,645)	-	-	(872,079)	(73,856)	(166,013)	(117,532)	(61,365)	-	(1,562,562)	(2,932,983)
At 31 December 2020	**15,365,822**	**129,062**	**3,407,608**	**5,722,592**	-	**15,430,859**	**580,268**	**1,779,246**	**644,610**	**1,483,944**	-	**17,238,179**	**61,782,190**
Accumulated Depreciation													
At 1 January 2019	**(2,241,105)**	-	**(597,119)**	**(116,034)**	(1,160,065)	(4,580,561)	(573,156)	(1,191,786)	(262,304)	(459,364)	-	-	(11,181,494)
Effect of initial application of IFRS 16 (Note 18.6)	-	-	-	-	1,160,065	-	-	-	-	-	-	-	1,160,065
Adjusted balance at 1 January 2019	**(2,241,105)**	-	**(597,119)**	**(116,034)**	-	**(4,580,561)**	**(573,156)**	**(1,191,786)**	**(262,304)**	**(459,364)**	-	-	**(10,021,429)**
Reclassifications (Note 18.4)	391,082	-	214,604	105,267	-	1,220,545	112,712	191,123	(15,379)	(7,020)	-	-	2,212,935
Charge for the year	(408,738)	(359)	(99,680)	(1,292)	-	(466,534)	(51,733)	(208,922)	(80,078)	(113,939)	-	-	(1,431,275)
Disposals	-	-	-	-	-	-	39,359	13,154	-	-	-	-	52,513
At 31 December 2019	**(2,258,761)**	**(359)**	**(482,195)**	**(12,059)**	-	**(3,826,550)**	**(472,819)**	**(1,196,430)**	**(357,761)**	**(580,324)**	-	-	**(9,187,258)**
Reclassifications (Note 18.4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	(503,311)	(4,298)	(101,527)	(1,292)	-	(704,864)	(42,685)	(200,124)	(81,349)	(119,579)	-	-	(1,759,029)
Disposals	61,743	-	11,645	-	-	803,783	71,810	148,634	115,068	60,978	-	-	1,273,661
At 31 December 2020	**(2,700,329)**	**(4,657)**	**(572,077)**	**(13,351)**	-	**(3,727,631)**	**(443,694)**	**(1,247,920)**	**(324,042)**	**(638,925)**	-	-	**(9,672,626)**
Carrying amount													
At 31 December 2020	**12,665,493**	**124,405**	**2,835,531**	**5,709,241**	-	**11,703,228**	**136,574**	**531,326**	**320,568**	**845,019**	-	**17,238,179**	**52,109,564**
At 31 December 2019	**9,255,823**	**128,703**	**2,745,113**	**2,206,084**	-	**6,728,084**	**181,305**	**748,829**	**361,379**	**745,823**	-	**25,110,717**	**48,211,859**
At 1 January 2019	**6,787,621**	-	**2,210,569**	**2,102,110**	**667,114**	**6,139,972**	**208,706**	**634,400**	**188,778**	**495,202**	**847,164**	**22,063,883**	**42,345,519**

During the course of the financial year, the company disposed of some of its capital work in progress items of about N1.56 billion (2019: N0.762 billion), which includes palm seedlings that the company determined were not viable for cultivation.

Depreciation expense of N1.46 billion (2019: N1.14 billion) has been charged in 'cost of sales', N0.303 billion (2019: N0.295 billion) in 'administrative expenses'.

Construction work in progress as at 31 December 2020 mainly comprises of new palm oil refinery and fractionating plant, immature plantations and nursery as well as land being acquired with the intention of constructing a new factory on the site. Included in the work in progress balance are capitalised borrowing costs of N1.110 billion (2019: N1.306 billion, calculated using a weighted capitalisation rate of 13.25%.

18.1 Transfers

This refers to the transfer of completed assets from work-in-progress to their respective asset class within the Property, Plant and Equipment balance.

18.2 Assets pledged as security

As at 31 December 2020, some borrowings were secured by a negative pledge on all the assets of the company (2019: Nil). See Note 27 and 28 for details.

18.3 Transfer to inventory

During the financial year, the strategic spares were transferred to inventory, as it did not meet the requirements for capitalization in line with IAS 16.

18.4 Reclassifications

This relates to the correction of wrong entries which were posted between the cost and accumulated depreciation of the assets in property, plant and equipment.

18.5 Right-of-use asset

Formerly, the company recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 Leases. These assets were presented in property, plant and equipment under "Leasehold land" and the liabilities as "Lease liabilities".

The company has adopted IFRS 16 since 1 January 2019.

19. Right-of-use assets

	N'000
Cost	
At 1 January 2020	1,671,236
	-
Additions	-
At 31 December 2020	**1,671,236**
Accumulated Depreciation	
At 1 January 2020	(23,390)
Charge for the year	(23,390)
At 31 December 2020	**(46,780)**
Carrying amount	
At 31 December 2020	**1,624,456**
At 31 December 2019	**1,647,846**

The Company leases land at Ologbo, Obaretin, Cowan and Sakpoba. The leases typically run for a period of 99 years, with no extension options, since these leases run the maximum lease life allowable by the government (i.e. 99 years). Lease payments are renegotiated every five years to reflect market rentals.

These leases were entered into many years ago by the company. Previously, these leases were classified as financing leases under IAS 17.

The Company has another leased land at Ologbo with a contract term of 99 years, however, this lease is of low-value. Therefore, the company has elected not to recognise a right-of-use asset and lease liability for this lease.

The amounts recognised in profit/(loss) in relation to leases has been presented in note 20 and the extenstion options for the leases has been presented in note 21.

The maturity analysis of lease liabilities is presented in Note 30.2.

20. Amounts recognised in profit/(loss) for leases

2020 – Leases under IFRS 16	31-Dec-20 N'000
Interest expense on lease liabilities (included in finance cost)	41,249
Expenses relating to leases of low-value assets (included in administrative expenses)	46,037
Depreciation expense on right-of-use assets (included in cost of sales)	23,390

2019 – Leases under IFRS 16	31-Dec-19 N'000
Interest expense on lease liabilities (included in finance cost)	41,249
Expenses relating to leases of low-value assets (included in administrative expenses)	27
Depreciation expense on right-of-use assets (included in cost of sales)	23,390

21 Extension options for leases

The Company assesses at lease commencement date whether it is reasonably certain to exercise extension options. The Company assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The extension option has not been considered for the computation of the lease liabilities because there is no reasonable certainty nor enforceability backing such extension.

22. Inventories

	31-Dec-20 N'000	31-Dec-19 N'000
Supplies (Spares)	3,211,310	3,016,537
Finished Goods	44,085	83,532
Goods in Transit	293,811	229,369
	3,549,206	**3,329,438**

Recognised as an expense in the financial statements are engineering spares used for production of N980.19m (2019: N887.05m) in respect of continuing operations.

The cost of inventories reversed during the year as a result of previous write-downs is nil (2019: 14.38 million). Previous write-downs have been reversed as a result of the sales of these inventory items during the current year.

There were no inventories pledged as securities during the financial year (2019: Nil)

23 Trade and other receivables

	31-Dec-20 N'000	31-Dec-19 N'000
Trade receivables		
Trade receivables (Note 23.1)	529,371	774,765
Allowance for expected credit losses (Note 23.2)	(30,908)	(68,165)
	498,463	**706,600**
Other receivables		
Intercompany receivable (Note 35.1)	5,693,859	5,408,071
Sundry debtors	168,162	71,538
Dividend below 15 (fifteen) months receivable from the registrar if unclaimed	572,801	572,801
Payments in advance	29,474	34,092
	6,464,296	**6,086,552**
Total trade and other receivables	**6,962,759**	**6,793,152**

23.1 Trade receivables

The average credit period granted to customers is 30 days. No interest is charged on overdue receivables.

The Company does not hold any collateral for trade receivables. The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The company has recognised a loss allowance of 100 per cent against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting year. The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off are subject to enforcement activities. Trade receivables are considered to be past due when they exceed the credit period granted.

Of the trade receivables balance at the end of the year in financial statements, N379.37 million (2019: N348.36 million) are due from the Company's largest trade debtor, which represents 75% of the total trade receivables in the current year (2019: 49%).There are no other customers which represent more than 10% of the total balance of trade receivables of the Company after impairment.

The company uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

23.2 Allowance for expected credit loss

The following table details the risk profile of trade receivables based on the company's provision matrix. As the company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the company's different customer base:

31 December 20	Trade receivables Days past due					
	1-30 days N'000	31 -60 days N'000	61 - 90 days N'000	91 - 180 days N'000	>180 days N'000	Total N'000
Expected credit loss rate	4%	7%	9%	12%	20%	
Estimated total gross carrying amount at default (N'000)	319,229	114,542	67,612	13,904	14,084	529,371
Expected credit loss (N'000)	(12,769)	(7,445)	(6,138)	(1,675)	(2,880)	(30,908)
	306,459	**107,097**	**61,474**	**12,228**	**11,203**	**498,463**

31 December 19

	Trade receivables Days past due					
	1-30 days N'000	31 -60 days N'000	61 - 90 days N'000	91 - 180 days N'000	>180 days N'000	Total N'000
Expected credit loss rate	3%	11%	22%	32%	43%	
Estimated total gross carrying amount at default (N'000)	512,741	140,843	51,444	61,092	8,645	774,765
Expected credit loss (N'000)	(17,376)	(16,159)	(11,213)	(19,689)	(3,728)	(68,166)
	495,365	**124,684**	**40,231**	**41,403**	**4,917**	**706,600**

Loss rates are based on actual credit loss experience over the past four years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the company's view of economic conditions over the expected lives of the receivables.

Scalar factors are based on actual and forecast gross domestic product (agriculture industry specific), inflation rate and forex rates. These scalar factors are as follows: 2.08 (2019: 1.01) for downside, 2.35 (2019: 2.58) for baseline and 1.99 (2019:2.69) for upside.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	Collectively assessed N'000	Individually assessed N'000	Total N'000
Balance as at 1 January 2019	31,725	3,048	34,773
Net remeasurement of loss allowance	-	-	-
	31,725	**3,048**	**34,773**
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	33,392		33,392
Balance as at 31 December 2019	**65,117**	**3,048**	**68,165**
Net remeasurement of loss allowance	-	-	-
	65,117	**3,048**	**68,165**
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	(37,257)	-	(37,257)
Balance as at 31 December 2020	**27,860**	**3,048**	**30,908**

The increase in loss allowance is mainly attributable to the total increase in the gross carrying amounts of trade receivables. The increase in the gross carrying amount of more than 30 days past due for the company's customers in comparison with the prior year contributed to the increase in loss allowance. The methodology for the calculation of ECL is the same as described in the last annual financial statements.

The Company's exposure to credit and market risks related to trade and other receivables are disclosed in Note 5.1.

The impairment loss as at 31 December 2020 relates to several customers that are not expected to be able to pay their outstanding balances, mainly due to economic circumstances. The Company believes that the unimpaired amounts that are past due are still collectible, based on historical payment behaviour and extensive analysis of the underlying customers' credit ratings. The impairment loss is included in administrative expenses.

Based on historical default rates, the Company believes that, apart from the above, no additional impairment allowance is necessary in respect of trade receivables past due. As at the date of the approval of the financial statements.

All trade receivables are denominated in Nigerian Naira.

24. Cash and cash equivalents

	31-Dec-20 N'000	31-Dec-19 N'000
Cash and bank balances	1,593,944	4,105,352
Call deposits	496,287	1,106,120
Restricted cash balance	215,582	446,258
Short term deposits	279,279	277,207
Cash and cash equivalents in the statement of financial position	**2,585,092**	**5,934,937**
Bank overdrafts (Note 28)	(6,364,154)	(7,093,237)
Cash and cash equivalents in the statement of cash flows	**(3,779,062)**	**(1,158,300)**

Restricted cash balance represents committed cash no longer available for another purpose other than that for which it has been designated for. They represent naira deposits for foreign currencies purchased for funding of letters of credit relating to the settlement of invoices emanating from importation of raw materials, spare parts and machinery as well as the payment of expatriate salaries and dividend payment to the group.

Short term deposits represents Presco workers gratuity investment.

The company's fixed and floating assets were pledged as security for some of the overdraft facilities in 2020 (2019: Nil). See Note 28 for details.

25. Share capital and share premium

25.1 Share capital

	31-Dec-20 N'000	31-Dec-19 N'000
Authorised share capital		
1,100,000,000 ordinary shares of 50kobo each	**550,000**	**550,000**
Issued and fully paid up capital		
1,000,000,000 ordinary shares of 50kobo each	**500,000**	**500,000**

25.2 Share premium

	31-Dec-20 N'000	31-Dec-19 N'000
Share premium	**1,173,528**	**1,173,528**

26. Defined benefit obligation

26.1 Defined contribution plans

The employees of the Company are members of a state-managed retirement benefit plan operated by the government of Nigeria. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the Company's statement of comprehensive income of N45.04 million (2019: N42.53 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 December 2020, contributions of N6.57 million (2019: N12.60 million) due in respect of the respective reporting periods had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

26.2 Defined benefit plans

The company operates a defined benefit/ staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period on date of retirement. The plan is partly funded and plan assets are managed externally by Zenith bank.

The defined benefit plan exposed the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Fixed-income investments. Due to the long-term nature of the plan liabilities, the trustees of the fund consider it appropriate that a reasonable portion of the plan assets should be invested in Fixed-income investments to leverage on the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's fixed-income investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The company recognises provision for post-employment benefits for all its permanent employees in accordance with the statute. The provision is based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". Post employment benefit recognised by the company amounted to approximately N938.71 million as at 31 December 2020 (2019: N694.05 million).

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2020 by Alexander Forbes FRC/2012/0000000000504 and represented by Brian Kaidza

FRC/2017/NAS/00000016625. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Details of the retirement benefit obligation as at 31 December 2020 were Gratuity Scheme N81.31 million, Retirement Scheme N803.05 million and Long Service Awards N54.35 million.

Carrying value	31-Dec-20 N'000	31-Dec-19 N'000
Present value of the defined benefit obligation	938,705	694,053
	938,705	**694,053**

Net defined benefit obligation

	31-Dec-20 N'000	31-Dec-19 N'000
As at 1 January	694,053	449,502
Current service costs	61,174	31,573
Past service cost		
Interest costs	86,621	75,824
Payments during the year	(50,236)	(17,112)
	791,612	**539,787**
Actuarial (gains)/losses on long service award	6,592	8,041
Remeasurements (gains)/losses - OCI		
- Actuarial gains and losses arising from changes in demographic assumptions	-	2,427
- Actuarial gains and losses arising from economic assumptions	175,036	137,269
- Actuarial gains and losses arising from experience adjustments	(34,535)	6,529
As at 31 December	**938,705**	**694,053**

The amounts recognised in the statement of comprehensive income in respect of these defined benefit scheme and plan asset are as follows

	31-Dec-20 N'000	31-Dec-19 N'000
Current service cost	61,174	31,573
Interest costs	86,621	75,824
Components of defined benefit costs recognised in profit or loss	**147,795**	**107,397**
Actuarial (gains)/losses on long service award	6,592	8,041

Amounts recognised in other comprehensive income are as follows:

	31-Dec-20 N'000	31-Dec-19 N'000
Actuarial gains and losses arising from changes in demographic assumptions	-	2,427
Actuarial gains and losses arising from economic assumptions	175,036	137,269
Actuarial gains and losses arising from experience adjustments	(34,535)	6,529
Remeasurement of the net defined benefit liability	**140,501**	**146,225**

Of the expense for the year, N39.61 million (2019: N31.65 million) has been included in administrative expenses. The net interest expense has been included within finance costs (see note 12).

Remeasurements of actuarial gains and losses have been reported in other comprehensive income.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	31-Dec-20	31-Dec-19
Financial assumptions		
Discount rate	11.9%	11.9%
Expected rate(s) of salary increases	9.0%	9.0%
Inflation	11.8%	14.4%

Demographic assumptions

Mortality

Pre-retirement mortality: A67/70 tables

The mortality rates as at the previous year's valuation were based on the A1949/52 Ultimate tables

Withdrawal/retirement

Age Group	Annual Rate of withdrawal	Annual Rate of retirement
18 - 30	5.0%	0.0%
31 - 44	4.0%	0.0%
45 - 50	3.0%	0.0%
51	1.0%	4.5%
52	0.0%	4.0%
53	0.0%	3.5%
54	0.0%	3.0%
55	0.0%	100.0%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Employee benefit type	Parameters	Main result	+1%	-1%
	Discount rate	**N'000**	**N'000**	**N'000**
Retirement		(803,050)	(750,599)	(863,588)
Change		-	**-6.5%**	**7.5%**
Long Service Awards		(54,348)	(50,850)	(58,296)
Change		-	**-6.4%**	**7.3%**
Gratuity		(81,307)	(77,293)	(85,778)
Change		-	**-4.9%**	**5.5%**
Total	**Discount rate**	**(938,705)**	**(878,742)**	**(1,007,662)**
			-6.4%	**7.3%**

		Main result	+1%	-1%
	Salary increase rate	**N'000**	**N'000**	**N'000**
Retirement		(803,050)	(861,970)	(750,986)
Change		-	**7.3%**	**-6.5%**
Long Service Awards		(54,348)	(58,219)	(50,849)
Change		-	**7.1%**	**-6.4%**
Gratuity		(81,307)	(85,635)	(77,339)
Change		-	**5.3%**	**-4.9%**
Total	**Discount rate**	**(938,705)**	**(1,005,824)**	**(879,174)**
			7.2%	**-6.3%**

	Mortality rate	Main result N'000	Rated up 1 year N'000	Rated down 1 year N'000
Retirement		(803,050)	(800,092)	(805,718)
Change		-	**-0.4%**	**0.3%**
Long Service Awards		(54,348)	(54,217)	(54,464)
Change		-	**-0.2%**	**0.2%**
Gratuity		(81,307)	(83,460)	(79,360)
Change		-	**2.6%**	**-2.4%**
Total	**Mortality rate**	**(938,705)**	**(937,769)**	**(939,542)**
			-0.1%	**0.1%**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position."

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out as at 31 December, 2020 by Alexander Forbes (represented by B Karidza FRC/2017/NAS/00000016625).

27 Borrowings

	31-Dec-20 N'000	31-Dec-19 N'000
Unsecured borrowing at amortised cost		
Fidelity BOI Loan	588,611	766,990
Stanbic IBTC	3,390,524	5,004,160
Fidelity Term Loan	1,180,851	-
	5,159,986	**5,771,150**

Secured borrowing at amortised cost	31-Dec-20 N'000	31-Dec-19 N'000
UBA CACS loan	217,852	583,689
Fidelity Nistra loan	-	95,238
IBTC PAIF loan	-	171,114
Zenith	2,000,000	4,196,839
GTB	833,333	1,000,000
GTB RSSF DCRR Loan	4,323,027	4,150,719
Letters of credit obligation	701,263	1,674,162
	8,075,475	**11,871,761**
Total borrowings	**13,235,461**	**17,642,911**
Included in the statement of financial position as:		
Current	6,425,272	9,155,154
Non-current	6,810,189	8,487,757
	13,235,461	**17,642,911**
Below is the loan movement during the year:		
At 1 January	17,642,911	11,798,887
Additional loan	4,527,101	22,841,704
Fair valuation of loan (government grant)	-	(950,189)
Interest recognised in profit or loss (government grant)	196,114	164,959
Repayment during the year	(9,130,665)	(16,212,450)
At 31 December	**13,235,461**	**17,642,911**

Below is the movement in the interest payable balance during the year:

	31-Dec-20 N'000	31-Dec-19 N'000
At 1 January	(1,670)	(100,780)
Interest expense on loans and overdrafts	(1,594,308)	(1,851,677)
Interest paid during the year	1,569,177	1,950,787
At 31 December	**(26,801)**	**(1,670)**

27.1 Summary of borrowing arrangements

UBA CACS loan: The Company obtained a 7% [N2 billion] loan under the CBN Commercial Agriculture Credit Scheme (CACS) in two tranches of N982 million and N1.018 billion in July 2015 and November 2015 respectively. The loan was facilitated by United Bank for Africa (UBA) for the purpose of financing the expansion program of the company in rubber planting. The loan has a tenor of 6 years inclusive of 9 months moratorium. Using imputed market interest rates of 14% for an equivalent loan of 9%, the fair value of the loan is estimated at N1.78billion. The difference of N220million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 29.1). The deferred revenue is recognized over the loan tenure. The company's assets were pledged as collateral for the loan. This loan will be fully repaid by July, 2021.

Fidelity Nistra loan: This is a N2 billion loan granted to the Company in February 2015 by Fidelity Bank as an interest rate of 18% which was reviewed upward to 20% in July 2015. The loan which has a tenor of 5 years (inclusive of 18 months moratorium) was granted for the purpose of financing the establishment of 14,400 hectares rubber plantation at Upper Sakponba area of Benin City, Edo State. This is secured by a negative pledge, letter of comfort from the SIAT Group, Brussels and credit guarantee from the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL). The company's assets were pledged as collateral for the loan. However, the Company has fully repaid this loan in 2020.

IBTC PAIF loan : In November 2013, the Company received a 7% N1.066 billion loan under the CBN =N=500 billion Power and Aviation Intervention Fund (PAIF) facilitated by Stanbic IBTC Bank for the purpose of financing the purchase of a 2.5MW steam turbine with a view to expanding the Company's power generating capacity. The loan has a tenor of 7 years inclusive of 12 months moratorium. Using imputed market interest rates of 14% for an equivalent loan of 7%, the fair value of the loan is estimated at N859million. The difference of N207million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 29.1). The deferred revenue is recognized over the loan tenure. The company's assets were pledged as collateral for the loan. The Company has fully repaid this loan.

BOI/Fidelity Bank loan: In October 2016, the Company received a 10% N1.230 billion loan under the BOI Fund facilitated by Fidelity Bank for the purpose of financing the procurement of items of plant and machinery towards the expansion of oil palm processing plant in Obaretin, Edo State. The loan has a tenor of six and half years inclusive of 18 months moratorium. Using imputed market interest rates of 14% for an equivalent loan of 10%, the fair value of the loan is estimated at N1.112billion. The difference of N116million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 29.1). The deferred revenue is recognized over the loan tenure. There is a bank guarantee to secure the loan and interest charges on a continuous basis. In April, 2020, a COVID19 relief package was granted on account of this loan. Hence, reducing the interest rate for the next one year to 8%.

STANBIC IBTC Bank Loan: This is a loan of N7 billion (split in tranches of N5 billion and N2 billion) N5 billion loan granted to the Company in July 2017 by Stanbic IBTC Bank at an interest rate of 16.45%. N1.195 billion draw down in 2017 and the balance draw down in 2018. The loan which has a tenor of 7 years (inclusive of 18 months moratorium). There was another N2 billion loan granted in 2018. The loans were granted for the purpose of financing the expansion of the Company's agro-industrial investments. The interest rate was subsequently reduced to 14% in 2020.

GT Bank Loan: The Company secured a 9% long term loan of N5 billion under the CBN Real Sector Support Facility through the Differentiated Cash Reserves Requirement (DCRR). The loan has a tenor of 7 years (inclusive 2 years moratorium period). The loan was granted to part finance oil palm plantation development on 8,000 hectares of land in Edo State. The difference of N849.28million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 29.1). The deferred revenue is recognized over the loan tenure. Both loans are secured by a negative pledge on the company's fixed and floating assets. The interest rate was reduced to 5% effective March, 2020 for a duration of 1 year.

Zenith Bank Loan: This relates to various short term loans granted to the Company by Zenith Bank during the year at an interest rate ranging from 15% to 18% for the purpose of financing the expansion and operation of the Company's agro-industrial investments. A sum of N2.2 billion has been repaid as at year end. The company's fixed and floating assets (i.e. plant, property and equipment) were pledged as collateral for the loan. At present, there is a loan of N2 billion from Zenith Bank with a maturity date of 24th December 2021. This loan is running at an interest rate of 13% per annum.

Letters of credit obligation: The Company opens letters of credit with its banks for the settlement of invoices emanating from the importation of raw materials, spare parts and machinery.

At 31 December 2020, the company has confirmed letters of credit open with all its banks of which N0.701 billion (2019: N1.674 billion) has crystallised as an obligation against the company to the bank and this has been recorded as a borrowing in this financial statements."

27.2 Breach of loan agreement

There was no breach of loan agreement during the year 2020 (2019: nil).

28. Bank overdraft

	31-Dec-20 N'000	31-Dec-19 N'000
Secured borrowing at amortised cost		
Guaranty Trust Bank Plc	692,616	1,881,449
Access Bank Plc	363,911	483,407
	1,056,527	**2,364,856**
Unsecured borrowing at amortised cost	1,440,630	336,989
Stanbic IBTC Plc	775,685	792,131
First Bank Limited	927,238	693,070
Fidelity Bank Plc	474,930	429,090
United Bank for Africa Plc	1,689,144	2,477,101
Zenith Bank Plc	-	-
	5,307,627	**4,728,381**
Total bank overdrafts	**6,364,154**	**7,093,237**

Bank overdrafts are repayable on demand. Bank overdrafts of N1.056billion (2019: N2.364billion) have been secured by a negative pledge on all of the company's assets. The average effective interest rate on bank overdrafts is approximately 18% (2019: 18%) per annum.

29. Deferred income

	31-Dec-20 N'000	31-Dec-19 N'000
Arising from government grant (Note 29.1)	706,833	911,839
Arising from customers' advance (Note 33)	27,021	31,955
	733,854	**943,794**

29.1 Government grant

	31-Dec-20 N'000	31-Dec-19 N'000
At 1 January	911,839	126,608
Additions	-	950,190
Recognized in profit or loss (Note 11)	(205,006)	(164,959)
At 31 December	**706,833**	**911,839**
Included in the statement of financial position as:		
Current	267,489	261,097
Non-current	466,365	682,697
	733,854	**943,794**

29.2 The government grant arises as a result of the benefit received from below-market-interest rate government assisted loans (see note 27) granted to date. The credit is recognized in the profit or loss account over the tenor of the loan.

30 Lease liabilities

30.1 Leasing arrangements

The Company leased certain of its landed properties under finance leases. The average lease terms range from 25 years to 99 years (2019: 25 years to 99 years). The Company has options to purchase the land for a nominal amount at the end of the lease terms. The Company's leases are secured by the lessors' title to the leased assets.

Interest rates underlying all leases are fixed on the respective contract dates at 21.15% to 23.9% (2019: 21.15% to 23.9%) per annum.

30.2 Maturity analysis:

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be made after the reporting date.

Finance Leases Under IFRS 16

	31-Dec-20 N'000	31-Dec-19 N'000
Year 1	41,251	41,251
Year 2	41,251	41,251
Year 3	41,251	41,251
Year 4	41,251	41,251
Year 5	41,251	41,251
Onwards	3,115,454	3,156,706
Less: unearned interest	**3,321,710**	**3,362,961**
Total	(3,101,675)	(3,142,924)
	220,035	**220,037**

Included in the statement of financial position as:

	31-Dec-20 N'000	31-Dec-19 N'000
Current	33,506	33,506
Non-current	186,529	186,531
	220,035	**220,037**

30.3 Below is the lease movement during the year:

	31-Dec-20 N'000	31-Dec-19 N'000
At 1 January	220,037	462,054
Effect of initial application of IFRS 16	-	(242,015)
Payments made during the year	(38,850)	(38,850)
Lease payments accrued for during the year	(3,001)	(3,001)
Accrued lease liabilities for prior year paid during the year	600	600
Interest on lease liabilities	41,249	41,249
At 31 December	**220,035**	**220,037**

31. Current tax liabilities

	31-Dec-19 N'000	31-Dec-19 N'000
At 1 January	1,562,333	1,850,812
Charge for the year	1,115,088	1,127,539
	2,677,421	**2,978,351**
Payment during the year	(2,049,240)	(1,416,018)
	628,181	**1,562,333**

31.1 Deferred taxes

	31-Dec-19 N'000	31-Dec-19 N'000
At 1 January	6,784,632	5,735,101
Charge for the year	2,271,184	1,049,531
At December	**9,055,816**	**6,784,632**

31 -Dec- 2020	At 1 January N’000	Recognised in profit or loss N’000	Recognised in OCI N’000	At 31 December N’000
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	5,219,983	1,863,514	-	7,083,497
ROU assets @ 30%	474,710	(53,383)	-	421,326
Biological assets	1,527,743	553,610	-	2,081,353
Provisions for retirement benefits	(208,215)	(31,247)	(42,150)	(281,612)
Other provisions	(21,196)	11,177	-	(10,019)
Exchange difference	(208,393)	(30,337)	-	(238,730)
	6,784,632	**2,313,334**	**(42,150)**	**9,055,816**

31 -Dec- 2019	At 1 January N’000	Recognised in profit or loss N’000	Recognised in OCI N’000	At 31 December N’000
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	4,978,217	241,766	-	5,219,983
ROU assets @ 30%	46,367	428,343	-	474,710
Biological assets	978,124	549,619	-	1,527,743
Provisions for retirement benefits	(134,850)	(29,498)	(43,867)	(208,215)
Other provisions		(21,196)	-	(21,196)
Exchange difference	(132,757)	(75,636)	-	(208,393)
	5,735,101	**1,093,398**	**(43,867)**	**6,784,632**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	31-Dec-20 N'000	31-Dec-19 N'000
Deferred tax assets	-	-
Deferred tax liabilities	9,055,816	6,784,632
Net deferred tax liabilities	**9,055,816**	**6,784,632**

Split is as follows:

	31-Dec-20 N'000	31-Dec-19 N'000
Current	-	-
Non-current	9,055,816	6,784,632
	9,055,816	**6,784,632**

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been

32. Trade and other payables

	31-Dec-20 N'000	31-Dec-19 N'000
Trade payables	1,715,763	869,336
Accruals	221,588	278,008
Sundry creditors (Note 32.1)	1,451,029	1,169,445
Intercompany payables (Note 35.1)	7,346,181	5,108,463
Unclaimed dividend (Note 32.2)	806,774	755,705
	11,541,335	**8,180,957**

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases is 30 days. No interest is charged on trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame. The Company's exposure to liquidity risk related to trade and other payables is disclosed in Note 5.2.

There was no interest payable on loans at 31 December 2020 (2019: N1.67 million).

The Directors consider the carrying amount of trade and other payables to approximate their fair value.

32.1 Sundry creditors

	31-Dec-20 N'000	31-Dec-19 N'000
Other statutory taxes	139,956	133,705
Withholding tax payable	1,271,102	958,621
Value added tax (VAT)	39,972	77,119
	1,451,029	**1,169,445**

Other statutory taxes comprises of payables relating to the following: Pension, Nigeria Social Insurance Trust Fund (NSITF), National Housing Fund (NHF), Industrial Training Fund (ITF), Pay-As-You-Earn (PAYE) and Co-operative Union dues.

32.2 Unclaimed dividend

The list of the unclaimed dividend is attached to the Annual Report and Accounts 2020 and can be found in the company's website www.presco-plc.com

32.2a Paid dividends in the last 2 years

The following dividends were paid by the Company for the respective years indicated:

	31-Dec-20 N'000	31-Dec-19 N'000
Declared in 2020 (200 kobo) for FY2019 while in 2019 (200	-	-
kobo) for FY2018 per qualifying ordinary share	**2,000,000**	**2,000,000**

After the end of the reporting period, a dividend of N2 billion representing 200 kobo per qualifying ordinary share (2020: 200kobo) was proposed by the directors (2020: N2 billion). The dividends have not been provided for and there are no income tax consequences until the dividend is declared.

32.2b. Movement in unclaimed dividend

	31-Dec-20 N'000	31-Dec-19 N'000
Balance at 1 January	755,705	115,776
Dividend declared with respect to prior year	2,000,000	2,000,000
Payments during the year to First Registrars	(2,000,000)	(2,000,000)
Unclaimed dividend received from Registrars (see (ii) below)	51,069	60,932
Unpaid dividend reclassified from accruals	-	18,655
Dividend below 15 (fifteen) months receivable from the registrar if unclaimed (see (iii) below)	-	572,801
Statute barred dividend transferred to retained earnings (see (I) below)	-	(12,460)
Balance at 31 December	**806,774**	**755,705**

The balance as at year end is included in trade and other payables (Note 32).

(i) Unclaimed dividends received and transferred to retained earnings (statute barred dividends) represent dividends which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with section 385 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federal Republic of Nigeria, 2004. There was none at December 2020 (2019: N12.46 million).

(ii) In accordance with the Securities and Exchange Commission (SEC) circular published in 2015, all Capital Market Registrars are to return unclaimed dividends which have been in their custody for fifteen (15) months and above to the paying companies. The Company received N51.07 million (2019: N60.932 million) from First Registrars Limited during the year.

(iii) As at 31 December 2020 no dividend payable was held with the Company's registrar, First Registrars and Investor Services Limited (31 December 2019, N572.8million).

(iv) The list of unclaimed dividend is attached to the notice of the annual general meeting/annual report and accounts 2020 and can be found in the company's website www.presco-plc.com

33 Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for the purchase of crude and refined products, mill by-products and fresh fruit bunches (FFB) for which revenue would be recognised over time when the performance obligation is satisfied.

The amount was N27.02million at 31 December 2020 (2019: N31.95million). See Note 29.

34 Earnings per share from continuing operations

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

	31-Dec-20 N'000	31-Dec-19 N'000
Net profit attributable to equity holders of the Company (N'000)	5,163,578	3,736,388
Effect of dilutive potential ordinary shares:	-	-
Earnings from continuing operations for the purpose of diluted earnings per share excluding discontinued operations (N'000)	**5,163,578**	**3,736,388**

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

	31-Dec-20 N'000	31-Dec-19 N'000
Weighted average number of shares ('000)	1,000,000	1,000,000
Basic (Kobo/share)	516	374
Diluted (Kobo/share)	516	374

Diluted EPS is the same as basic earnings per share as there are no potential dilutive ordinary shares or transactions.

35 Related party transactions

Details of transactions and outstanding balances between the company and its related parties during the period are disclosed below:

35.1 Trading transactions

The company entered into transactions with its related parties during the year:

	Sales of goods and services		Purchases of goods and services	
	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-20 N'000	31-Dec-19 N'000
SIAT Nigeria Limited	2,864,515	876,375	2,045,737	68,628
NV SIAT SA	2,010,784	253,480	3,021,554	4,310,406
SIAT Gabon	87,804	6,816	-	-
Ghana Oil Palm Development Company (GOPDC) Limited	78,352	51,728	60,949	117
Siat Cambodia	2145	-	-	-
CompagnieHeveicole de Cavally (CHC/CHP)	-	249	-	-
	5,043,600	**1,188,649**	**5,128,240**	**4,379,151**

The following balances were outstanding at the end of the reporting period:

	Due from related parties		Due to related parties	
	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-20 N'000	31-Dec-19 N'000
SIAT Nigeria Limited	517,842	3,181,806	(6)	1,997,524
NV SIAT SA	5,176,017	1,854,655	7,346,187	3,059,941
SIAT Gabon Limited	-	169,353	-	-
Ghana Oil Palm Development Company (GOPDC) Limited	-	49,623	-	50,998
CompagnieHévéicole de Cavally	-	267	-	-
Cambodia	-	44,814	-	-
SWIFT Rubber	-	107,553	-	-
	5,693,859	**5,408,071**	**7,346,181**	**5,108,463**

Sales and purchases of goods and services were done at prevailing market prices. The outstanding balances are unsecured and will settled in cash. No guarantee has been given or received. No expense has been recognised in the current or prior year for bad debts in respect of amounts owed by related parties.

35.2 Loans to related parties

	31-Dec-20 N'000	31-Dec-19 N'000
Loans to key management personnel	-	-
Others	-	-

The Company did not provide loans to any of its key management personnel during the year.

35.3 Loans from related parties

	31-Dec-20 N'000	31-Dec-19 N'000
NV SIAT SA, Belgium	-	-

The Company has not been provided loans by related parties during the year.

35.4 Details of related companies

a NV SIAT SA, Belgium

Presco Plc is a subsidiary of NV SIAT SA, Belgium, with 60% holding. The company had some transactions with NV SIAT SA during the course of the financial year. N5.176 billion was due from NV SIAT SA to Presco when N7.346 billion was due from Presco to NV SIAT SA during the year. The seconded staff included in Note 14 relates to the salaries of staff seconded from NV SIAT SA to the company.

b Ghana oil Palm Development Company (GOPDC) Limited

Ghana oil Palm Development Company Limited is a related company to Presco Plc. There was no transactions between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of Ghana oil Palm Development company limited.

c SIAT Gabon

SIAT Gabon is a related company of Presco Plc. There was no transaction between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of SIAT Gabon.

d **CompagnieHeveicole de Cavally, Ivory Coast**

CompagnieHeveicole de Cavally, Ivory Coast is a related company to Presco Plc. There was no transaction between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of CompagnieHeveicole de Cavally.

e **Siat Nigeria Limited**

Siat Nigeria Limited is a related company of Presco Plc. There was a closing balance of N517 million in favour of Presco Plc at the end of the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of SIAT Nigeria Limited.

f **Siat Cambodia**

Siat Cambodia is a related company to Presco Plc. There was no transaction material transactions between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of Siat Cambodia.

g **SWIFT Rubber**

SWIFT Rubber is a related company to Presco Plc. There was no transactions between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of SWIFT Rubber.

35.5 Remuneration of key management personnel

The remuneration of key management personnel was as follows:	31-Dec-20 N'000	31-Dec-19 N'000
Short-term benefits	60,584	50,127
Post-employment benefits	8,045	8,478
Other long term benefits	4,851	2,501
	73,480	**61,106**

The remuneration of key management personnel is determined by remuneration committee having regard to the performance of individuals and market trends.

36. Directors

	31-Dec-20 N'000	31-Dec-19 N'000
Directors' remuneration and fees	72,222	63,500
Others	21,850	38,026
	94,072	**101,526**

Fees and other emoluments disclosed above include amount paid to:		
Chairman	6,000	6,000
Other director	88,072	95,526
	94,072	**101,526**

The number of directors excluding the Chairman whose emoluments were within the following ranges :

N		Number	Number
600,000	- 610,000	-	-
611,000	- 700,000	-	-
1,320,000	- 1,330,000	10	10
1,450,000	- 1,460,000	1	1
1,500,000	- Above	-	-
		11	**11**

31. Employees

Average number of persons employed during the year:	Number	Number
Management staff	36	37
Senior staff	126	127
Junior staff	491	495
	653	**659**

Staff costs relating to the above employees were:

	31-Dec-20 N'000	31-Dec-19 N'000
Salaries, wages and other allowances	1,187,553	1,162,916
Pension	45,045	42,528
Gratuity	61,174	28,743
Long service awards	6,592	10,871
	1,300,364	**1,245,058**

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.

N	N	31-Dec-20 Number	31-Dec-19 Number
-	- 70,000	-	-
70,001	- 400,000	-	-
400,001	- 500,000	-	-
500,001	- 600,000	12	271
600,001	- 700,000	467	224
700,001	- 800,000	12	-
800,001	- 900,000	-	-
900,001	- 1,000,000	49	56
1,000,001	- 1,100,000	13	1
1,100,001	- 1,200,000	-	9
1,200,001	- 1,300,000	41	37
1,300,001	- 1,400,000	2	-
1,400,001	- 1,500,000	11	21
1,500,001	- 1,600,000	9	3
1,600,001	- 1,700,000	1	-
1,700,001	- 1,800,000	-	-
1,800,001	- 1,900,000	-	-
1,900,001	- 2,000,000	-	-
2,000,001	- 3,000,000	25	25
3,000,001	- 4,000,000	8	9
4,000,001	- 5,000,000	3	3
		653	**659**

38 Contingent Liabilities

The company is the defendant in various law suits arising from normal course of business. There were contingent liabilities as at 31 December 2020 in respect of pending litigations estimated at N0.173 billion (2019: estimated N0.497 billion). In the opinion of the directors, and based on independent legal advice obtained from the company's solicitors, the company is not expected to suffer any material loss arising from these claims. Thus no provision has been made in these financial statements.

39 Financial commitments

In the normal course of business, the company uses letters of credit to import materials. The total value of open letters of credit as at 31 December was N1.41 billion (2019: N1.75 billion) out of which N709.8 million is contingent.

40 Capital Commitments

Capital expenditure authorized by the Board, but not provided for in the financial statements was Nil (2019: Nil).

41 Events after the reporting period

By a written resolution of the Directors of Presco Plc dated 23 March 2021 it was resolved that a dividend of 200 kobo per share amounting to N2 billion (2019: N2billion) be recommended for declaration by the members of the Company at the next general meeting of the Company. No provision for the dividend is recognised in the financial statements for the year then ended because, dividend is recognised as a liability in the period it is approved by shareholders.

There are no other events after the reporting date which would have had any material effect on the statement of financial position as at 31 December 2020 and on the profit for the year then ended.

42 COVID-19 Impact on operation

Impact of COVID-19 on revenue, expenses and operation of the Company

COVID-19 has no unfavourable effect on our business operation. Revenue was up when compared with last year and we have knowledge of any customer cancelling orders due to COVID-19

The only impact on the cost side has been additional transport of workers costs of approx. N120 million to allow extra space when transporting workers to work and; additional HSE and Medical costs of N130 million approx. related to cost of masks, sanitizers and other COVID-19 related costs. These costs have been offset by reduced costs in other operational areas.

Also, some of the Bank interest costs were reduced due to COVID-19 relief measures such as; N138 million reduction of CBN Interest Loan and CACS Loan interest reduction of N12 million.

43 Approval of Financial Statement

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 March, 2021.

A waiver has been obtained from the Financial Reporting Council for Messrs Paul Cardoen (the Chairman) who has not registered with the Council as at the date of the issuance of these financial statements.

Other national disclosures
Statement of value added
(As required by Companies and Allied Matters Act CAP C20 LFN 2004)

	31-Dec-20 N'000	%	31-Dec-19 N'000	%
Revenue	23,891,766		19,723,641	
Other operating income/(loss)	1,653,682		2,285,181	
	25,545,448		**22,008,822**	
Bought in goods and services:				
- Imported	(5,724,757)		(4,446,458)	
- Local	(7,826,215)		(6,815,427)	
Value added	**13,550,972**	**100**	**10,746,937**	**100**

APPLIED AS FOLLOWS:

To pay employees:				
Salaries, wages and other benefits	1,300,364	10	1,245,058	12
To pay Government:				
Income and education taxes	1,115,088	8	1,127,539	10
To pay providers of capital:				
Interest expense	1,918,292	14	2,133,709	20
To provide for replacement of assets, payment of dividend and future expansion:				
- Depreciation of fixed assets	1,759,029	13	1,431,275	13
- Depreciation of Right-of-use assets	23,390	0	23,390	0
- Amortisation of intangible assets	47	0	47	0
- Deferred tax	2,271,184	17	1,049,531	10
- Profit and loss account	5,163,578	38	3,736,388	35
	13,550,972	**100**	**10,746,937**	**100**

Value added represents the additional wealth which the Company have been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, government, providers of capital and that retained for the future creation of more wealth.

Five-year financial summary
(As required by Companies and Allied Matters Act CAP C20 LFN 2004)

	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-18 N'000 (Restated)	31-Dec-17 N'000 (Restated)	31-Dec-16 N'000 (Restated)
ASSETS/(LIABILITIES)					
Intangible assets	74	121	826,845	352,043	192,566
Property, plant and equipment	52,109,564	48,211,859	42,345,519	28,122,101	22,444,658
Other non-current assets	-	-	-	-	110
Right-of-use assets	1,624,456	1,647,846	-	-	-
Biological assets (BA)	6,937,844	5,092,477	3,260,413	5,892,483	6,239,697
Net current liabilities (excluding BA)	(12,162,880)	(10,228,757)	(8,962,768)	(1,354,922)	(505,927)
Non-current liabilities	(17,457,604)	(16,835,670)	(13,295,666)	(11,137,169)	(10,680,328)
TOTAL	**31,051,454**	**27,887,876**	**24,174,342**	**21,874,536**	**17,690,776**
CAPITAL EMPLOYED					
Equity	500,000	500,000	500,000	500,000	500,000
Share premium	1,173,528	1,173,528	1,173,528	1,173,528	1,173,528
Revenue reserves	29,518,014	26,256,085	22,440,193	20,156,005	15,929,800
Other reserves	(140,088)	(41,737)	60,621	45,003	87,448
TOTAL	**31,051,454**	**27,887,876**	**24,174,342**	**21,874,536**	**17,690,776**

STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-17 N'000	31-Dec-16 N'000
Revenue	23,891,766	19,723,641	21,344,730	22,365,372	15,716,198
Profit before taxation	8,690,351	6,059,683	6,321,010	1,578,547	443,787
Other comprehensive profit	(140,501)	(146,225)	22,311	1,060,789	316,762
Taxation	(3,428,422)	(2,220,937)	(2,036,822)	300,000	75,000
Profit after taxation	**5,163,578**	**3,736,388**	**4,299,806**	**5,683,760**	**21,764,190**
Declared dividend	**2,000,000**	**2,000,000**	**2,000,000**	**2,000,000**	**1,500,000**
Per share data (Kobo)					
Basic and diluted earnings per share	516	374	430	568	2,176
Net assets per share	3,105	2,789	2,417	2,187	1,769

Note

Earning per share are based on profit after tax and the weighted average number of ordinary shares outstanding at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

SHARE CAPITAL HISTORY

Year	Values (Naira)		Fully Paid Number of Shares	Values (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	

Year	Authorised Number of Share	Value(Naira)	Fully paid Number of shares	Value(Naira)	Description
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 1:1
2009	1,000,000,000	500,000,000	1,000,000,000	500,000,000	
2014	1,100,000,000	550,000,000	1,100,000,000	550,000,000	

BONUS HISTORY

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

PROXY FORM
PRESCO PLC
(RC 174370)
28TH ANNUAL GENERAL MEETING

I/We*--the undersigned, being a member/s 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 Wednesday July 28,2021 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--------------------2021

Signature---

NOTE

COVID-19 Overall Risk to Stakeholders

The novel COVID-19 virus pandemic has had a significant impact on global economies around the world, and it is having accounting implications for many entities. Our company is no different, which is why we have put in place protective measures in keeping with World Health Organization, NCDC, Edo State Government and Corporate Affairs Commission guidelines (safety protocols) to mitigate the spread. To ensure the safe conduct of the 28th Annual General Meeting of Presco PLC, Notice is Hereby Given to Shareholders That Attendees must comply fully with COVID – 19 virus pandemic safety protocols

Pursuant to the above stated. Shareholders are encouraged to appoint any one of the under listed proposed proxies to attend and vote in their stead at the meeting.

1. Mr. Felix Nwabuko
2. Mr. Gerald Royle Ray
3. Mr William Kenneth Crockett
4. Mr. Osa Osunde
5. HRH Prince A. O. Akenzua
6. Chief (Dr.) Bassey E. O. Edem
7. Mr. Patrick Uwadia
8. Mr. Famous Igbinevbo
9. Mr. Kingsley Iyekekpolor
10. Engr. MOT Olayiwola Tobun
11. Bishop Goodluck Akpore
12. Mr. Olugbosun Banji
13. Hon. Bright Nwabugho

Instruments of PROXY shall be at the company's expense.

Duly completed and stamped instruments of PROXY can be returned by email: info@firstregistrarsnigeria.com or patrick.uwadia@siat-group.com

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 LGA, P. O. Box 7061 Benin City, Edo State, not less than 48 hours before the time of the meeting.
2. Where the appointor is a corporation, this form may be under seal or under the hand of an officer or attorney duly authorized
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 name of all joint holders must be shown

THE PROXY WILL VOTE (OR ABSTAIN FROM VOTING)

AS HE/SHE THINKS FIT IN RESPECT OF PRESCO PLC, RC 174370 (28th ANNUAL GENERAL MEETING) TO BE HELD AT DURA CLUB, OBARETIN ESTATE, KM 22, BENIN SAPELE ROAD, IKPOBA / OKHA LGA, EDO STATE, ON WEDNESDAY JULY 28, 2021 AT 12. OO NOON

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

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

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive the annual report and accounts for the Year ended 31 December, 2020		
2. To declare a dividend		
3. To elect Chief (Engr.) James B. Erhuero, JP, mni, OON, as a director, notwithstanding that he is above 70 years		
4. To re-appoint Deloitte &Touche as Independent Auditors		
5. To authorize Directors to fix the remuneration of Independent Auditors		
6. To elect members of the Audit Committee		
SPECIAL RESOLUTIONS		
7. To approve the remuneration of Directors		
8. To authorize the Directors to raise additional capital by the issue of debts instruments		
9. To authorize the Directors and Management to invest in and acquire all the shares of a private limited company in the same line of business with Presco PLC		
10. To authorize the Directors to take such steps, and to do all acts to such things including the appointments of professionals and parties and advisers, etc.		

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. **Shareholders' Right to Ask Questions** Shareholders reserve the right to ask questions at the Annual General Meeting. Shareholders may also submit their questions prior to the meeting in writhing to the company, in line with Rule 19. 12 (c) of the listing rules of Nigerian Stock Exchange. Such questions should be addressed to the Company Secretary and reach the Company at its Registered Office or by electronic mail at info.presco@siat-group.com not later than 7 days prior to the ate of the meeting.

- -

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------------------------------------Signature-- Please admit the shareholder named in this form or his/her duly appointed proxy to the company's 28th Annual General Meeting to be held at the Dura Club, Obaretin Estate, Km 22, Benin Sapele Road, Ikpoba-Okha LGA, Edo State, on Wednesday July 28 , 2021 at 12.00 noon

Name of Shareholder *--Signature----------------------------------

Name of Shareholder *--Signature----------------------------------

A member (Shareholder) of the company , entitled to attend and vote is entitled to appoint a proxy to attend and vote for 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 LETTERS on both the proxy form and admission card where marked*

If a proxy is to attend on your behalf, please insert the name of the person, whether a member of the company or not, who is to attend the meeting and vote on your behalf where marked **

First Registrars & Investor Services Limited,
Plot 2, Abebe Village Road,
P.M.B. 12692 Marina,
Lagos,
Nigeria

PRESCO PLC

SHAREHOLDERS DATA UPDATE

This is to inform shareholders of PRESCO PLC in our stable to update their personal details on their shares account(s) as detailed below

Surname:..

First Name:...Other Names:...

E-mail Address:...

Primary GSM Number:.. Alternative GSM Number:...

Clearing House Number (CHN).. Bank Verification Number (BVN)......................................

Preferred Stockbroker's Name...

Date of Birth...

Old Address..

New Address (to be used for address update)..

....

Next of Kin.. Next of Kin Phone Number..

I/We hereby authorise PRESCO Plc to update my/our shareholding accounts with the above information

....

Individual Shareholder Signature

....

Joint Shareholder Signature

....

Corporate Shareholder

....

Company Seal

Kindly download the update form from our website
http://www.firstregistrarsnigeria.com/download-forms

First Registrars & Investor Services Limited,
Plot 2, Abebe Village Road,
P.M.B. 12692 Marina,
Lagos,
Nigeria

Affix
Current
Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

E-DIVIDEND

PRESCO PLC

RC 174370

E-DIVIDEND ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction
Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P.M.B. 12692 Lagos. Nigeria.

I/We hereby request that henceforth, all my/our dividend Payment(s) due to me/us from my/our Shares in Cadbury Nigeria Plc. be credited directly to my/our bank details below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) Current Savings

Shareholder Account information

Surname First Name Other Names

Address

City State Country

Previous Address (if any)

CHN (if any) Email Address

Mobile Telephone 1 Mobile Telephone 2

Signature(s) Joint/Company's Signatures Company's Seal

Authorized Signature of Banker Authorized Stamp of Banker

FirstRegistrars & INVESTOR SERVICES

First Registrars & Investor Services Limited,
Plot 2, Abebe Village Road,
P.M.B. 12692 Marina,
Lagos,
Nigeria

Affix
Current
Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

E-DMMS

PRESCO PLC
RC 174370

EDMMS

Instruction
Please complete all sections of this form to make it eligible for processing. Thereafter, return it to the address below:

The Registrar,
First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P.M.B. 12692 Lagos. Nigeria.

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) ☐ Current ☐ Savings

Shareholder Account Information

Surname First Name Other Names

Address :

City State Country

Previous Address (If any)

CHN (If any) Email Address

Mobile Telephone 1 Mobile Telephone 2

Signature(s) Joint/Company's Signatories Company's Seal

Authorised Signature of Banker Authorised Stamp of Banker

FirstRegistrars
& INVESTOR SERVICES

First Registrars & Investor Services Limited,
Plot 2, Abebe Village Road,
P.M.B. 12692 Marina,
Lagos,
Nigeria

1. Complete, sign and date the form
2. Fill out all compulsory (*) fields
3. Fill in CAPITAL LETTER

E-PRODUCTS

FirstRegistrars & INVESTOR SERVICES

E-PRODUCTS ACTIVATION FORM

You need not worry about the safety of your shares anymore, simply stay aboard with our e-Product and services

E-SHARE NOTIFIER SMS alerts on transactions that occur on your share account (AGM & EGM, Dividend Payments, Bonuses, Debits/Credits etc.)

ONLINE-ACCESS Online access to your share account statements. You can view and print your account statement, make change of address and access dividend info etc.

M-ACCESS Smart way to access your stock balance, dividend amount etc. via. SMS on your mobile phone. Simply send your assigned PIN to 6591. The service is available only in Nigeria and attracts N20/SMS by network operator

Instruction

Please fill the form and return to the address below:

The Registrar,
First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P.M.B. 12692 Lagos. Nigeria.

Shareholder Account Information

Surname* **First Name*** **Other Names**

Address Line 1*

Address Line 2*

City **State*** **Country**

GSM No (Mobile)* **GSM No (Telephone)***

Email Address *

Signature(s)* **Corporate stamp/Seal***

Charges:

Individuals: **₦1000 per annum/product**

Corporate Bodies: **₦2000 per annum/product**

Please tick() the product(s) you are activating

All payments should be made into the First Bank account number designated for each product below:

E-Share Notifier activation Account No. 2013302579

Online access activation Account No. 2013798370

M-access activation Account No. 2011760908

Thereafter, a copy of the payment slip should be attached to this form upon submission

First Registrars & Investor Services
...connecting you to your wealth
website: www.firstregistrarsnigeria.com; E-mail: ebusiness@firstregistrarsnigeria.com

First Registrars & Investor Services Limited,
Plot 2, Abebe Village Road,
P.M.B. 12692 Marina,
Lagos,
Nigeria

This form is to be completed typewritten excluding signatures only

No. ________

STOCK/SHARE TRANSFER

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the transferee(s) named the shares or stock specified below subject to the several conditions on which the said shares or stock are or is now

Full Name of Company or Undertaking	
Amount or Number and full details of Stock or Shares	FIGURE / WORDS
TRANSFER FROM TRANSFEROR(S) name(s) and address(es) in full (preferably type-written or in Block Capitals)	SELLER
Consideration	
TRANSFER TO TRANSFEREE(S) name(s) and address(es) in full (preferable type-written or in Block Capitals)	BUYER

SIGNED, SEALED AND DELIVERED by the parties to this transfer

In the presence of ____________________

Signature

Date

Name & Address

Description/Occupation

Seal

signature

SELLER

In the presence of ____________________

Signature

Name & Address

Description/Occupation

Seal

signature

In the presence of ____________________

Signature

Name & Address

Description/Occupation

Seal

signature

BUYER

In the presence of ____________________

Signature

Name & Address

Description/Occupation

signature

Certificate to cover the within-mentioned share/stock lodge with