PRESCO PLC

RC 174370

Annual Report & Accounts

2014

PRESCO PLC

Producer of Specialty Fats and Oils

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

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

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

Contact information

Presco Plc
Obaretin Estate
Km 22, Benin / Sapele Road P O Box 7061
Benin City, Edo State, Nigeria

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of Presco Plc will be held at The Dura Club, Obaretin Estate, Km.22, Benin/Sapele Road, Ikpoba-Okha LGA, Edo State on Wednesday, July 22, 2015, at 12.00 noon to transact the following business:

Ordinary Business:

1. To lay before the meeting the audited accounts of the Company for the year ended 31 December 2014 together with the reports of the Directors, Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To elect and re - elect Directors.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect members of the Audit Committee.

Special Business

6. To approve the remuneration of Directors
7. To appoint Deloitte Nigeria as the independent auditors of Presco Plc in place of Grant Thornton Nigeria
8. To re - elect Chief James Erhuero, OON, JP, who has attained the age of 70 years, as a director of the company pursuant to section 256 of the Companies and Allied Matters Act 2004.
9. To re – appoint Directors (Mr. Pierre Vandebeeck and Dr. Shettima Mustafa, CON) who have attained the age of 70 years, pursuant to section 256 of the Companies and Allied Matters Act 2004.

Notes

1. Proxy

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

2. Closure of Register and Transfer Books

The Register of Members and Transfer Books will be closed from Monday July 6, to Wednesday July 8, 2015 (both days inclusive) to enhance preparation for the payment of dividend.

3. Dividend

If the dividend recommended by the Directors is approved, dividend warrants will be posted on Monday July 27, 2015 to the shareholders whose names are on the register of members at the close of business on Friday, July 3, 2015

4. Audit Committee

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

BY ORDER OF THE BOARD

Patrick Uwadia, Esq.
Company Secretary
FRC/2013/ICSAN/00000004864

Dated this 16th day of April 2015
Obaretin, Ikoba/Okha LGA,
Edo State, Nigeria

Registered Office

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

FINANCIAL HIGHLIGHTS

34	**For the Year Ended 31 December 2014**	**2014**	**2013**
	Financial Position	**N'000**	**N'000**
	Total Assets	34,945,172	32,663,299
	Shareholders Funds	19,959,147	17,382,069
	Share Capital	500,000	500,000
	Share Premium	1,173,528	1,173,528
	Revenue Reserves	18,213,854	15,708,541
	Statement of Comprehensive Income		
	Turnover	9,137,704	8,485,143
	Profit before taxation	3,420,308	2,333,971
	profit After taxation	2,605,312	1,337,203
	Profit Retained	2,605,312	1,337,203
	Information per 50 kobo ordinary share		
	Earnings (kobo)	268	129
	Dividend (kobo)	10	100
	Net assets per share (kobo)	20	17

Directors and Professional Advisers

BOARD OF DIRECTORS

Mr. Pierre Vandebeeck (Belgian)	Chairman	
Mr. Felix Nwabuko (FCA)	Managing Director Appointed wef 01 February 2015	
Mr. Georges Piana (Belgian)	Director/CFO	
Engr. James B. Erhuero, JP, mni, OON	Director	
Mr. Osa Osunde	Director	
Dr. Shettima Mustafa, CON	Director	
Miss Marie Vandebeeck (Belgian)	Director	
Chief Bassey E.O. Edem, FCA, MFR	Director	
Mr. Nicholaas M. Oosthuizen	Director/COO	Appointed wef 16 April 2015
HRH (Prince) Aiguobasinmwin O. Akenzua	Director	Appointed wef 16 April 2015

COMPANY SECRETARY Patrick Uwadia, Esq.

REGISTERED OFFICE:

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

REGISTRARS & TRANSFER OFFICE

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

TECHNICAL PARTNER/MANAGING AGENT:

sa Siat nv

Brussels, Belgium.

SOLICITORS:

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

AUDITORS:

Grant Thornton Nigeria,
(Chartered Accountants)
3 rd & 4th Floors,
294 Herbert Macauley Way,
Sabo-Yaba,
Lagos, Nigeria.

Chairman's Statement

Distinguished Shareholders, Fellow Directors, Ladies and Gentlemen,

It is my honour and privilege to welcome you all to the 22nd Annual General Meeting of our Company. As we all know, we are here today to consider the Annual Report and Accounts of the Company for the year ended 31 December 2014, but as usual, before doing that it is necessary to review some of the relevant environmental factors under which we operated in the year 2014.

The Business Environment

By the Report of the Central Bank of Nigeria of the {Fourth Quarter of 2014, the National Bureau of Statistics (NBS) showed that when measured by the Real Gross Domestic Product (GDP) the economy grew by 5.94 percent (year-on-year) to on the aggregate basis in the Fourth quarter of 2014. This was lower by 0.83 percentage points from rates recorded in the Fourth quarter of 2013, and lower by 0.28 percentage points from the Third Quarter of 2014. From the Third Quarter of 2014, the economy grew by 3.84 percent in Quarter Four.

The nominal GDP at basic prices for the Fourth Quarter of 2014 was estimated at N24,205,863.34 million, up 13.10 percent from N21,401,519.78 million estimated for the corresponding quarter of 2013 and 5.55 percent from N22,933,144.01 million recorded in the Third quarter of 2014.

The broad money measure of the money supply (M2) year-to-date increased by N1,144.28 billion or 7.29 percent to N16,833.2 billion in December 2014. Thus, M2 growth was 7.23 percentage points below the programmed target of 14.52 percent for fiscal 2014, but 7.29 percent above the level recorded a year ago. The 7.29 percent year-to-date expansion in broad money was due to the increases of 12.47 and 5.42 percentage points in the relative contributions of credit to private sector and other assets net, respectively. These outweighed the 8.29 and 2.30 percentage points decreases in the relative contributions of net foreign assets and credit to government (net), respectively.} Of concern, are the terrorist actions of extreme militant groups and individuals in parts of the country. In spite of this, the year was very stable harmonious and peaceful and hence the good industrial environment that prevailed throughout the year.

Operating Results

Presco Plc continues to reap the dividends of her expansion programme of the previous years.
The performance of the year 2014 is very good. We achieved a total of fresh fruit bunches (ffb) production of 162,076 m / tons as against 125,481 m / tons in the previous year; crude palm oil (cpo) produced was 27,586 m / tons compared with 27,585 m/ tons of the year 2013 and refined, bleached, deodorised oil of 25,279 tons compared with 26,055 tons of the year 2013. Our turnover for the year was N9,137,704,000 as against N8,485,143,000 the previous year, resulting in a profit after tax of N2,677,078,000 compared with 2013 which was N1,293,971,000

Management Focus

2014 was again a mixed year, even more challenging than 2013, but the company navigated it very well; achieving increased agricultural yields and production levels in volumes of fresh fruit bunches, crude palm oil, crude palm kernel oil and refined products while effectively managing competition, market and macro-economic conditions less favourable than previous year. Turnover, gross profit and profit before tax were higher than previous year by 8%, 39% and 47% respectively. It was also a year of further consolidation through continuous increase in strategic investments that secure Presco's pole position - oil palm plantation, multiple improved efficiencies on industrial operations, further automation, and green energy from bio-methanization, increased investment in research and development and staff reorganization. We envisage increasing challenges in market and macro-economic conditions in 2015. We will concentrate on efficiencies in the management of operations across our value chain and continue with our planned long-term industry leadership focused expansion programme.

Chairman's Statement

Dividend

Your Board of Directors has proposed a dividend of 100 kobo per share, and this amounts to N1,000,000,000 for shareholders approval, subject to withholding tax at the appropriate rate

Community Relations

The Company's host communities' development programme continued during the year ended 31 December 2014. The focus continues on education, roads, water electricity and support for out growers,

Research and Development

We are committed to Research and Development; it is at the forefront of new planting material development and has been very successful in increasing the quantity of FFB and Oil per hectare of plantation. We continue to put effort to be leader in Research and Development.

Our People

On behalf of the Board and Shareholders, I thank all employees for their loyalty and commitment to our Company. We also wish to thank those who have retired after many years of loyal service. All those who work for the Company, in whatever capacity, contribute an integral part to the progress that has been made.

Corporate Governance

We continue to strive to ensure we meet up with the requirements of the various regulatory bodies. In line with national and international requirements for greater disclosure and transparency of corporate governance this year's Annual Report as in the past retains an additional section, the Corporate Governance Report. It is expected that this will give greater confidence to our Shareholders.

Appreciation

We continue to count on the support and technical expertise of our core shareholder, nv Siat sa, of which we hereby acknowledge. The contribution of nv Siat sa to Presco Plc over the past years has been the foundation of the Company's success. As for my colleagues on the Board, your wisdom and experience have greatly impacted on the growth of the Company.

To His Royal Majesty the Oba of Benin and to the Governments of Edo and Delta States may I express our deep gratitude for their continued support and for providing us with enabling and conducive environment to carry on the business activities of the company

Finally, I thank all Shareholders for their commitment and support and belief.
Thank you and God bless

Pierre Vandebeeck
Chairman

Directors of Presco

Mr. Pierre Vandebeeck
Chairman

Felix O. Nwabuko FCA
Managing Director

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

Mr. Osa Osunde
FCIS, FIoD

HRH (Prince)
Aiguobasinmwin O. Akenzua

Dr. Shettima Mustafa CON

Nicholaas M. Oosthuizen
(COO)

Miss. Marie Vandebeeck

Mr. Georges Piana
(CFO)

Chief Bassey E.O. Edem MFR

Directors' Profile

Mr Pierre Vandebeeck

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

Felix Onwuchekwa Nwabuko FCA ACIT MBA MI o D

Chartered Accountant and Consultant with extensive multi-industry, international and business management experience within industrial groups and world class - university and big-four audit firm 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, Member Institute of Directors, United Kingdom. Special interests in Strategy, Corporate Governance and Leadership.

Nineteen years' experience in strategic and operational management of leading large scale industrial oil palm plantation and processing enterprises in the Nigerian and Ghanaian oil palm and vegetable oil industry. Country Managing Director of Presco Plc and Siat Nigeria Limited from 1st February 2015. At various times, Ag. Managing Director, Ghana Oil Palm Development Company Limited (GOPDC), Chief Financial Officer GOPDC, Director Finance & Corporate Affairs, Presco Plc, Finance Controller, Okomu Oil Palm Plc.

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

Engr. J.B. Erhuero joined the Board of Presco Plc on 15 July 2004. He was one time Secretary to the Delta State 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 Delta State Civil Service. Engr. Erhuero holds a B.Sc honours degree in mechanical Engineering and a Masters degree in Systems and Manufacturing Engineering amongst others. He is a knight of St. Mulumba (KSM) .

Miss Marie Vandebeeck

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

Management School. She is on the Board of Siat sa, Brussels and other Companies in the Siat Group.

Mr Osa Osunde FCIS, FIoD

Mr. Osunde is a Chartered Stockbroker and presently the Executive Chairman of Fidelity Finance Company Limited. he holds HND in Accountancy and a Fellowship of the Chartered Institute of Stockbrokers. He was a former council member of the same institute. Also he is a Fellow of the Institute of Directors of Nigeria (F.IoD), Fellow Institute of Taxation of Nigeria and recently Fellow of The institute of Direct Marketing of Nigeria. An experienced capital market operator, he was a council member of the Nigerian Stock Exchange. He is a member of Board of many other companies. He joined the Board of Presco Plc in May 2003

Dr. Shettima Mustafa, OFR, CON

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

Mr. Georges Piana

Mr. Georges Piana's areas of specialization are Control, Administration & Budgets, Audit in Complex Situations, Overseas HR Management, Recruitment & Selection, Asset and Cash Management. He acquired experiences from various reputable organizations, including but not limited to; Enterprise Generale Malta, Forret (FGI Group) - Lubumbashi, Congo - Finance Manager, Brilliant Services N.V. Antwerp, Belgium. Chief Financial Officer, Total Petrochemicals - Brussels, Belgium, Manager Control & Administration of the Information Technology Department, Total Uganda Limited - Kampala - Uganda, Finance & Admin. Manager, PetroFina S.A. - Brussels - Belgium.

Chief Bassey Edem

Chief Bassey E.O. Edem, MFR, is an administrator, Chartered Accountant and an Agri-Business Magnet. He holds a Diploma in Accountancy from Yaba College of Technology, a Bachelor of Science (B.SC.), Degree in Accounting from University of Lagos and a Masters of Business Administration (MBA) degree From the University of Calabar. He worked with the United Africa Company of Nigeria (UACN) Plc. In November 1979, he was transferred to Pamol (Nigeria) Limited, Promoted Managing Director/Chief Executive Officer 1982- and appointed Vice Chairman MD/CEO of the company from where he voluntarily retired in 2006. He was also an Executive Director of Dunlop Nigeria Plc (the parent company of Pamol Nigerian Ltd.) Chief Edem won the Unilever International Managing Director of the year Award in 1988. Chief Bassey E. O. Edem is a fellow of Chartered Association of certified Accountants (FCCA) UK; Fellow of the institute of Chartered Secretaries and Administrators (FCIS) UK, Fellow of the Institute of Chartered Accountants of Nigeria (FCA) and Alumnus of The Lagos Business School (CEP-1994) and the current President of NACCIMA. He was appointed as a director of Presco Plc December 6, 2013.

Directors' Profile

Mr. Nicholaas Marthinus Oostheuizen

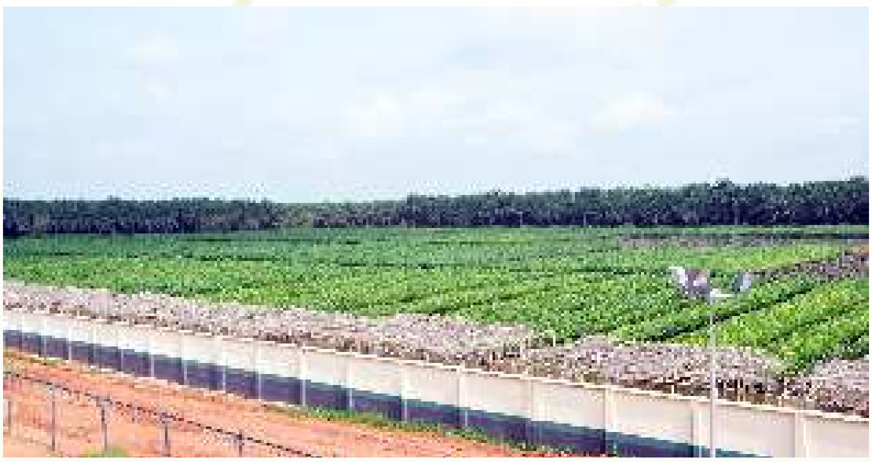
Mr. Nicholaas Marthinus Oostheuizen, a Zambian permanent resident and the chief operating officer of Presco Plc was elevated to the position of an executive director on April 16, 2015. He holds a B. Sc Agric. (plant production), University of South Africa, AVCSA Certification (Crop Protection), Technicon Pretoria, South Africa and Qualified Aircraft Technician, South African Airways, Johanisburg, South Africa. He acquired experiences from various places namely:- General Manager, Kapunga Rice Project, Tanzania, from October 2013 to April 2014, Regional Production Manager AZ-Agro (member of Dreyfuss Group), Russian Federation, September 2010 to September 2013, Agro-Technical Advisor, Kaboji Farm (member of Flower Meals of Nigeria), Nigeria from February 2003-June 2009 and a number of other large scale agro – allied companies outside Nigeria from January 1983 to January 2003.

HRH (Prince) Aiguobasinmwin Ogie Akenzua,

HRH (Prince) Aiguobasinmwin Ogie Akenzua was appointed as 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 and 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.

Patrick Uwadia, Esq.

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



The Directors submit their report together with the audited financial statements for the year ended 31 December 2014 which disclose the state of affairs of the Company.

1.1 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.

1.2 OPERATING RESULT

The company's performance during the year under review is summarised below. Turnover increased by 7.69% from that of the previous year. A net operating profit after tax of N2.6Billion during the year compared to the previous year profit after tax of N1.3Billion .

	2014	2013	% Difference
Revenue	9,137,704	8,485,143	7.69
Gross profit	5,938,282	4,615,822	28.65
Profit for the year	2,605,312	1,337,203	94.83

2 DIVIDEND

In respect of the current year, the Directors recommend for approval a dividend of 100k per share amounting to N1 Billion subject to the deduction of withholding tax at the appropriate rate. At the last AGM, shareholders approved the directors' recommendation of a dividend of 10 kobo per share amounting to N100 million, subject to the deduction of withholding tax at the appropriate rate.

3 DIRECTORS

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

Mr. Pierre Vandebeeck	(Belgian)	Chairman	
Mr. Felix Nwabuko (FCA)	(Nigerian)	Managing Director	Appointed wef 01 Feb
Mr. Uday Pilani	(Indian)	Managing Director	Resigned wef 31 Jan
Mr. Pieter Vandessel	(Belgian)	Director	Resigned wef 15 Aug
Mr. Georges Piana	(Belgian)	Director/CFO	
Engr. James B. Erhuero, JP, mni, OON	(Nigerian)	Director	
Mr. Osa Osunde	(Nigerian)	Director	
Mr. Atedo N. A. Peterside, CON	(Nigerian)	Director	Resigned wef 31 Dec
Dr. Shettima Mustafa, CON	(Nigerian)	Director	
Miss Marie Vandebeeck	(Belgian)	Director	
Chief Bassey E. O. Edem, FCA, MFR	(Nigerian)	Director	
Mr. Nicholaas M. Oosthuizen	(South African)	Director/COO	Appointed wef 16 Aug
HRH (Prince) Aiguobasinmwin O. Akenzua	(Nigerian)	Director	Appointed wef 16 Aug

In accordance with the Company's Articles of Association Chief James Erhuero and Miss Marie Vandebeeck retire at this Annual General Meeting, being eligible, they offer themselves for re – election. Pursuant to section 256 of the Companies and Allied Matters Act 2004 Chief James Erhuero, OON, JP, Mr. Pierre Vandebeeck and Dr. Shettima Mustafa, CON who have attained the age of 70 years, have offered themselves for re – appointment as directors of the company

4 DIRECTORS' INTEREST IN SHARES

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

Names of Directors	As at 31 December 2014 (No. of shares)	
	Direct	Indirect
Engr. James B. Erhuero, JP, mni, OON	624,000	-
Mr. Atedo N. A. Peterside, CON	-	25,000,000
Dr. Shettima Mustafa, OFR, CON	167,500	-
Mr. Osa Osunde	1,000	-
Chief Bassey E. O. Edem, FCA, MFR.	50,000	-

5 SUBSTANTIAL SHAREHOLDERS

The following shareholders held 5% and above of the issued share capital of the Company as at 31 December 2014

	Shareholding Number	%
Sa Siat nv	600,000,000	60
First Inland Bank/Fidelity Fin. Co. (TRDG)	81,633,788	8

6 SHARE RANGE ANALYSIS

The range of the distribution of the shares of the Company as at 31 December 2014 is as follows:

Share Range		Shareholders Number	Shareholders %	Shareholders Number	Shareholders %
1	1000	2,560	27.20	1,743,646	0.17
1001	5000	3,845	40.85	10,403,644	1.04
5001	10000	1,285	13.65	10,413,309	1.04
10001	50000	1,326	14.09	31,147,826	3.11
50001	100000	211	2.24	16,693,344	1.67
100001	500000	137	1.46	29,122,062	2.91
500001	1000000	15	0.16	10,559,245	1.06
1000001	5000000	20	0.21	42,523,941	4.25
5000001	10000000	4	0.04	35,950,414	3.60
10000001	50000000	7	0.07	129,808,781	12.98
50000001	100000000	1	0.01	81,633,788	8.16
100000001	1000000000	1	0.01	600,000,000	60.00
		9,412	**100.00**	**1,000,000,000**	**100.00**

7 Capital Assets

Significant capital assets expenditure during the year was as follows:

	2014 N'000	2013 N'000
Work in progress	3,420,600	3,387,941
Building	30,827	13,510
Heavy duty equipment	32,250	1,957
Utilities	4,687	11,358
Furniture and fittings	19,604	19,657
Motor vehicles & wheel tractors	162,339	111,954
Processing Equipment	198,072	20,203

8 MAJOR CUSTOMERS

The Company's products are sold directly to customers comprising wholesalers, consumers and industrial users who are located within the Country. Some of these are: Nestle Nigeria Plc, Lagos; Chikki Foods Industries Limited, Lagos; Friesland Foods WAMCO Nigeria Plc, Lagos; Kraft Foods(Cadbury), Lagos; Kentucky Fried Chicken (KFC), Lagos; Golden Pasta Company Limited, Lagos; Fan Milk Plc, Ibadan; Beloxxi Industries Limited, Lagos; Dangote Group, Lagos.

9 COMMUNITY DEVELOPMENT PROJECTS/COMMUNITY RELATIONS

The Company's host communities' development programme continued during the year ended 31 December 2014. The focus is on education, roads, water, electricity and support to out growers. Total expenditure was N54,615,300.

10 DONATIONS

A donation of N500,000 was made to the Institute of Chartered Accountants of Nigeria Building Fund during the year.

11 RESEARCH & DEVELOPMENT

The Company commits itself to Research and Development. It is at the fore-front of new planting material development and has been successful in increasing the quality of FFB on Oil per Ha of plantation. We continue to make effort to be a leader in R&D and amount expended on R&D during the year under review was N72.4million.

12 EMPLOYMENT OF DISABLED PERSONS

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

13 HEALTH, SAFETY AND WELFARE

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

14. EMPLOYEE INVOLVEMENT AND TRAINING

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

15. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

16. AUDITORS

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

BY ORDER OF THE BOARD

Patrick Uwadia Esq
FRC/2013/ICSAN/00000004864
Company Secretary
16 April 2015

Presco Plc follows the Corporate Governance Guidelines which is in compliance with the code of Corporate Governance in Nigeria 2003 ("The Peterside Code") and supplemented by 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 (10) Directors including the Chairman, who has no executive responsibilities. The primary Responsibility of the Board is to ensure that the Company's business strategy is appropriate and implemented effectively. The board is also responsible for the management of the Company's relationship with its various stakeholders

On appointment, Directors receive 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.

INDEPENDENCE & EXECUTIVE STATUS OF DIRECTORS

Mr. Pierre Vandebeeck	(Belgian)	Non Executive	
Mr. Felix Nwabuko (FCA)	(Nigerian)	Executive	Appointed wef 01 February 2015
Mr. Uday Pilani	(Indian)	Executive	Resigned wef 31 January 2015
Mr. Pieter Vandessel	(Belgian)	Executive	Resigned wef 15 August 2014
Mr. Georges Piana	(Belgian)	Executive	
Engr. James B. Erhuero, JP, mni, OON	(Nigerian)	Independent	
Mr. Osa Osunde	(Nigerian)	Non-Executive	
Mr. Atedo N. A. Peterside, CON	(Nigerian)	Non-Executive	Resigned 31 December 2014
Dr. Shettima Mustafa, CON	(Nigerian)	Non-Executive	
Miss Marie Vandebeeck	(Belgian)	Non-Executive	
Chief Bassey E. O. Edem, FCA, MFR	(Nigerian)	Non-Executive	
Mr. Nicholaas M. Oosthuizen	(South African)	Executive	Appointed wef 16 April 2015
HRH (Prince) Aiguobasinmwin O. Akenzua	(Nigerian)	Non-Executive	Appointed wef 16 April 2015

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

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

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

BOARD MEETINGS

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

Meeting Date	Main Items of Business
27 March 2014	Consideration of draft audit account. The Board Constituted an Ad-hoc Committee of the Board with the following persons as its members: Dr. Shettima Mustafa, Chairman, Mr. Osa-Osunde and Chief Bassey E.O. Edem as members.
24 April 2014	The Board recommended a dividend of 10 kobo per share amounting to N100m be declared at the AGM.The Board recommended that authorised share capital of the company be increased from N500m to N550m by creation of 100m ordinary shares of 50 kobo each.The board recommended a right issue in the ratio of one new share of 50 kobo each for every 10 shares held and each share shall rank pari pasu with the existing shares of the company at the price of N35 per share.
22 July 2014	The Board approved the new Pension Act for immediate implementation.The Board considered the resignation of Mr. Pieter Vandessel as Director and the appointment of Mr. Martin Oosthuizen as Chief Operating Officer (COO).
28 October 2014	The Board proposed the appointment of Deloitte as Company's Auditors and Grant Thornton as Tax Consultants.
16 December 2014	2015 budget proposal was presented by the CFO for the consideration of the Board.

ATTENDANCE AT MEETINGS BY STATUTORY 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. Pierre Vandebeeck (Chairman)		5	
Mr. Uday Pilani		5	
Mr. Pieter Vandessel		3	Resigned 15 August 2014
Mr. Georges Piana		5	
Engr. (Chief) James B. Erhuero, JP, mni, OON		3	
Mr. Osa Osunde		4	
Mr. Atedo Peterside, CON		4	Resigned wef 31 December 2014
Dr. Shettima Mustafa, CON		4	
Miss Marie Vandebeeck		0	
Chief Bassey E.O. Edem, FCA, MFR		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.

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

There have been no transactions and other contractual relationships between the Company and its Board members and executive management, 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 equiry of all directors, all directors have complied with the listing rules and the issuer's code of conduct regarding securities transactions by directors.

COMMITTEES

Statutory Audit Committee

Engr. M.O. T. Tobun (Chairman)	Shareholder member,	W.E.F. 27 October 2014
Mr. Famous Igbinevbo (Chairman)	Shareholder member,	Up to 27 October 2014
Mr. Kingsley Iyekekpolor	Shareholder member	(Re-elected on 22 July 2014).
Engr. James B. Erhuero, JP, mni, OON	Director member	(Re-elected on 22 July 2014).
Dr. Shettima Mustafa, CON	Director member	(Re-elected on 22 July 2014).
Mr. Osa Osunde	Director member	(Re-elected on 22 July 2014).

Attendance at meetings by Statutory Audit Committee members

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

Names of Audit Committee Members	Number of Attendance at Meetings
Engr. Olayiwola Tobun (Chairman)	4
Mr. Famous I. Igbinevbo	4
Mr. Kingsley Iyekekpolor	4
Chief James B. Erhuero, JP, mni, OON	3
Dr. Shettima Mustafa, CON	3
Mr. Osa Osunde	3

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

Meeting date	Main items of business
26 March 2014	Presentation and consideration on 31 December 2013 IFRS Financial Statements.
21 July 2014	Presentation and approval of Internal Audit Report and unaudited 30 June 2014 Financial Statements.
27 October 2014	Election of Engr. Olayiwola Tobun as Chairman of the Audit Committee.Presentation and consideration of Internal Audit Report for July to September 2014
8 December 2014	Consideration and approval of the Internal Auditor's report.Approval of the External Auditors' Audit Planning Memorandum.

Remuneration Committee

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

The members of the committee are:

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

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

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

Company Secretary

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

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

The Company Secretary is Mr. Patrick Uwadia. He was employed on 8 April 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 it's 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 Audit Committee and the Company's Internal Audit Procedures Manual. The Internal Auditor is now Mr. Fayoyin Oyekunle who took over from Mr. Michael Onabajo who was deployed to the Accounts Department as the Management Accountant. Mr. Fayoyin Oyekunle has held the position since 5 May 2014.

Management

The Director of Operations Mr. Pieter Vandassel resigned with effect from 15 August 2014. He was replaced with a new Chief Operating Officer (COO), Mr. Martin Oosthuizen, on 1 June 2014.

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

Major Contracts between the Company and Third Parties

There was no major contract with any third party.

Shareholder Relations

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

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

Protection of Shareholders Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their rights to vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status

Patrick Uwadia
FRC/2013/ICSAN/00000004864
Company Secretary
'16 April 2015

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

- Keeps proper accounting records that disclose with accuracy, the financial position of the Company and comply with the requirement of the Companies and Allied Matters Act;

- Establishes adequate internal controls to safequard its assets and to prevent and detect fraud and other irregularities; and

- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in confirmity with the International Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act.

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

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

Mr. Pierre Vandebeeck
Chairman

Mr. Felix Nwabuko
Managing Director/CEO

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007

For The year Ended December 31, 2014

We the undersigned hereby certifiy the following with regards to our financial reports for the year ended 31 December 2014 that:

(a) We have reviewed the report;

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

(I) Any untrue statement of a material effect, or

(ii) Omit to state a material fact, which would make the statements, misleading in the light of the circumstance under which such statements were made;

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

(d) We:

(i) Are responsible for establishing and maintaining internal controls

(ii) Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those 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 the report our conclusions about the effectiveness of the Company's internal controls based on our evaluation as of that date;

(e) We have disclosed to the Auditors and Audit Committee:
(Iall significant deficiency in the design and operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the Company's auditors any material weakness in internal controls, and

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

Managing Director/CEO

Chief Financial Officer

Report of The Audit Committee

In compliance with the provisions of section 359 (3) to (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the committee reviewed the Audited Financial Statements of the Company for the year ended 31 December 2014 and report as follows:

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

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

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

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

Engr. Olayiwola Tobun (Chairman)
FRC/2013/COREN/00000003231
Chairman, Statutory Audit Committee

Members of the Statutory Audit Committee are:

1.	Engr. Olayiwola Tobun	Shareholder - Chairman
2.	Mr. Famous Igbinevbo	Shareholder - Member
3.	Mr. Kingsley Iyekekpolor	Shareholder - Member
4.	Engr. James B. Erhuero, JP, mni, OON	Director - Member
5.	Dr. Shettima Mustafa, CON	Director - Member
6.	Osa Osunde	Director - Member

The Company Secretary, Patrick Uwadia, acted as Secretary to the Committee.

Mr. Kingsley Iyekekpolor

Engr. M.O.T. Tobun
Chairman

Mr. Famous Igbenevbo

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

Mr. Osa Osunde FCIS

Dr. Shettima Mustafa CON

Grant Thornton

An instinct for growth

Report of the Independent Auditors on the Financial Statements

To the members of Presco Plc

Chartered Accountants

Grant Thornton Nigeria
[illegible]

Report on the Financial Statements

We have audited the accompanying financial statements of **Presco Plc**, for the year ended 31 December 2014, set out on pages 17 to 20, which have been prepared on the basis of significant accounting policies on page 26 to 42 and other explanatory notes on pages 43 to 54.

Directors' Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 December 2014 in compliance with **International Financial Reporting Standards (IFRSs), Financial Reporting Council of Nigeria Act, No. 6, 2011** and the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

iii) The Company's Profit and Loss Account and Balance Sheet are in agreement with the books of account.

Osifo Victor FCA,
FRC/2013/ICAN/00000003612
For: Grant Thornton Nigeria
Lagos, Nigeria
17 April 2015

Statement of Comprehensive Income

For The Year Ended December 31, 2014

	Notes	2014 N'000	2013 N'000
Revenue	6	9,137,704	8,485,143
Cost of sales	7	(3,199,421)	(3,869,321)
Gross profit		**5,938,282**	**4,615,822**
Gain/(loss) on biological assets revaluation		1,346,970	(223,045)
Selling, general and administrative expenses		(3,355,276)	(1,550,369)
Distribution expenses		(169,110)	(159,927)
Other operating income	8	22,004	41,933
Operating profit		**3,782,870**	**2,724,415**
Financial expenses	9	(362,562)	(390,444)
Profit before tax	10	**3,420,308**	**2,333,971**
Income tax expense (-)	11.1	(814,996)	(996,768)
PROFIT FOR THE YEAR		**2,605,312**	**1,337,203**
Other Comprehensive Income (OCI)			
Actuarial gains (losses) on defined benefit plans		71,766	(43,231)
Income tax relating to components of OCI (-)			
Other comprehensive income, net of tax		**71,766**	**(43,231)**
TOTAL COMPREHENSIVE INCOME OF THE YEAR		**2,677,078**	**1,293,972**
Earnings Per Share			
Basic		2.68	1.29

The statement of significant accounting policies and notes on pages 26 to 42 form an integral part of these financial statements.

Statement of Financial Position

As at 31st December 2014

ASSETS		2014	2013
Non-current assets	**Notes**	**N'000**	**N'000**
Intangible assets	12	147,933	303,296
Biological assets	13	20,732,987	17,503,858
Property, plant and equipment	14	10,868,351	10,686,754
Other non-current assets	15	110	110
		31,749,382	**28,494,018**
Current assets			
Inventories	16	1,363,929	2,126,962
Trade and other receivables	17	1,768,774	1,914,507
Cash and cash equivalent	18	63,088	127,812
		3,195,791	**4,169,281**
TOTAL ASSETS		**34,945,172**	**32,663,299**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	500,000	500,000
Share premium		1,173,528	1,173,528
Retained earnings		18,213,854	15,708,541
Other reserves		71,766	-
		19,959,147	**17,382,069**
Non-current liabilities			
Provisions		-	730
Provisions for employees' benefits		234,897	334,270
Financial liabilities	20	3,638,519	4,151,080
Deferred tax liabilities	21	6,815,924	6,395,924
		10,689,339	**10,882,004**
Current liabilities			
Financial liabilities	22	352,722	702,943
Trade and other payables	23	3,397,024	3,391,864
Current tax liabilities	24	399,453	97,443
Other current liabilities		147,487	206,974
		4,296,685	**4,399,225**
TOTAL EQUITY AND LIABILITIES		**34,945,172**	**32,663,299**

The statement of significant accounting policies and notes on pages 26 to 42 form an integral part of these financial statements.

Mr. Pierre Vandebeeck
Chairman

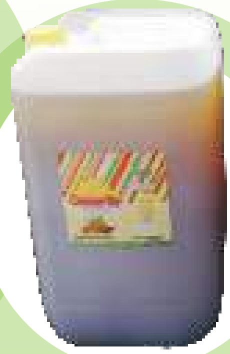
Mr. Georges Piana
Chief Financial Officer

Mr. Felix Nwabuko
Managing Director/CEO

Statement of Change in Equity

As at 31st December 2014

	Share Capital	Share Premium N	Retained Earnings N	Other Reserves N	TOTAL N
Balance-1 January 2013	500,000	1,173,528	15,371,339	43,231	17,088,098
Net income for the year	-	-	1,337,202	-	1,337,202
Dividend paid	-	-	(1,000,000)		(1,000,000)
Actuarial loss on defined benefit plans				(43,231)	(43,231)
Balance - 31 December 2013	**500,000**	**1,173,528**	**15,708,541**	**-**	**17,382,069**
Balance - 1 January 2014	500,000	1,173,528	15,708,541	-	17,382,069
Net income for the year	-	-	2,605,312	-	2,605,312
Dividend paid	-	-	(100,000)		(100,000)
Actuarial gain on defined benefit plans			-	71,766	71,766
Balance - 31 December 2014	**500,000**	**1,173,528**	**18,213,854**	**71,766**	**19,959,147**



Statement of Cash Flows

For The Year Ended December 31, 2014

	2014 N'000	2013 N'000
Cash flows from operating activities		
Cash flows from operating activities		
Profit before taxation	3,420,308	2,333,970
Adjustments:		
Interest paid	362,562	390,444
Amortisation of intangible assets	117	131
Amortisation of biological assets	115,375	119,967
Depreciation of property, plant and equipment	1,338,269	680,897
Adjustment arising from change in fair value	1,163,360	(694,896)
Loss/(profit) on disposal of fixed assets	(5,945)	49,698
Changes in assets and liabilities		
Decrease/(increase) in inventory	763,034	(744,588)
Decrease/(increase) in trade and other receivables	145,733	(1,379,680)
Increase/(decrease) in provision for employees' benefits	(27,607)	73,614
Increase/(decrease) in financial liabilities(current)	(350,221)	639,887
Increase/(decrease) in trade and other payables	5,160	697,525
Increase/(decrease) in provision	(730)	-
Increase/(decrease) in other current liabilities	(59,487)	206,974
Tax paid	(92,986)	(387,553)
Net cash provided by operating activities	**6,776,941**	**1,986,391**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,410,861)	(1,725,778)
Acquisition of intangible Assets	(64,039)	-
Acquisition of biological assets	(1,410,691)	(1,007,446)
Proceeds on sale of assets	19,048	-
Net Cash used in Investing Activities	**(5,866,542)**	**(2,733,224)**
Cash flows from financing activities		
Loan received/(repayment) during the year	(512,562)	2,135,606
Interest paid	(362,562)	(390,444)
Dividend paid	(100,000)	(1,000,000)
Net Cash used in Financing Activities	**(975,124)**	**745,162**
Net increase/(decrease) in Cash and Cash Equivalent	(64,725)	(1,671)
Cash and Cash Equivalent at 1 January 2014	127,812	129,483
Cash and Cash Equivalent at 31 December 2014	**63,087**	**127,812**

The statement of significant accounting policies and notes on pages 26 to 42 form an integral part of these 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.

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 supplies these specialty fats and oils to the high quality specifications of its customers and assures a reliability of supply of its products all year round, due to the integration of the entire cycle. The Company operates from two States, Obaretin Estate and Ologbo Estate in Edo State and Cowan Estate in Delta State.

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

The President group operated the project, then known as Presco Oil Mill and Plantations, as a division until 1991, when Presco was established as an incorporated Company and all the assets and liabilities of the project were transferred to the new Company.
Societe d'Investissement pour l'Agriculture Tropicale ('SIAT sa'), a Belgian Company involved in plantation investment and management in West Africa was invited to participate in the Company as Shareholders and Technical Partners in order to effect an intended broadening of the Company's capital base by bringing in professional managers as shareholders.
President Industries then held 67% of Presco's paid-up share capital of N50,000,000 comprising 50 million ordinary shares of N1 each. Siat sa of Belgium held the balance of 33%. Following a capitalization exercise in 1995, the Siat group increased its shareholding in Presco to 50%. The Siat Group subsequently became the only shareholders in December 1997 when the President Group divested its interest in the Company.

In 2002, the Company became a public limited liability Company and with a successful Initial Public Offer (IPO) completed in October the same year, Presco shares were admitted to quotation at The Nigerian Stock Exchange. Presco Plc's shares are now actively traded on The Nigerian Stock Exchange, with the Siat Group holding 60% while the Nigerian Public holds 40%.
On re-registration as Public Company in 2002, the authorized share capital of the Company was raised to N250,000,000 divided into 500,000,000 ordinary shares of 50k each. The authorized share capital was raised to N550,000,000 in 2014 divided into 1,100,000,000 ordinary shares of 50k each, issued and fully paid up. There are currently 10,000 shareholders on the Company's register of shareholders.

2. Basis of Preparation

(a) Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and adopted by the Financial Reporting Council of Nigeria (FRC). Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The Financial Statements were authorized for issue by the Board of Directors of Presco Plc on 30 March 2015.

(b) Basis of Measurement

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

The financial statements have been prepared on the basis of the historical cost price method. Any exceptions to the historical cost price method are disclosed in the valuation rules described hereafter (such as biological assets).

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new IFRS standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2014 and not early adopted

A number of new standards and amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the company, except the following set out below:

IFRS 14, 'Regulatory Deferral Accounts', issued in January 2014 (effective 1 January 2016)

The Standard was issued in January 2014 and is effective from 1 January 2016, with earlier application permitted. Many governments regulate the supply and pricing of particular types of activity by private entities, including utilities such as gas, electricity and water. These regulations are often designed to allow the suppliers to recover specified costs and other amounts through the prices they charge to customers. However, rate regulation is also designed to protect the interests of customers. Consequently, the rate regulation may defer the recovery of these amounts in order to reduce price volatility. The suppliers usually keep track of these deferred amounts in separate regulatory deferral accounts until they are recovered through future sales of the regulated goods or services.

In some jurisdictions, national accounting standard setting bodies permit or require entities that are subject to particular types of rate regulation to recognise these deferred amounts as part of assets (such as the related property, plant and equipment) or as separate receivables or payables. This changes the timing of when these amounts are recognised in profit or loss. IFRS does not have requirements specific to rate regulation. The IFRS Interpretations Committee has previously concluded that simply applying the specific requirements of another jurisdiction, such as US generally accepted accounting principles (US GAAP), might lead to the recognition of some items in the statement of financial position that would potentially conflict with the requirements of other Standards. The established practice of most entities that currently apply IFRS is not to recognise these regulatory deferral account balances but to allow them, instead, to flow through profit or loss as they arise.

IFRS 15, 'Revenue from Contracts with Customers', Issued: May 2014 (effective 1 January 2017)

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principle based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2017.

IFRS 9, 'Financial instruments', issued in November 2009 (effective 1 January 2015)

IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement,unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

IAS 16 and IAS 41 - Amendments to Agriculture: Bearer Plants (effective 1 January 2016)

IAS 41 'Agriculture' requires all biological assets that are related to agricultural activity to be measured at fair value less costs to sell (subject to fair value being reliably measurable), based on the principle that their biological transformation is best reflected by fair value measurement. However, there is a class of biological assets, known as bearer plants, that, once mature, are held by an entity solely to grow produce over their productive life. Examples include grape vines, rubber trees and oil palms.

Constituents told the IASB that IAS 41's fair value model was not appropriate for mature bearer plants that are no longer undergoing significant biological transformation as the way they use these assets is more similar in nature to manufacturing. The IASB listened to these concerns and made changes by issuing 'Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)'.

The Amendments define a bearer plant as a living plant that:

- is used in the production or supply of agricultural produce;
- is expected to bear produce for more than one period; and
- has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales (this definition is not met if there is a more than 'remote' likelihood that the plant will be sold as agricultural

produce, incidental scrap sales excepted)

- include bearer plants within the scope of IAS 16 'Property, Plant and Equipment' instead of IAS 41 (produce growing on bearer plants remains within the scope of IAS 41)
- clarify that until bearer plants are mature, they are to be accounted for as self-constructed items of property, plant and equipment
- require any difference between fair value and the carrying amount under IAS 41 (fair value less costs to sell) at the time of initial adoption to be recognized in opening retained earnings 'exempt entities from the requirement in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to disclose the impact of initial application on each financial statement line item affected.

- permit the fair value of the bearer plants at the beginning of the earliest period presented to be used as the deemed cost for IAS 16 purposes when first applied. The Amendments do not result in any changes to existing accounting for 'bearer livestock' or plants with more than a remote likelihood of being harvested and sold as agricultural produce.

3. Summary of Significant Accounting Policies

(a) Foreign currency transactions

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

(b) Intangible assets

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

Expenditure on research activities is recognised as an expense in the period in which it is incurred.
An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

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

(C) Biological Assets

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

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

The main variables in these models concern:

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

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

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

(d) Property, Plant & Equipment

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

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

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

- Buildings: 30 years
- Plant, Machinery: 10-20 years
- Furniture: 5-7 years
- Vehicles: 5-10 years
- IT equipment: 3 years

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

(e) Leases

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

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

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

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

(f) Impairment of Assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

(g) Financial Assets

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.
Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.
For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.
For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(h) Inventories

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

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

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

(i) Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.
For the purpose of the statements of cash flows, cash and cash equivalents includes cash 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 borrowings in current liabilities on the balance sheet.

(j) Shareholders' Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.
Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the Company's equity holders.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is reasonably certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) Retirement benefits and other long term 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 Group;
- other employee benefits: post-employment medical care.

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

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

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

(m) Financial Liabilities

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

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

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

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

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

(n) Government Grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(o) Income Taxes

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

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

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

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

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

(p) Revenue Recognition

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

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

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

Interest income is recognized using the effective interest rate method.

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

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

4. Financial Risk Management

(a) Introduction

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 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.

(b) Significant risks

The Company has exposure to significant risks which are categorised as follows:

(i) Regulatory (capital adequacy, legal, accounting and taxation);
(ii) Business environment (reputation and strategic);
(iii) Operational (people, information technology and internal control processes);
(iv) Market (equity prices, interest rate and currency); and (v) Liquidity

(C) Detailed Discussion of significant risks

(I Regulatory Risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the Company. In order to manage this risk, the Company is an active participant in the agro allied industry and engages in discussions with policy makers and regulators.

Legal Risk

Legal risk is the risk that the Company will be exposed to contractual obligations which have not been provided for.
The Company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.
All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 December 2014, the directors are not aware of any significant obligation not provided for.

Taxation Risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk; - Compliance risk; and
- Financial accounting risk.

- **Transactional Risk**

The risk which concerns specific transactions entered into by the Company, including restructuring projects and reorganizations.

- **Operational Risk**

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the Company.

- **Compliance Risk**
  The risk associated with meeting the Company's statutory obligations.

- **Financial Accounting Risk**
  The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.In managing the Company's taxation risk, the Company tax policy is as follows:

The Company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the Company may have in relation to Company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:

- All taxes due by the Company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
- The Company continually reviews its existing operations and planned operations in this context; and
- The Company ensures that, where clients participate in Company products, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consquences, or both.

The identification and management of tax risk is the primary objective of the Company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the Company is exposed, in the context of the various types of activities the Company conducts.

Accounting Risk

Accounting Risk is the risk that the Company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the Company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the Company.

(ii) Business Environment

Reputational Risk

Reputational Risk is the risk of loss caused by a decline in the reputation of the Company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

Strategic Risk

Strategic Risk is the risk of an unexpected negative change in the Company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

Company Risk identifies and assesses both those risks qualitatively as part of a quartely evaluation. On the basis of this evaluation, Company risk creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the Company and regularly informs directors and management.

(iii) Operational Risk

Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

(iv) Market Risk

Market Risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

The Company is exposed to market risk through its financial assets and financial libilities. The most important components of this risk are interest rate risk and market price risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Interest Rate and Market Price Risk

These risks have very different impacts on the various categories of business used in the Company's Assets and Liabilities Management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

Interest Rate Risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

Foreign Currency Risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the Company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term imbalances.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the Company is exposed to credit risk are:

- Certain classes of financial assets such as bonds, term deposits and cash and cash equivalent; and
- Certain accounts within trade and other receivables.

Financial Assets
Various debt instruments are entered into by the Company in order to invest surplus shareholder funds. The Company is exposed to the issuer's credit standing on these instuments.

The following policy and procedure is in place to mitigate the Company's exposure to this credit risk:

* Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the Company's Audit Committee and the Company's board.

Other Receivables
Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company Treasury maintains flexibility in funding by keeping committed credit lines available.

Sensitivities
Management applies a number of sensitivity tests to the earnings of the Company to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the Company is exposed. Management has set the upside and downside movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation date. These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound and interval which may be expected to contain 50% of the changes in the coming year. Management believes this represents in some sense what is "reasonably possible", though it is important to note that this opinion is based on past experience and the tested range is not sensitive to all the relevant information in the market at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivies:

* The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints although this may be reviewed in the following year.

* The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjusted for. This treatment has resulted in the presentation of a clearer view of what could reasonably occur over the following year.

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

5 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

		2014	2013
6	**Revenue**	**N'000**	**N'000**
	Local sales		
	Sales of main products	9,125,631	8,458,875
	Mill by-products	12,072	909
	Sales of palm seedlings & fertilizers	-	25,360
		9,137,704	**8,485,143**
7	**Cost of sales**		
	Raw materials consumed	97,495	705,445
	Upkeep of mature plantings, harvesting & lab.	888,672	874,387
	Mill processing, refinery and packaging costs	2,213,255	2,289,490
		3,199,421	**3,869,322**
8	**Other Operating Income**		
	Live stock sales	378	1,383
	Various services	15,680	40,548
	Financial income	5,946	2
		22,004	**41,933**
9	**Financial expenses**	**N'000**	**N'000**
	Interests on loans	20,825	91,458
	Interests on overdrafts, etc.	161,472	201,360
	Other interests	180,265	97,626
	Total interest expenses	**362,562**	**390,444**
10	**Profit before taxation**		
	Profit before taxation is stated after charging/ (crediting) the following:		
	Depreciation of fixed assets	1,458,354	800,993
	Directors' remuneration	20,617	10,437
	Auditors' remuneration	12,000	12,000
	Loss/(Profit) on disposal of fixed assets	5,945	-
	Interest on loans, overdraft, etc	362,562	222,154
	Management fee	300,000	300,000
	Seconded staff cost	563,212	485,782
	Exchange (gain)/loss	0	(69,060)

		2014	2013
11	Tax expenses		
11.1	Income tax		
	Provision for the year	300,000	30,000
	Underprovision for previous year	-	360,000
		300,000	**390,000**
11.2	Education tax		
	Provision for the year	**94,996**	**62,987**
11.3	Deferred tax		
	Provision for the year	420,000	192,061
	Underprovision for previous year	0	351,720
	Total deferred tax liabilitity	**420,000**	543,781
	Total tax expenses	**814,996**	**996,768**

		Software
12	Intangible assets	
	At 1 January 2013	
	Cost	419,505
	Accumulated amortization	(116,209)
	Net book value	**303,296**
	Year ended 31 December 2013	
	Opening net book value	169,024
	Transfer	91,574
	Revaluation	42,829
	Amortization for the year	(131)
	Closing net book value	**303,296**
	At 31 December 2014	
	Cost	264,260
	Accumulated amortization	(116,326)
	Net book value	**147,933**
	Year ended 31 December 2014	
	Opening net book value	303,296
	Additions	64,039
	Transfer	(204,879)
	Revaluation	(14,405)
	Amortization for the year	(117)
	Closing net book value	**147,933**

Amortization of =N=117 (2013: =N= 131) is included in cost of sales in the statement of comprehensive income.

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

13 Biological assets

At 31 December 2013	N
Cost	17,894,147
Accumulated amortization	(390,288)
Net book value	**17,503,858**
Year ended 31 December 2013	
Opening net book value	16,839,424
Additions	1,007,446
Amortization for the year	
Revaluation of biological assets.	(223,045)
Amortization for the year	(119,967)
Closing net book value	**17,503,858**
At 31 December 2014	
Cost	21,912,406
Accumulated amortization	(1,179,419)
Net book value	**20,732,987**
Year ended 31 December 2014	
Opening net book value	17,503,858
Additions	1,410,691
Transfers	586,843
Revaluation of biological assets.	1,346,970
Amortization for the year	(115,375)
Closing net book value	**20,732,987**

	Building =N=	Leasehold Land =N=	Processing Equipment =N=	Heavy Duty Equip =N=	Vehicles & Wheel, Tractors =N=	Furniture & Fittings =N=	Utilities =N=	Spare Parts =N=	Work-In-Progress =N=	Total =N=
Year ended 31 December 2013										
At 1 January 2013	1,399,273	708,840	3,003,182	226,107	552,730	44,345	92,172	-	2,508,141	8,534,790
Additions	13,510	541,508	-	1,957	111,954	19,657	11,358		1,025,834	1,725,778
Transfers	(821,032)	-	1,909,611	176,705	-	7,640	292,882	416,472	(1,657,379)	324,899
Disposals	-	-	-	-	-	-	-		(49,698)	(49,698)
Depreciation for the year	(40,392)	(38,637)	(301,952)	(102,140)	(152,380)	(14,544)	(30,852)			(680,897)
Revaluation Increase/(Decrease)	(22,533)	(21,043)	642,826	129,425	117,219	17,817	(31,831)			831,880
Closing net book value	**528,826**	**1,190,668**	**5,253,667**	**432,054**	**629,523**	**74,915**	**333,729**	**416,472**	**1,826,898**	**10,686,752**
At 31 December 2013										
Cost	859,215	1,815,200	7,549,462	793,226	1,255,339	358,367	551,490	416,472	1,826,898	15,425,669
Accumulated depreciation	(330,389)	(624,532)	(2,295,795)	(361,173)	(625,816)	(283,451)	(217,760)	-	-	(4,738,917)
Net book value	**528,826**	**1,190,668**	**5,253,667**	**432,053**	**629,523**	**74,915**	**333,730**	**416,472**	**1,826,898**	**10,686,752**
Year ended 31 December 2014										
At 1 January 2014	528,826	1,190,668	5,253,667	432,053	629,523	74,915	333,730	416,472	1,826,898	10,686,752
Additions	30,827	532,298	198,072	32,250	162,339	19,604	4,687	10,183	3,420,600	4,410,861
Transfers/Adjustments	(3,245)	159 ,294	1,220,371	(129,425)	(117,219)	(17,817)	31,832		(4,021,681)	(2,877,890)
Disposals					(326)		(12,778)			(13,103)
Depreciation for the year	(42,005)	(556,579)	(400,307)	(104,194)	(177,513)	(15,960)	(41,712)	-	-	(1,338,269)
Closing net book value	**514,403**	**1,325,681**	**6,271,804**	**230,684**	**496,804**	**60,743**	**315,759**	**426,655**	**1,225,818**	**10,868,351**
At 31 December 2014										
Cost	890,042	1,866,244	8,967,906	696,051	1,260,799	360,154	561,567	426,655	1,225,818	16,255,235
Accumulated depreciation	(375,640)	(540,563)	(2,696,102)	(465,367)	(763,994)	(299,411)	(245,808)	-	-	(5,386,884)
Net book value	**514,403**	**1,325,681**	**6,271,804**	**230,684**	**496,804**	**60,743**	**315,759**	**426,655**	**1,225,818**	**10,868,351**

Phenological observations

At 31 December 2014, Presco's material biological asset consists only in palm trees coming from 3

existing estates (Obaretin, Cowan and Ologbo):
-Mature Palm trees for a total of 10,500 hectares;
-Immature Palm trees for a total of 3,559 hectares and;
-Pre nursery and Main nursery seedlings available to generate a total of 1,800 hectares of planting.

Since no reliable market-based prices are available to value the biological asset, the calculation method used being called the income method determines the present value of expected net cash flows from the biological asset in its present location and condition, discounted at a current market-determined rate. Net cash flow that the asset is expected to generate in its most relevant market meaning at the earliest point at which a market exists being the price/ MT of FFB used to value the harvest net of cost of up keeping, harvesting, transporting and selling the fruits. Any cash flows for financing the assets, taxation or re-establishing biological assets after harvest have been excluded. The assumptions applied in the valuation were an assumed CPO CIF Rotterdam price increamented by a factor taking into account Nigerian Market specificities, and a discount rate of 23% at 31 December 2014.

	2014	2013
15 Other non-current assets	**N'000**	**N'000**
Guarantee Paid in Cash	**110**	**110**

16 Inventories		
Supplies	787,204	947,155
Finished Goods	105,832	98,045
Goods in Transit	470,893	1,081,763
	1,363,929	**2,126,962**

17 Trade and other receivables		
Trade receivables	401,721	679,053
Payments in Advance	6,405	6,370
Amount Reinvoiced	7,591	56,749
Sundry Debtors	1,353,056	1,172,335
	1,768,774	**1,914,507**

		2014 N'000	2013 N'000
18	**Cash and cash equivalent**		
	Cash at bank and on hand	63,088	127,812
		63,088	127,812

		Number of shares	Nominal Value	
19	**Share Capital**			
			N	N
19.1	**Authorised Share Capital**	1,100,000,000	0.50	550,000,000
19.2	**Issued and Fully Paid Up Capital**			
	Opening balance as at 1 January 2012	1,000,000,000	0.50	500,000,000
	Opening balance as at 1 January 2013	1,000,000,000	0.50	500,000,000
	Balance as at 31 December 2014	**1,000,000,000**	**0.50**	**500,000,000**

		2014 N'000	2013 N'000
20	**Financial Liabilities (Non - Current)**		
	UBA CACS Loan	-	845,548
	Zenith Bank Import Finance Facility	-	221,862
	IBTC PAIF Loan	918,582	1,066,070
	Foreign Loan From Siat sa	1,743,570	2,017,600
	Others	976,366	-
		3,638,519	**4,151,080**
21	**Deferred Taxation**		
	Balance as at 1 January	6,395,924	5,852,724
	Provision for the year	420,000	192,061
		6,815,924	**6,044,785**
	Underprovision for the previous year	-	351,139
		6,815,924	**6,395,924**
22	**Financial Liabilities (Current)**		
	Bank Overdraft	352,722	702,943
		352,722	**702,943**

	2014	2013
23 Trade and Other Payables		
Suppliers	176,010	147,697
Accruals	609,512	491,877
Sundry creditors	2,611,502	2,752,290
	3,397,024	**3,391,864**
24 Current Tax Liabilities		
24.1 Income tax		
Opening balance	(10,561)	(100,561)
Provision for the year	300,000	390,000
	289,439	**289,439**
Payment during the year	(26,037)	(300,000)
	263,402	**(10,561)**
24.2 Education tax		
Opening balance	108,004	132,570
Provision for the year	94,996	62,987
Other estimates	-	-
	203,000	**195,557**
Payment during the year	(66,949)	(87,553)
	136,050	**108,004**
Total tax liabilities	**399,453**	**97,443**

25 TOTAL COMPREHENSIVE INCOME OF THE YEAR (See page 18)

The difference of net income between years 2014 and 2013 is due to the

a) Increase in gross profit of N1,322,460,000 is due to increased production as result of Ologbo harvest mainly and enhanced mill performance.

b) Gain on Biological Assets revaluation is N1,346,970,000.

26 Dividend

In respect of the current year, the Directors recommend for approval a dividend of 100k per share amounting to N1billion, subject to the deduction of withholding tax at the appropriate rate. At the last AGM, shareholders approved the Directors' recommendation of a dividend of 10 kobo per share amounting to N100 million, subject to the deduction of withholding tax at the appropriate rate.

		2014 N'000	2013 N'000
27	**Directors**		
	Director' Remuneration Fees	10,185	9,537
	Others	10,432	900
		20,617	**10,437**
	Chairman	1,000	1,667
	Highest Paid Director	667	1,111

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

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

		Number	Number
28	**Employees**		
	Average number of persons employed during the year :		
	Management staff	27	28
	Senior staff	87	76
	Junior staff	346	374
		460	**478**

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

AS AT 31 DECEMBER 2014	N	N	Number
	70,001	200,000	0
	200,001	300,000	0
	300,001	400,000	16
	400,001	500,000	330
	500,001	600,000	0
	600,001	700,000	45
	700,001	800,000	0
	800,001	900,000	0
	900,001	1,000,000	25
	1,000,001	1,100,000	9
	1,100,001	1,200,000	8
	1,200,001	1,300,000	0
	1,300,001	1,400,000	0
	1,400,001	1,500,000	0
	1,500,001	1,600,000	0
	1,600,001	1,700,000	0
	1,700,001	1,800,000	0
	1,800,001	1,900,000	0
	1,900,001	2,000,000	0
	2,000,001	3,000,000	25
	3,000,001	4,000,000	2
			460

29 Contingent Liabilities

The company is the defendant in various law suits arising from normal course ofbusiness. There were contingent liabilities as at 31 December 2014 in respect of pending litigation estimated at N 1,037,899,480. It is however most likely that this will not result to any significant liability on the Company.

30 Capital Commitments

Capital expenditure authorized by the Board, but not provided for in the accounts was Nil (2013 N 2 Billion).

31 Related Party Transactions

a sa Siat nv, Belgium

Presco Plc is a subsidiary of sa Siat nv, Belgium, with 60% holding . The company had significant transactions of N2.2 billion during the year. There was a closing balance of N46.6 million in favour of sa Siat nv during the year.

b Ghana oil Palm Development Company Limited

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

c Siat Gabon

Siat Gabon is a related company of Presco Plc. There was no material transactions between the two companies during the year.

d Compagnie Heveicole de Cavally, Ivory Coast

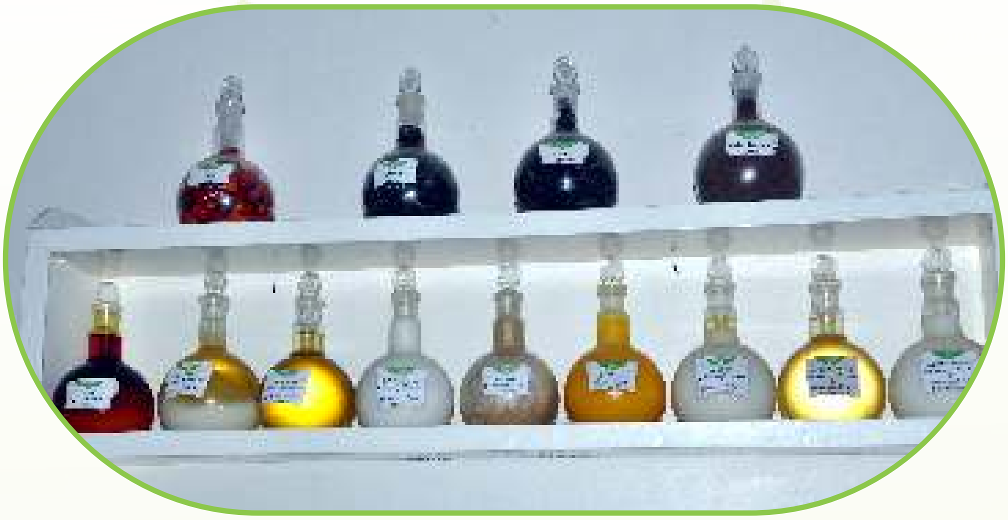
Compagnie Heveicole de Cavally, Ivory Coast is a related company to Presco Plc. There was no material transactions between the companies during the year.

e Siat Nigeria Limited

Siat Nigeria Limited is a related company of Presco Plc. There was no material transactions between the two companies during the year.

32 Restatement of Some Comparative Figures

Some comparative figures have been restated to reflect a more meaningful comparison due to changes in format to comply with statutory requirements.



33 Share Capital History

Year	Authorised Number of Shares	Value(Naira)	Fully paid Number of shares	Value(Naira)	Description
1991	50,000,000	50,000,000	50,000,000	50,000,000	Cash
1992	50,000,000	50,000,000	50,000,000	50,000,000	
1993	50,000,000	50,000,000	50,000,000	50,000,000	
1994	100,000,000	100,000,000	100,000,000	100,000,000	Cash
1995	100,000,000	100,000,000	100,000,000	100,000,000	
1996	130,000,000	130,000,000	100,000,000	100,000,000	
1997	130,000,000	130,000,000	100,000,000	100,000,000	
1998	130,000,000	130,000,000	130,000,000	130,000,000	Conversion of debt to equity
1999	260,000,000	130,000,000	260,000,000	130,000,000	Conversion of share N1 to 50K
2000	260,000,000	130,000,000	260,000,000	130,000,000	
2001	500,000,000	250,000,000	300,000,000	150,000,000	Conversion of debt to equity
2002	500,000,000	250,000,000	500,000,000	250,000,000	IPO
2003	500,000,000	250,000,000	500,000,000	250,000,000	

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	1,000,000,000	500,000,000	

BONUS HISTORY

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

Five-years Financial Summary

	2014 N'000	2013 N'000	2012 N'000	GAAP 2011 N'001	2010 N'000
Statement of Financial Position					
Intangible assets	148,043	303,406	169,134	-	-
Biological assets	20,732,987	17,503,858	16,839,424	2,280,015	1,502,734
Property,plant and equipment	10,868,351	10,686,754	8,534,791	5,270,513	4,411,609
Net Current assets	(1,100,895)	(229,944)	(326,248)	537,028	932,588
Non-current liabilities	(10,689,339)	(10,882,004)	(8,129,003)	(3,396,403)	(3,328,734)
Total Tangible Assets	**19,959,147**	**17,382,069**	**17,088,098**	**4,691,153**	**3,518,196**
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	18,213,854	15,708,541	15,414,570	3,017,625	1,844,668
Other Reserves	71,766				
Shareholders' funds	**19,959,147**	**17,382,069**	**17,088,098**	**4,691,153**	**3,518,196**
Statement of comprehensive income					
Revenue	**9,137,704**	**8,485,143**	**11,251,521**	**8,536,172**	**5,386,056**
Profit before taxation	3,420,308	2,333,970	3,875,622	2,580,305	1,333,623
Taxation	(814,996)	(996,768)	(387,553)	(887,884)	(238,593)
Profit after taxation	**2,605,312**	**1,337,202**	**3,488,069**	**1,692,421**	**1,095,030**
Declared Dividend	**1,000,000**	**100,000**	**1,000,000**	**500,000**	**200,000**
Earnings Per Share (Kobo)					
Basic	268	129	355	178	110
Dividend proposed	100	10	100	100	50
Net assets	20	17	17	5	4

PROXY FORM
22ND 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 22, 2015 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-------------2015
Signature--------------------------------------NOTES 1. This form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must reach the Company Secretary's office at Obaretin Estate, Km 22, Benin Sapele Road, Ikpoba / Okha 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 (OR ABSTAIN FROM VOTING) AS HE/SHE THINKS FIT IN RESPECT OF ANY OTHER BUSINESS PROPOSED AT THE MEETING OF PRESCO PLC, RC 174370 (22ND ANNUAL GENERAL MEETING) TO BE HELD AT DURA CLUB, OBARETIN ESTATE, KM 22, BENIN SAPELE ROAD, IKPOBA/OKHA LGA, EDO STATE, ON WEDNESDAY JULY 22ND 2015 AT 12.OO NOON

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

ORDINARY RESOLUTION	FOR	AGAINST
1. To declare a dividend		
2. To elect directors:		
a, Mr. Felix Onwuchekwa Nwabuko		
b, Mr. Nicholaas Marthinus Oosthuizen		
c, HRH (Prince)Aiguobasinmwin Ogie Akenzua		
3. To re elect Chief James Erhuero OON, JP		
4 To re elect Marie Vandebeeck		
5. To re – appoint Mr. Pierre Vandebeeck		
6. To re – appoint Dr. Shettima Mustafa		
7. To authorize Directors to fix the remuneration of Auditors		
8. To elect members of the Audit Committee		
Name of Candidate--------------		
Name of Candidate--------------		
Name of Candidate--------------		

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

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

ADMISSION CARD

PRESCO PLC, RC 174370

Number of shares held--

Sgnature---Please admit the shareholder named in this form or his/her duly appointed proxy to the company's 22nd 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 22ndst, 2015 at 12.00 noon
Name of Shareholder *---Signature---------------------------------Name of

Proxy**--Sgnature---------------------------------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 will attend the meeting and vote on your behalf where marked **

The Company Secretary
Presco Plc, Obaretin Estate,
Km 22, Ikpoba - Okha Local Gov. Area
P O Box 7061, Benin City, Edo State

Note

Note

Note