



Presco

PRESCO PLC

Producer of Specialty Fats and Oils

A fully integrated agro industrial establishment with oil palm plantations, palm oil mill, palm kernel crushing plant and vegetable oil refining plant, Presco Plc produced specialty oils and fats of outstanding quality to customers' specification and assures reliability of supply of its products all year round.

Contact Information

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

Tel: +234 803 413 4444
e-mail: info.presco@siat-group.com
Website: www.presco-plc.com



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Company Profile

Presco Plc (Presco) is a public limited liability company incorporated on September 24, 1991 and listed on the Nigerian Stock Exchange in 2002. It is a fully integrated agro-industrial establishment with oil palm plantations, palm oil mill, palm kernel crushing plant and vegetable oil refining plant and operates as a major producer of specialty oils and fats. Its corporate head office is at the company's Obaretin Estate near Benin City.

Presco is a subsidiary of Siat sa (<http://www.siat-group.com>) a Belgian agro- industrial company specialised in the development and management of tree crop plantations, mainly oil palm and rubber, and the associated industrial processing facilities. Siat sa diversified its activities into cattle ranching. Siat sa is active in Belgium, Nigeria, Ghana, Gabon, Cote d'Ivoire and Cambodia.

Plantation Development and Industrial Facilities

In keeping with its aspiration of maintaining a leading position in the oil palm and vegetable oil sector of the agro-industry in Nigeria, Presco will continue its forward looking vision of expansion of oil palm plantation development. Presco currently has a total concession of 40,400 hectares across its four estates located in Edo State and Delta State of which 16,900 hectares have been cultivated with oil palm.

The industrial facilities consist of palm oil mill with a capacity of 60 tonnes fresh fruit bunches per hour, palm kernel crushing plant with a capacity of 60 tonnes per day and refinery fractionation plant a capacity of 100 tonnes per day. It also includes a biomethanization plant with a capacity of 1,000 cubic meters POME per day.



Community Relations

Presco has an impactful corporate social responsibility policy that continues to create a healthy environment for our operations and ensure that our presence has a positive impact on the lives and social well-being of our host communities. More specifically we focus on employment, educational infrastructure, scholarships for students, road rehabilitation, provision of electricity, water supplies and other essential facilities.

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


For The year Ended December 31st, 2016

We the undersigned hereby certify the following with regards to our financial reports for the year ended 31 December, 2015 that;

- a) We have reviewed the report
- b) To the best of our knowledge, the report does not contain:
 - (i) Any untrue statement of materials effect, or
 - (ii) Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statement 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 maternal information relating to the company is made known to such officers by others within entities particularly during the period in which the periodic reports are being prepared;
 - (iii) Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - (iv) Have presented in 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 of the Audit Committee:
 - (i) Significant deficiencies in the design and operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in. the company's infernal controls:
- f) We have identified in the report whether or not there were significant changes n infernal 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.



Mr. Felix O. Nwabuko
Managing Director/CEO
FRC/2016/ICAN/00000014276



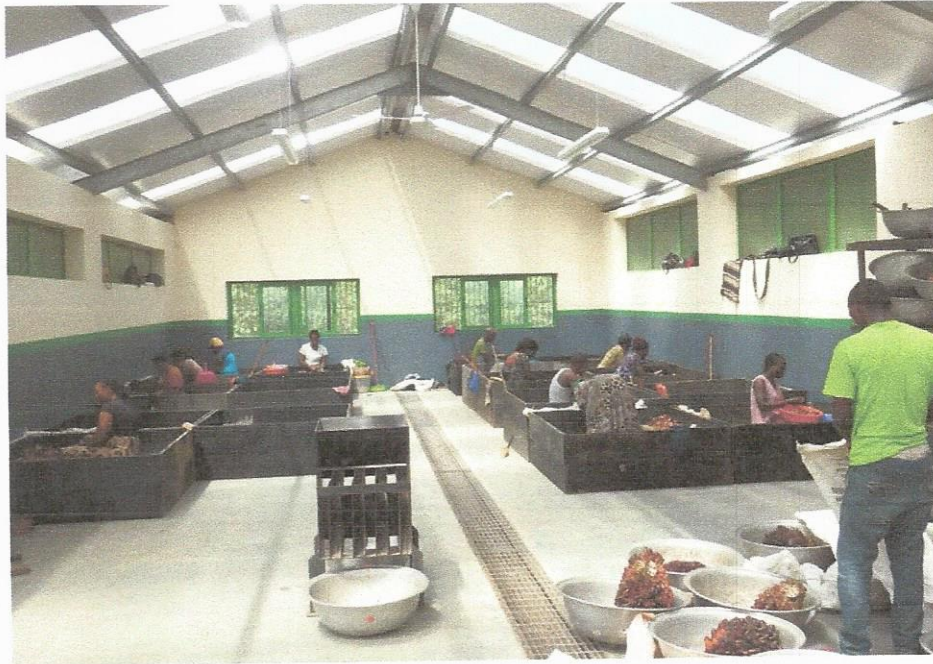
Mr. Alfons Van Damme
Chief Finance Officer

Employment

Presco is one of the largest employers of labour in Edo and Delta States, with a total of about 4,500 staff and workers. Indirectly, Presco's operations positively impacts on the livelihood of many more people through the multiplier effect of business and services opportunities created by the company's operations.

Environment

Presco firmly believes in environmentally friendly and sustainable production. All waste oil from the mill factory is recycled into the plantation or used as fuel to generate green process steam and electricity. As a member of the Siat Group of Companies, Presco is actively involved in a joint research programme with CIRAD. This research programme focuses on developing criteria for sustainable and environmentally responsible plantation development and management.





PRESKO PLC

RC I74370

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 24th 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, Nigeria on Wednesday, July 19th, 2017, 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 31st December 2016 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 authorize 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 re-appoint Akintola Williams Deloitte as the independent auditors of Presco Plc

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 3rd, to Wednesday July 5th, 2017 (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 Thursday July 20th, 2017 to the shareholders whose names are on the register of members at the close of business on Friday, June 30th, 2017

4. E-Dividend

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to shareholders to provide account for the purpose of e-dividend/bonus, A form is inserted into this Annual Report & Accounts 2016 for completion by all shareholders to furnish the particulars of their accounts to the Registrars (First Registrars Nigeria Limited, Plot 2, Abebe Village Road, Iganmu).

5. The Qualification Date

The qualification date for payment of dividend is June 30th, 2017

6. Registered Office

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

7. Shareholders Right to Ask Questions

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

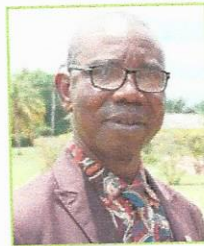
8. Audit Committee

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



Registered Office

Dated this 25th day of March 2017
Obaretin Estate, Ikpoba/Okha L.G.A.
Edo State, Nigeria

NOTE: The Notice of the 24th Annual General Meeting of the Company together with the Annual Report and Accounts, 2016 have been published in the company's website: www.presco-plc.com



Financial Highlights
FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of Financial Position

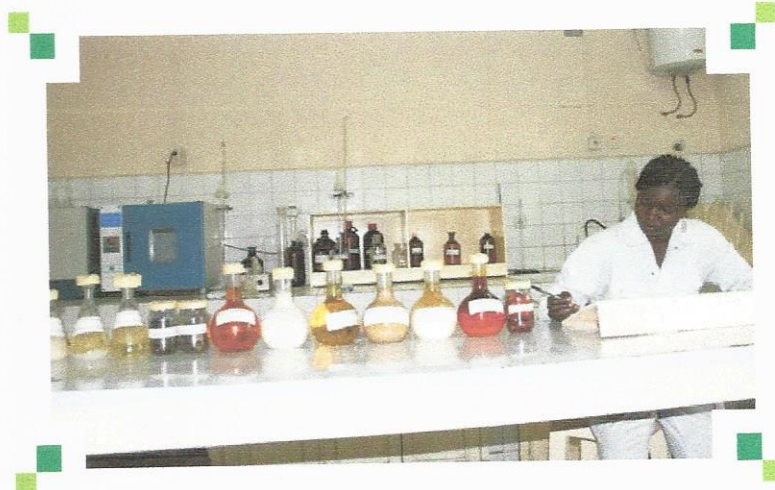
	2016 N'000	2015 Restated N'000
Total Assets	83,161,837	55,477,999
Shareholders' funds	52,119,002	31,354,813
Share Capital	500,000	500,000
Share Premium	1,173,528	1,173,528
Revenue Reserves	50,358,026	29,622,561

Statement of Comprehensive Income

Turnover	15,716,198	10,448,353
Profit before taxation	31,226,452	4,214,741
Profit After taxation	21,735,465	2,493,595
Profit Retained	21,735,465	2,493,595
Total Comprehensive income	21,764,189	2,509,319

Information per 50 kobo ordinary share

Earnings (kobo)	2,176	251
Dividend proposed (kobo)	150	100
Net assets per share (kobo)	52	31



BOARD OF DIRECTORS:

Mr. Pierre Vandebееck (Belgian)
 Mr. Felix O. Nwabuko FCA
 Chief (Engr.) James B. Erhuero, JP, mni, OON
 Mr. Osa Osunde FCS FCTI
 Dr. Shettima Mustafa, CON
 Mrs. Marie Vandebееck (Belgian)
 Chief Dr. Basseý E.O. Edem, FCA, MFR
 HRH Prince Aiguobasimwin. Akenzua
 Mr. Daniel Van Wassenhove (Belgian)

Chairman
 Managing / CEO
 Ind. Non-Executive Director
 Ind. Non-Executive Director
 Ind. Non-Executive Director
 Non-Executive Director
 Ind. Non-Executive Director
 Ind. Non-Executive Director
 Executive Director, wef March 25th 2017

COMPANY SECRETARY:

Patrick Uwadia, Esq.

REGISTERED OFFICE:

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

**REGISTRARS &
 TRANSFER OFFICE:**

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

**TECHNICAL PARTNER/
 MANAGING AGENT**

nv Siat sa
 Brussels, Belgium

SOLICITORS:

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

AUDITORS

Akintola Williams Deloitte
 (Chartered Accountants)
 Civic Towers, Plot GA1, Ozumba
 Mbadiwe Avenue, Victoria Island,
 P.O. Box 965, Marina
 Lagos, Nigeria.

BANKERS:

Access Bank
 Diamond Bank
 Ecobank
 First Bank
 Stanbic IBTC
 UBA
 Union Bank
 Zenith Bank





Distinguished Shareholders, Fellow Directors, Ladies and Gentlemen,

It is my honour and privilege to welcome you all to the 24th Annual General Meeting of our Company, Presco Plc. We are here today to consider the Annual Report and Accounts of the Company for the year ended 31 December 2016 and it is my pleasure to review some of the relevant factors in the business environment under which we operated in the year 2016.

The Business Environment

For three years running there has been increasing challenges in the Nigerian business environment. The Nigerian economy contracted in 2016 for the first time in two decades.

In 2016, inflation rose to an 11-year high of 18.55% in the last quarter of the year. There was no improvement in government revenue and monetary liquidity deteriorated. Forex availability worsened both in terms of scarcity and depreciation of the Naira against major international currencies. These and other factors had a combo effect on business; manifesting in the form of shrank production capacities, low demand, steady increases in costs of finance.

Operating Results

Presco Plc sustained its good operating results yielding a good performance for the 2016 financial year 2016. Turnover for the year was N15.716 billion compared to N10.448 billion of 2015. Profit after tax, after accounting for changes in fair value of biological assets, was N21.735 billion (2015: N2.494 billion). We achieved a total of fresh fruit bunches (ffb) production of 164,513 tons (2015: 176,477 tons); Crude Palm Oil produced was 35,555 tons (2015: 39,328 tons), Refined, Bleached and Deodorized oil of 28,505 tons (2015: 29,159 tons) and Olein and Stearin produced was 10,946 tons

Management Focus

We kept our pledge that we will in 2016, concentrate on efficiencies in the management of operations across our value chain and continue with our planned long term expansion programmes. This will continue in 2017 as we embark on bold expansion programmes that fall into three broad categories, viz import substitution, forex earnings and own green energy generation. We aim to increase our oil palm plantation hectareage by the planting of an additional 4,000 hectares, plant our first rubber trees and pursue completion of our RSPO certification.

Dividend

Your Board of Directors has proposed a dividend of 150 kobo per share, which amounts to N1,500,000,000 (One Billion, Five Hundred Million Naira only) 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 2016. The focus continues on education, roads, water and electricity. On 3rd May 2017, our Company was honoured to emerge as the winner of Nigeria Agriculture Award's Corporate Social Responsibility Agriculture Award for two years covering 2016 and 2017.

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. The amount that was spent on research and development in 2016 was N101.4 million (2015: N148.3 million).

We have collaborations with first class research organizations and national and international Universities. Every year our research activities are increasing bringing us to our ambition of establishing Presco as a Centre of Excellence for oil palm cultivation and research in the West Africa region.

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 of 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 and pursue continuous improvement in corporate governance practices wherever required. In line with national and international requirements for greater disclosure and transparency of corporate governance this year's Annual Report as in the past retains in additional section, the Corporate Governance Report. It is expected that this will give greater confidence to our shareholders as well as other stakeholders.

Appreciation

On behalf of the Board and Shareholders, I thank all the employees for their loyalty and commitment to our Company. All those who work for the Company, in whatever capacity, contribute an integral part to the continued progress made.

We continue to benefit from the invaluable support of our core shareholder, nv Siat sa, of which we hereby acknowledge. As for my colleagues on the Board, your wisdom and experience have greatly impacted on the growth of the Company.

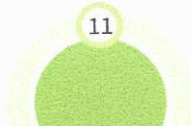
To His Royal Majesty, the Oba of Benin and to the Governments of Edo and Delta States, I express our profound gratitude for their continued support and for providing the enabling and conducive environment to carry on the company's business activities.

Finally, I thank all Shareholders for their commitment and support and belief.

Thank you and best wishes of a very happy Annual General Meeting.



Pierre Vandebecck
CHAIRMAN



Board of Directors

Mr. Pierre Vandebееck (Belgian)	Chairman
Mr. Felix Onwuchekwa Nwabuko, FCA	Managing/CEO
Chief (Engr.) James B. Erhuero, JP, mni, OON	Ind. Non-Executive Director
Mrs. Marie Williams Vandebееck (Belgian)	Non-Executive Director
Mr. Osa Osunde, FCS, FCTI, F.IoD	Ind. Non-Executive Director
Dr. Shettima Mustafa, CON	Ind. Non-Executive Director
Chief Dr. Bassey E. O. Edem, FCA, MFR	Ind. Non-Executive Director
HRH (Prince) Aiguobasinmwin Ogie Akenzua	Ind. Non-Executive Director
Dr. ir. Daniel Van Wassenhove, (Belgian)	Executive Director wef March 25th 2017

DIRECTORS BRIEF

Mr. Pierre Vandebееck

Mr. Pierre Vandebееck, 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. Vandebееck 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 Riso palm 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 programs 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 sa since 1991 and is a director of several other companies. Mr. Vandebееck became the Chairman of Presco Plc on 1st January 2010.

Felix Onwuchekwa Nwabuko FCA, ACIT MBA MIO D

Chartered Accountant and Consultant with extensive multi industry, international, business and project management experience within big four audit firm, international industrial groups and world class university environments, Fellow of Institute of Chartered Accountants of Nigeria, Associate of Chartered Institute of Taxation Nigeria, Alumni of Manchester Business School, United Kingdom and University of Benin, Nigeria, Member Institute of Directors, United Kingdom. His experience spans ten years of professional practice experience at KPMG, over nineteen years' experience in strategic and operational management of large scale industrial oil palm plantation and processing enterprises in the Nigerian and Ghanaian oil palm and vegetable oil industry and seven years of project finance management in the United Kingdom. Managing Director of Presco Plc and Siat Nigeria Limited from 1st February 2015. Previous positions include Ag. Managing

Director at Ghana Oil Palm Development Company Limited (GOPDC), Chief Financial Officer at GOPDC, Director of Finance and Corporate Affairs at Presco Plc, Financial Controller at Okomu Oil Palm Plc. Assistant Manager/Branch Manager at KPMG.

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

Engr. J.B. Erhuero joined the Board of Presco Plc on 15th July 2004. He was one time Secretary to the Delta State Government where he previously served as head of Service. Before he became the Head of Service to the Delta State Government, he was a Permanent Secretary in the defunct Bendel State and Delta State Civil Service in the Ministries of Com & Industry, Finance & Economic Planning & Works & Transport. Engr. Erhuero holds a B.Sc honours degree in Mechanical Engineering and Masters' degree MBA (University of Benin 1988) in Systems and Manufacturing Engineering, Certificate in Industrial Projects' Appraisal from the University of Bradford, UK (1979), Member of the Nigerian Institute of Policy & Strategic Studies, Kuru, Jos, (mni... 1995), Fellow of the Nigerian Institute of Management, FNIM & once a member of the Governing Council of the Institute 2009 to 2013 amongst others. He is a knight of St. Mulumba (KSM).

Mrs. Marie Williams Vandebecck

Mrs. Marie Vandebecck 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 nv Siat sa, Brussels, Belgium. Previous positions held include, Assistant to the COO for the African Region at Heidelberg Cement in Brussels; Deputy Managing Director in charge of Finance and Logistics at nv Siat sa, Brussels. She previously served at Siat Gabon where she held the position of Deputy Managing Director, She started her career at nv Siat sa, Brussels as a Business Development Manager. Mrs. Marie Vandebecck holds a Master in Business Engineering from the Catholic University, Leuven and studied at College of Management, ESC Lyon and completed a general management program at the Vlerick Leuven-Ghent Management School. She is on the Board of Siat sa, Brussels and other Companies within the Siat Group.

MR. Alfons Van Damme (Interim CFO) (Resigned) wef 31st May, 2017

Mr Alfons Van Damme, a Belgian, has a long standing experience in finance and accounting of agricultural and agro-industrial ventures. He started his career in 1970 with the Belgian plantation company Afrifina nv and was seconded to Plantations Bambolisarl in the Democratic Republic of Congo. Thereafter he worked as financial controller of the World bank financed and Rivers State owned Risonpalm Ltd and the Imo State owned Adapalm Ltd. In 1991 he joined the Siat Group where he served as Chief Finance Officer and Financial Consultant in the Group head office and several subsidiaries such as Presco Plc and Siat Nigeria Ltd in Nigeria, Ghana Oil Palm Development Company in Ghana, compagnie Hévécicole de Cavally in Ivory Coast and Siat Gabon in Gabon. He served as CFO of Presco Ltd until 31st May, 2017.

Mr. Kenneth Crockett, DBS, BBS, FCMA, CGMA (Appointed CFO wef 1st May, 2017)

Mr. Kenneth Crockett is a Global Chartered Management Accountant (C.G.M.A.) and a Fellow of the Chartered Institute of Management Accountants (F.C.M.A.). He is a former Council Member of the Institute in the Republic of Ireland and a former President of the institute's Cork and Kerry region. He is also a Business graduate from the National University of Ireland, University College, Cork. Prior to joining Presco Plc as Chief Financial Officer he was Financial Director of PW Nigeria

Ltd , an Irish Civil Engineering, Building and Mining Company based in Nigeria and previous to that he was Financial Controller for the same company. Prior to coming to Nigeria in 2005 he was Financial Director and Controller for Minteq Europe Limited Manufacturers and Distributors of Refractory Products for the Steel industry. His area of responsibility covered Europe, Middle East, Russia, Turkey and South Africa. Before joining Minteq Europe Limited in 1999 he was Financial Manager of PW Ghana Limited an Irish Mining Civil Engineering and Construction company based in Ghana.

Osa Osunde, FCS, FCTI, F.IoD

Osa Osunde, FCS, FCTI, F.IoD is an alumnus of Auchi Polytechnic with a qualification in Accounting. He has since veered into Capital Market Operations, Banking and Financial Services which has made him become an astute player in packaging of globally recognized derivatives, services and products. Mr. Osunde belongs to several professional bodies amongst which are: Fellow, Chartered Institute of Stockbrokers (FCS), Fellow, Institute of Directors (F.IoD) Nigeria, Senior Fellow of the Institute of Administrative Management of Nigeria (SFIAMN), Fellow, Chartered Institute of Taxation of Nigeria (FCTI), Member, Association of Arbitrators of Nigeria (MA.Arb.N) and Member, Nigeria Institute of Management (AMNIM). As part of his early working experiences, he was Head of Stockbroking with Wintrust Limited, one of the early stockbroking firms in Nigeria based in Lagos at the time before moving to Fidelity Finance Company Limited as the company's pioneer Managing Director/Chief Executive Officer soon after incorporation. He is a graduate of the prestigious New York Institute of Finance, New York, USA in 1992 and has attended several local and international multi-disciplinary courses. A member of New York Stock Exchange, he is also an Authorized Dealer/Clerk of the Nigerian Stock Exchange (NSE) and he was one time a member of the Quotation Committee of the Nigerian Stock Exchange as well as being a member of Council of The Exchange. He sits on the boards of many quoted and private limited liability companies. Mr. Osunde is currently the Executive Chairman of Fidelity Finance Company Limited where he superintends the activities of the company. He is widely traveled and happily married.

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 Bsc honours and PhD from the Ahmadu Bello University, Zaria.

Chief Dr. Bassey Edem Orok Edem, FCA, MFR

Chief Bassey Edem Orok Edem 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.) in Accounting from University of Lagos, a Master of Business Administration (MBA) from the University of Calabar and a Doctor of Business Administration (DBA) from the London Graduate School of Commonwealth University. He worked with the United Africa Company of 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 on December 6, 2013.

HRH (Prince) Aiguobasimwin Ogie Akenzua

HRH (Prince) Aiguobasimwin 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. He is also Special Adviser to the Governor of Edo State on Special Duties. He was the Special Adviser to the Executive Governor of Edo State on Youth and Special Interests from 2008 to 2012 and the Special Adviser to the Executive Chairman of Ovia South West Local Government Area from 2007 to 2008.

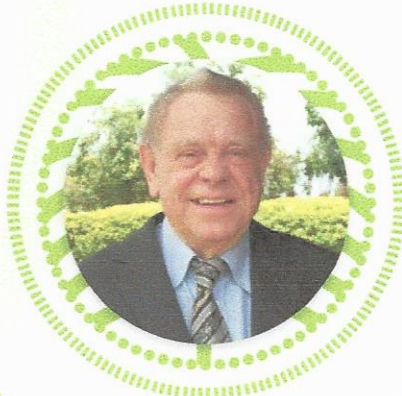
Dr. ir. Daniel Van Wassenhove

Daniel has a Ph.D. in applied science, a civil engineering diploma in applied physics and engineering diplomas in electronics and telecommunication, all at the State University of Ghent, Belgium. He also studied operational- and general management at INSEAD business school, France. He worked for 17 years in the diversification business unit (Bekaert Advanced Materials) of a Belgian multinational steel company as operations and general manager. Running a multitude of different businesses, active in new materials and coatings, involving worldwide employment in United States of America, Europe and China. Always with the objective to professionalize, solve a crisis or introduce TQM (total quality management), operational excellence/lean/world class manufacturing. For 3 years he worked in a staff function of the same company, responsible for Operations, Total Quality Management (TQM) and HS&E aspects of the whole group. Supporting, within his domain of expertise, the growth of the business from €50 million to €300 million through mergers, acquisitions, joint ventures or natural growth. From 2008 to 2016, he worked as an expatriate in Ghana. Running a Ghanaian textiles plant. Responsible for the development and implementation of an integrated, technical, supply chain and quality strategic plan.

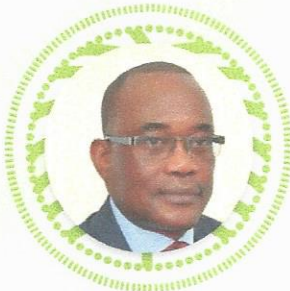
Patrick Uwadia, Esq.

Patrick Uwadia, Esq. is the Company Secretary. He joined the Company in April, 2013. A Chartered Secretary, PGD, ACIS UK. He has worked for Federal Ministry of Housing, Urban & 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 Secretary, Abdulai Taiwo & Co Ltd - Company Secretary and The Okomu Oil Palm Company Plc - Company Secretary.

Directors of Presco



Mr. Pierre Vandebecck
Chairman



Mr. Felix O. Nwabuko FCA
Managing Director



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



Mr. Osa Osunde FCS, FloD



Dr. Shettima Mustafa CON



Mrs. Marie Vandebecck



Chief Dr. Bassey E. O. Edem
FCA, MFR



**Dr. ir. Daniel Van
Wassenhove**



**HRH (Prince)
Aiguobasimwin O. Akenzua**



Mr. Kenneth Crockett
DBS, BBS, FCMA, CGMA

The Directors submit their report together with the audited financial statements for the year ended 31st December 2016, 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 summarized below. Turnover increased by 50% from that of the previous year. A net operating profit after tax of N21.74 Billion during the year compared to the restated previous year profit after tax of N2.49 Billion.

	2016	2015	% Difference
Revenue	15,716,198	10,448,353	50
Gross profit	11,311,413	6,635,216	71
Profit for the year	21,735,465	2,493,595	772



Report of the Directors

For The year Ended December 31st, 2016

2. DIVIDEND

In respect of the current year, the Directors recommend for approval a dividend of 150 kobo per share amounting to N1,500,000,000 subject to the deduction of withholding tax at the appropriate rate. At the last AGM, shareholders approved the Directors' recommendation of a dividend of 100 kobo per share amounting to N 1,000,000,000, 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 Vandebecck	(Belgian)	Chairman	
Mr. Felix O. Nwabuko (FCA)		Managing Director/CEO	
Chief (Engr.) James B. Erhuero, JP, mni, OON		Ind. Non-Executive Director	
Mr. Osa Osunde FCS, FloD		Ind. Non-Executive Director	
Dr. Shettima Mustafa, CON		Ind. Non-Executive Director	
Mrs. Marie Williams Vandebecck	(Belgian)	Non-Executive Director	
Chief Dr. Bassey E. O. Edem, FCA, MFR		Ind. Non-Executive Director	
HRH Prince Aigubasimwin Akenzua		Ind. Non-Executive	
Mr. Nicolaas M. Oosthuizen	(S/African)	Executive Director	Resigned wef Dec. 31st 2016
Mr. Rudi Sylvain Bodar	(Belgian)	Exec. Director	Resigned wef Oct. 21st, 2016
Dr. ir. Daniel Van Wassenhove	(Belgian)	Exec. Director	Apptd. Wef March 25th 2017

In accordance with the company's articles of association, Mr. Osa Osunde retire at this annual general meeting; being eligible he offers himself for re-election.

Dr. ir. Daniel Van Wassenhove and Mr. Kenneth Crockett who were appointed directors after the last annual general meeting retire at this annual general meeting; and offer themselves for election.

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 C20 LFN 2004, and disclosed in accordance with the Listing Rules of the Nigerian Stock Exchange is as follows:

Names of Directors	Presco Directors' Holdings			
	Dec 31, 2016 (No of Shares)		Dec. 31, 2015 (No of Shares)	
	(Direct)	(Indirect)	(Direct)	(Indirect)
Felix O. Nwabuko FCA	250	47,052	-	-
Mr. Osa Osunde FCS, FloD	1,000	3,041,221	1,000	3,041,221
Engr. J.B. Erhuero, mni, JP, OON	624,000	-	624,000	-
Dr. Shettima Mustafa, CON	167,500	-	167,500	-
Chief Dr. Bassey E. O. Edem, FCA, MFR	50,000	-	50,000	-
Mr. Pierre Vandebecck	14,846	-	-	-

As at March 25, 2017, the Direct and Indirect Holdings remain unchanged. The Directors with Indirect Shares are not representing any individual or company.

The indirect shares of Felix O. Nwabuko is held in the name of Mega Equities Ltd. The indirect shares of Osa Osunde is held in the name of SNNI/ASSET MGT CORPORATION OF NIG – TRAD

5. SUBSTANTIAL SHAREHOLDERS

The following shareholders held 5% and above of the issued share capital of the Company as at 31st December 2016.

Name	Address	Holdings	% Holdings
SIAT SA	Romboutsstraat 6-8 , 1932 Zaventem, Belgium	600,000,000	60.00
SNNL/ASSET MGT CORPORATION OF NIG - TRAD	c/o Stanbic Nominees Nig. Ltd. Plot 1712, Idejo Street, Off Adeola Odeku St., V/I. Lagos.	85,682,388	8.57

6. SHARE RANGE ANALYSIS

The range of the distribution of the shares of the Company as at 31st December 2016 is as follows:

RANGE	Holders	% Holders	Units	% Units
1 - 1000	2,909	32.53	1,803,502	0.18
1001 - 5000	3,514	39.29	9,411,713	0.94
5001 - 10000	1,096	12.26	8,871,890	0.89
10001 - 50000	1,087	12.15	25,482,721	2.55
50001 - 100000	167	1.87	13,017,983	1.30
100001 - 500000	115	1.29	25,771,186	2.58
500001 - 1000000	22	0.25	15,664,075	1.57
1000001 - 5000000	20	0.22	54,284,226	5.43
5000001 - 10000000	4	0.04	28,855,969	2.89
10000001 - 50000000	7	0.08	131,154,347	13.12
50000001 - 100000000	1	0.01	85,682,388	8.57
100000001 - 1000000000	1	0.01	600,000,000	60.00
	8,943	100.00	1,000,000,000	100.00

7. CAPITAL ASSETS

Significant capital assets expenditure during the year was as follows:

	2016 N'000	2015 N'000
Work in progress	1,112,438	1,098,147
Building	193,409	98,845
Heavy duty equipment	166,031	-
Utilities	30,071	55,031
Furniture and fitting	7,218	8,719
Motor vehicles & wheel tractors	107,483	146,413
Processing Equipment	1,039,461	310,629

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 2016. The focus is on education, roads, water, electricity and support to out-growers. Total expenditure was N56,799,497 (2015: N58,124,870)

10 DONATIONS

A donation of N500,000 was made to AFDB and N100,000 to Nigerian Chambers of Commerce and Industry (NACIMA) during the year (2015: 100,000)

11 RESEARCH & 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. The amount expended on research and development in the year under review was N101.4 million (2015: N148.3 million). We have collaborations with first class research organizations and national and international universities. Every year the research activities are increasing bringing us to our ambition of establishing Presco as a Centre of Excellence for oil palm cultivation and research in the West African region.

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 and retainer hospital. Appropriate personal protective equipment is provided for employees at work. There is a fire- fighting program, which involves all employees and the use of sophisticated equipment. Welfare facilities provided include housing for employees (or payment of an allowance in lieu) and transport to and 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 program 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, Akintola Williams Deloitte (Chartered Accountants) will continue in office as Auditors to the Company having indicated their willingness to do so. A resolution will be proposed to re appoint them and to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Patrick Uwadia, Esq.
FRC/2013/ICSAN/00000004864
Company Secretary
25 March 2017



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 Vandebecck	(Belgian)	Non-Executive
Mr. Felix O. Nwabuko (FCA)		Managing/CEO
Chief (Engr.) James B. Erhuero, JP, mni, OON		Ind. Non-Executive
Mr. Osa Osunde FCS, FCTI, F.IoD		Ind. Non-Executive
Dr. Shettima Mustafa, CON		Ind. Non-Executive
Mrs. Marie Williams Vandebecck	(Belgian)	Non-Executive
Chief Dr. Bassey E.O. Edem, FCA, MFR		Ind. Non-Executive
Mr. Nicolaas M. Oosthuizen	(S/African)	Executive Director resigned wef Dec. 31, 2016
HRH Prince A.O. Akenzua		Ind. Non-Executive
Mr. Rudi Sylvain Bodar	(Belgian)	Executive Director Appointed wef April 14, 2016 Resigned wef October 21, 2016
Dr. ir. Daniel Van Wassenhove	(Belgian)	Apptd. wef March 25th 2017

BOARD MEETINGS

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

Meeting Date	Main Items of Business
April 14th 2016	Consideration of Draft Audited Accounts as at December 31, 2015. Unaudited accounts as at March 31, 2015, Operations Reports, Filling of causal vacancies on the Board, Proposed Dividend and Date of Annual General Meeting
July 20th, 2016	Unaudited account for Q2 2016, Marketing Report, Operations Report. Sakponba Land, Internal Audit Report.
October 20th 2016	Operations Report and 2016 Budget Proposals
December 14th, 2016	Unaudited accounts as at November 30, 2016, Operations Report, 2017 Budget Proposals Establishment of Corporate Governance Committees.

ATTENDANCE AT MEETING BY BOARD MEMBERS

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

Names of Directors	Number of Attendance at meetings	
Mr. Pierre Vandebecck (Chairman)	4	
Mr. Felix O. Nwabuko FCA, MD/CEO	4	
Mr. Georges Piana	0	Resigned wef February, 2016
Chief (Engr.) James B. Erhuero, JP, mni, OON	1	
Mr. Osa Osunde, FCS, FCTI, F.IoD	4	
Dr. Shettima Mustafa, CON	1	
Mrs. Marie Williams Vandebecck	0	
Chief Dr. Bassey E.O. Edem, FCA, MFR	4	
Nicolaas Martin Oosthuizen	4	Resigned wef 31st Dec. 2016
HRH Prince A. O. Akenzua	4	
Mr. Rudi Sylvain Bodar	2	Resigned wef 21st Oct. 2016
Dr.ir. Daniel Van Wassenhove	0	Apptd. Wef. 25th March 2017

CONFLICT OF INTEREST

All Directors and employees are expected to avoid direct or indirect conflicts of interest. Where a conflict of interest may arise in a matter to be decided by the Board of Directors, the Director concerned is expected to inform the Board and to abstain from voting. Transactions between the Company and Directors, where they arise, take place at arm's length.

There have been no transactions and other contractual relationships between the Company and its Board members and executive managers, which are not covered by its legal provisions on conflicts of interest.

The Company carries out transactions with its parent Company, sa Siat nv on an arm's length basis. The terms and conditions of transactions are covered by an agreement between Siat and Presco Plc. These transactions are in the nature of secondment of personnel and the purchase and supply of equipment and materials.

TRANSACTION IN SHARES AND COMPLIANCE WITH DIRECTIVES ON MARKET ABUSE

The use of inside or unpublished information about the Company in buying or selling of its shares is strictly forbidden. In order to comply with legislation on insider dealing and market manipulation (market abuse), Directors and executive management are expected to declare transactions on their own account in the shares or other financial instruments of the Company. Where significant, such transactions will be disclosed to the market. There were no such transactions in the year under review.

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

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

COMMITTEES

Statutory Audit Committee

Chief Dr. Bassey E.O.		
Edem FCAMFR (Chairman)	Director, member	(wef Nov. 2016)
Engr. M.O.T. Olayiwola Tobun	Shareholder, member	(Re-elected on 22 July 2016)
Mr. Famous Igbinevbo	Shareholder, member	(Re-elected on 22 July 2016)
Mr. Kingsley Iyekekpolor	Shareholder, member	(Re-elected on 22 July 2016)
Chief (Engr.) James B. Erhuero		
JP, mini, OON	Director, member	(Re-elected on 22 July 2016)
Dr. Shettima Mustafa, CON	Director, member	(Re-elected on 22 July 2016)
Mr. Osa Osunde FCS, FCTI, F.IoD	Director, member	(Re-elected on 22 July 2016)



Risk Management Committee

The risk management committee have the duty to:

- (a) Assist the board in its oversight of the risk profile, risk management framework and the risk strategy as may be determined by the board.
- (b) Review the adequacy and effectiveness of risk management and controls in the company.
- (c) Exercise oversight over management process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms.
- (d) Undertake the review of the company's compliance level with applicable laws and regulatory requirements which may impact the company's risk profile.
- (e) Undertake periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile and make recommendations to the board as appropriate.
- (f) Review and recommend for approval of the board risk management procedures and controls for new products and services.
- (g) Ensure that Information Technology assets are managed effectively.
- (h) Review the company's Information Technology governance framework at least annually

Members of Risk Management Committee:

Chief Dr. Basse E. O. Edem	Chairman
Mr. Osa Osunde	Member
Chief Operations Officer	Member
Managing Director	Member
Company Secretary	Secretary

The committee met once during the year under review.

BOARD AUDIT COMMITTEE

The board audit committee should have the following additional responsibilities:

- (a) Exercise oversight over the integrity of the company's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor, and performance of the company's internal audit function as well as that of external auditors;
- (b) Establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the company;
- (c) Ensure the development of a comprehensive internal control framework for the company, obtain assurance and report annually in the financial report, on the operating effectiveness of the company's internal control framework;
- (d) Oversee the process for the identification of significant fraud risks across the company and ensure that adequate prevention, detection and reporting mechanisms are in place;

- (e) At least on a quarterly basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the company
- (f) Discuss the annual audited financial statements with management and external auditors;
- (g) Discuss policies and strategies with respect to risk assessment and management;
- (h) Meet separately and periodically with management, internal auditors and external auditors;
- (i) Review and ensure that adequate whistle-blowing procedures are in place and that a summary of issues reported are highlighted to the chairman of the committee;
- (j) Review, with the external auditor, any audit scope limitations or problems encountered and management's responses to same;
- (k) Review the independence of the external auditors and ensure that where approved non-audit services are provided by the external auditors, there is no conflict of interest;
- (l) Preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors;
- (m) Consider any related party transactions that may arise within the company or group;
- (n) Invoke its authority to investigate any matter within its Charter for which purpose the company must make available the resources to the internal auditors with which to carry out this function, including access to external advice where necessary; and
- (o) Report regularly to the board.

Members of Board Audit Committee:

Chief (Engr.) James Erhuero	Chairman
Dr. Shettima Mustafa	Member
Mr. Osa Osunde	Member
Chief Financial Officer	Member
Company Secretary	Secretary

The board audit committee met once during the year

Nomination and Governance Committee

The nomination and governance committee shall have the duty to:

- (a) Review the structure, size and composition of the board at least annually and make recommendations on any proposed changes to the board.
- (b) Establish the criteria for board and board committee membership, review prospective candidates' qualifications and any potential conflict of interest, assess the contribution of current directors against their re-nomination suitability, and make appropriate recommendations to the board.
- (c) Periodically determine the skills, knowledge and experience required on the board and its committees.
- (d) Identify individuals suitably qualified to become board members and make recommendations to the board for nomination and appointment as directors.



- (e) Ensure the annual declaration of independence by independent non-executive directors and undertake the annual assessment of the independent status of such independent non-executive directors.
- (f) Justify to the board and members of the company the re-classification of an existing non-executive director as an independent non-executive director.
- (g) Ensure that the company has a succession policy and plan in place for the chairman of the board, the chief executive officer of the company, and all other executive and non-executive directors are senior management positions.
- (h) Ensure that the board undertakes an annual performance evaluation of itself, its committees, the chairman and other individual directors.

Nomination & Governance Committee

Mr. Osa Osunde	Chairman
Managing Director	Member
Chief Dr. Bassey E. O Edem	Member
Dr. Shettima Mustafa	Member
Company Secretary	Secretary

The nomination and governance committee met once during the year under review

COMPLAINTS MANAGEMENT POLICY

To establish and maintain complaints management framework in compliance with rules relating to complaints management framework of the Nigerian capital market.

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

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

To establish and maintain electronic complaints register

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

COMPLAINTS MANAGEMENT COMMITTEE

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

Complaints Management committee	HRH (Prince) A. O. Akenzua	Chairman
	Managing Director	Member
	Chief Operations Officer	Member
	Dr. Shettima Mustafa	Member
	Company Secretary	Secretary

The complaints management committee met once during the year under review.



Attendance at meeting by Statutory Audit Committee members

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

Names of Audit Committee Members	Number of Attendance at Meeting	
Chief Dr. Bassey E.O. Edem (Chairman)	1	wef Nov. 2016
Engr. Olayiwola Tobun	4	
Mr. Famous Igbinevbo	4	
Mr. Kingsley Iyekepolo	4	
Chief (Engr.) James B. Erhuero, JP, mini, OON	1	
Dr. Shettima Mustafa, CON	1	
Mr. Osa Osunde FCS, FCTI, F.IoD	4	

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

Meeting Date	Main Items of business
April 13, 2016	Presentation and consideration of Internal Audit Report as at March 31, 2016 and unaudited account as at March 31, 2016.
July 19, 2016.	Approval of Unaudited account as at June 30, 2016 and Internal Audit Report as at June 30, 2016
October 20, 2016	Approval of Audit Planning Memorandum for Presco Plc and Unaudited account as at September 30th 2016 and Internal Audit Report as at September 30, 2016
December 13, 2016	Approval of Unaudited account as at November 2016 and Internal Audit Report as at November 30, 2016

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:

Remuneration Committee	Dr. Shettima Mustafa	Chairman
	Managing Director	Member
	Dr. Bassey E. O. Edem	Member
	HRH (Prince) A. O. Akenzua	Member
	Company Secretary	Secretary

The remuneration committee met once during the year under review.

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 its responsibilities.

Internal Audit

The Company's internal audit function reports to the Managing Director. For its day-to-day and project work, the department is guided by the instructions of the 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 5th May 2014.

Management

The CFO/Executive Director Mr. Rudi Sylvain Bodar resigned with effect from October 21, 2016. He was replaced with Mr. Alfons Van Damme as an interim CFO with effect from October 21, 2016.

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.



Report of the Audit Committee

For The year Ended December 31st, 2016

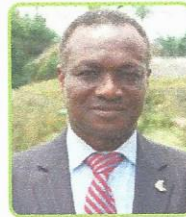
The Company commits significant resources towards environmental protection, health and safety. There are independent departments with budgets for same. The Company is a forerunner in the exercise to classify Nigerian Palm Oil under Roundtable for Sustainable Palm Oil (RSPO).

Report of The Audit Committee For the year ended December 31st 2016

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 Financial Statement of the Company for the year ended 31st December, 2016 and report as follows:

1. The accounting and reporting polices 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.

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



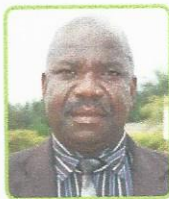
Members of the Statutory Audit Committee are:

- | | |
|---|----------------------|
| 1. Chief Dr. Bassey E. O. Edem FCA, MFR | Director – Chairman |
| 2. Engr. Olayiwola Tobun | Shareholder – Member |
| 3. Mr. Famous Igbinevbo | Shareholder – Member |
| 4. Mr. Kingsley Iyekekpolor | Shareholder – Member |
| 5. Chief (Engr.) James B. Erhuero, JPmni, OON | Director – Member |
| 6. Dr. Shettima Mustafa, CON | Director – Member |
| 7. Osa Osunde FCS, FCTI, F.IoD | Director – Member |

The company secretary, Patrick Uwadia, acted as secretary to the committee.



**Engr. Olayiwola
Tobun**



**Mr. Famous
Igbinevbo**



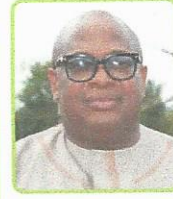
**Mr. Kingsley
Iyekekpolor**



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



**Dr. Shettima
Mustafa** CON



Mr. Osa Osunde
FCS, FIoD

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

The Directors of Presco Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2016, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

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

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

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going Concern:

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

The financial statements set out on pages 5 to 53 which have been prepared on the going concern basis, were approved by the Board of Directors on 25 March 2017 and were signed on its behalf by:



Mr. Pierre Vandebaeck
Chairman



Felix O. Nwabuko
Managing Director
FRC/2016/ICAN/00000014276



Alfons Van Damme
Chief Financial Officer





Independent Auditor's report

To the Shareholders of Presco Plc.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Presco Plc (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Presco Plc as at 31 December 2016 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Key Audit Matter	How the matter was addressed in the audit
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Biological assets valuation	
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The value of the biological assets (Fresh Fruit Bunches) is a significant balance in the entity's statement of financial position and is disclosed in note 15 to the financial statements.

The valuation of the biological assets involves significant judgements and assumptions.

Accordingly, for the purposes of our audit, we identified the valuation of biological assets as a key audit matter based on the significant judgement and assumptions made by the directors.

The assumptions with the most significant impact on the Biological Asset valuation :

- The FFB yield of the palm tree, which is subjective since it is based on the directors' experience and expectations rather than observable market data. The yield are estimated for the age profile of the palm trees.
- The discount rate, which is based on the weighted average cost of capital. The calculation of the weighted average cost of capital is complex.
- The applicable market to determine the most appropriate Crude Palm Oil price and related transactional costs to the Company with consideration for the effective foreign exchange rate impacting the Company's operations.

In evaluating the value of the biological assets we performed tests of controls relating to the directors' estimation of the assets. We also checked compliance with the requirements of IAS 41: *Agriculture* ("IAS 41") and IFRS 13: *Fair value measurement*.

Our procedures included the following:

- Reviewing the measurement methods used by the entity and challenging the directors' decision to choose this method (fair value less estimated cost to sell).
- Reviewing the fair value hierarchy (levels 1-3), the valuation technique's used (market, cost, income approach) and challenging the directors reasons for using these methods.
- Reviewing the inputs used in the valuation by holding discussions with the farm manager and obtaining and reviewing the farm report to verify the input factors used.
- Benchmarking the inputs used in the valuation to applicable market data.
- Obtaining the relevant and applicable Crude Palm Oil price converted at the appropriate exchange rate.
- Reviewing the assumptions used in the discounted cashflow computation and ensure they are reasonable with the recent economic trends in the country.
- Reviewed historical price margins to determine the reasonability and appropriateness of the cashflows.
- Ensuring that discounting factor used in the computation is the weighted average cost of capital of the entity's industry.
- Sensitivities were performed to assess the impact of any changes in the assumptions and inputs.
- Involving our internal valuation expert in the valuation testing.

The assumption used in the valuation were found to be appropriate. These rates appears to be based on applicable supporting information.



**Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary's Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Deloitte.

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

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

We also provided the audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicated relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

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

Engagement Partner: Hassan Lawal
FRC/2013/ICAN/000000001382
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria

13, April 2017



Statement of Profit or Loss and Other Comprehensive Income

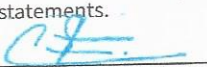
	Notes	2016 N'000	2015 Restated N'000
Revenue	7	15,716,198	10,448,353
Cost of sales	8	<u>(4,404,785)</u>	<u>(3,813,137)</u>
Gross profit		11,311,413	6,635,216
Selling, general and administrative expenses	9	(4,378,794)	(2,940,936)
Distribution expenses		(223,945)	(198,608)
Other gains	10.1	<u>323,146</u>	<u>364,639</u>
Operating profit before changes in fair value of Biological Asset (BA), tax and finance cost		<u>7,031,820</u>	<u>3,860,311</u>
Gain on Biological Asset revaluation	15	24,879,287	1,062,230
Financial costs	11	<u>(684,655)</u>	<u>(707,800)</u>
Profit before tax	12	<u>31,226,452</u>	<u>4,214,741</u>
Income tax expense	13	<u>(9,490,987)</u>	<u>(1,721,146)</u>
Profit for the year		<u>21,735,465</u>	<u>2,493,595</u>
Other Comprehensive Income (OCI) Item(s) that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation	22.2	41,034	22,463
Income tax relating to components of OCI (-)		<u>(12,310)</u>	<u>(6,739)</u>
Other comprehensive income, net of tax		<u>28,724</u>	<u>15,724</u>
Total comprehensive income for the year		<u>21,764,189</u>	<u>2,509,319</u>
Earnings Per Share			
Basic (Naira)	30	0.22	0.02
Diluted (Naira)	30	0.22	0.02


The statement of significant accounting policies and notes on pages 9 to 53 form an integral part of these financial statements.

Statement of Financial Position

Assets		31 Dec 2016	31 Dec 2015	1 Jan 2015
			Restated	Restated
	Notes	N'000	N'000	N'000
Non-current assets				
Intangible assets	14	192,566	183,581	147,933
Biological assets	15	44,920,219	29,291,216	28,297,091
Property, plant and equipment	16	22,444,657	19,990,011	16,993,295
Other non-current assets	17	110	110	110
Total non-current assets		67,557,552	49,464,918	45,438,429
Current assets				
Inventories	18	1,420,597	1,105,632	1,363,929
Biological assets	15	10,502,660	1,252,376	1,184,271
Trade and other receivables	19	1,095,901	2,777,782	1,768,774
Cash and bank balances	20	2,585,128	877,291	63,088
Total current assets		15,604,286	6,013,081	4,380,062
Total assets		83,161,837	55,477,999	49,818,491
Equity and liabilities				
Equity				
Share capital	21	500,000	500,000	500,000
Share premium		1,173,528	1,173,528	1,173,528
Retained earnings		50,358,026	29,622,561	28,128,966
Other reserves		87,448	58,724	43,000
Total equity		52,119,002	31,354,813	29,845,494
Non-current liabilities				
Defined benefit obligation	22	313,445	271,481	234,897
Borrowings	23	4,071,916	4,042,077	2,354,727
Deferred income	25	217,849	224,191	111,787
Obligations under finance leases	26	491,668	521,249	949,480
Deferred tax liabilities	28	20,340,405	12,638,125	11,802,897
Total non-current liabilities		25,435,283	17,697,123	15,453,788
Current liabilities				
Overdrafts	24	791,557	1,514,634	352,722
Borrowings	23	1,097,051	527,721	307,426
Trade and other payables	29	1,699,761	3,356,707	3,397,025
Current tax liabilities	27	1,792,041	905,058	399,453
Obligations under finance leases	26	28,906	27,541	26,883
Deferred income	25	198,235	94,401	35,700
Total current liabilities		5,607,552	6,426,063	4,519,209
Total equity and liabilities		83,161,837	55,477,999	49,818,491

The statement of significant accounting policies and notes on pages 9 to 53 form an integral part of these financial statements.


Mr. Pierre Vandebecq
 Chairman


Felix Nwabuko
 Managing Director
 FRC/2016/ICAN/00000014276


Alfons Van Damme
 Chief Financial Officer

Statement of Changes in Equity

	Share Capital	Share Premium N	Retained Earnings N	Other Reserves N	TOTAL N
Balance- 1 January 2015 (restated)	500,000	1,173,528	28,128,966	43,000	29,845,494
Profit for the years	-	-	2,493,595	-	2,493,595
Actuarial gain on defined benefit plans	-	-	-	15,724	15,724
Total Comprehensive Income	-	-	2,493,595	15,724	2,509,319
Dividend paid	-	-	(1,000,000)	-	(1,000,000)
Balance - 31 December 2015 (restated)	500,000	1,173,528	29,622,561	58,724	31,354,813
Balance - 1 January 2016	500,000	1,173,528	29,622,561	58,724	31,354,813
Profit for the years	-	-	21,735,465	-	21,735,465
Actuarial gain on defined benefit plans	-	-	-	28,724	28,724
Total Comprehensive Income	-	-	21,735,465	28,724	21,764,189
Dividend paid	-	-	(1,000,000)	-	(1,000,000)
Balance - 31 December 2016	500,000	1,173,528	50,358,026	87,448	52,119,002

By a resolution of the Directors of Presco Plc dated 25 March 2017 it was resolved that a dividend of 150kobo per share amounting to N 1.5billion (2015: N1billion) be recommended for declaration by the members of the Company at the next general meeting of the Company.



Statement of Cash Flows

	Notes	2016 N'000	2015 Restated N'000
Profit for the year		21,735,465	2,493,595
Adjustments for:			
-Tax expense	13	9,503,297	1,727,885
-Depreciation and amortization	16	1,246,068	1,107,086
-Actuarial gain for the year		28,724	15,724
-Gain/loss on disposal property plant and equipment -net		204,657	(250)
		32,718,211	5,344,040
Movement in working capital:			
-Decrease in trade and other receivable		1,681,881	(1,009,008)
-Increase in biological assets (current)		(9,250,284)	(68,107)
-Increase in Inventories		(314,965)	258,297
-Decrease in trade and other payable		(1,656,946)	(40,318)
-Increase in finance lease current		(28,215)	(427,573)
-Increase in deferred income	25	90,584	-
		23,240,265	4,057,331
Cash generated from operating activities			
-Increase in retirement benefits	22.2	41,964	36,584
-Tax paid	27	(914,034)	(387,052)
		22,368,195	3,706,863
Net cash generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	16	(3,953,446)	(4,211,827)
Additions to biological assets		(15,629,003)	(994,122)
Acquisition of intangibles	14	(8,985)	(35,648)
Proceeds from sale of property, plant and equipment		48,075	108,275
		(19,543,359)	(5,133,322)
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received during the year		1,211,817	3,828,895
Repayment during the year		(612,648)	(1,921,250)
Dividends paid		(1,000,000)	(1,000,000)
		(400,831)	1,078,751
Net cash (used in)/generated from financing activities			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		2,430,914	(347,709)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR		(637,343)	(289,634)
CASH AND CASH EQUIVALENT AT END OF YEAR	20	1,793,571	(637,343)

1 General Information

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

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

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

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

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 N500,000,000 in 2008 divided into 1,000,000,000 ordinary shares of 50k each, issued and fully paid up. There are currently 10,000 shareholders on the Company's register of shareholders.



1.1 Principal activities

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

2 Basis of Preparation

(a) Statement of compliance

The financial statements for the year ended 31 December 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB (and adopted by FRC). Additional information required by national regulations is included where appropriate.

(b) Basis of Measurement

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

The financial statements have been prepared on the basis of the historical cost price method. 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.

2.1 New and amended standards adopted by the Company

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2016. The standards that may impact the Company's financial statements only have been considered below.

2.1.1 IAS 16 and IAS 41 - Amendments to Agriculture: Bearer Plants (effective 1 January 2016) and the related restatement.

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)'.

2.1.1 IAS 16 and IAS 41 - Amendments to Agriculture: Bearer Plants (effective 1 January 2016) and the related restatement (cont'd)

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 expected)
- 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. This resulted in the restatement of the corresponding prior year amounts as at 31 December 2015 and 1 January 2015.
- 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.

- 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."

The Company has applied the amendment in the current year and the prior year amounts were restated required by the standard, see the effect below;



Notes to the Financial Statements

For The year Ended December 31st, 2016

Effect on statement of financial position

	As at 01/01/2015			As at 31/12/2015		
	Previously reported N'000	Effect of amendment to IAS 41 N'000	Restated amount N'000	Previously reported N'000	Effect of amendment to IAS 41 N'000	Restated amount N'000
Assets:						
Non-current assets:						
Property, plant and equipment	10,946,470	6,046,822	16,993,292	12,962,244	7,027,765	19,990,009
Biological asset	34,343,913	(6,046,822)	28,297,091	36,318,981	(7,027,765)	29,291,216
	45,290,383	-	45,290,383	49,281,225	-	49,281,225

Non-Current liabilities

Deferred tax liability	12,589,436	(786,539)	11,802,897	13,597,465	(959,340)	12,638,125
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Effect on statement of comprehensive income

	As at 31/12/2015		
	Previously reported N'000	Effect of amendment to IAS 41 N'000	Restated amount N'000
Income tax expense	(1,893,947)	(172,801)	(1,721,146)
Profit for the year	2,320,794	(172,801)	2,493,595

Effect on statement of changes in equity

	As at 01/01/2015			As at 31/12/2015		
	Previously reported N'000	Effect of amendment to IAS 41 N'000	Restated amount N'000	Previously reported N'000	Effect of amendment to IAS 41 N'000	Restated amount N'000
Retain earnings	27,342,427	786,539	28,128,966	28,663,221	959,340	29,622,561

The amendment to IAS 41 and IAS 16 resulted in the following adjustments on the previously stated financial statement balances for the comparative period (31 December 2015) which are described above.



2.1.1 IAS 16 and IAS 41 - Amendments to Agriculture: Bearer Plants (effective 1 January 2016) and the related restatement (cont'd)

Reclassification of Bearer plant

The Company has applied these amendments in the current year. The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

Before the amendment, all biological assets are measured and accounted for at their fair value less costs to sell. Amendments to IAS 41 and IAS 16 state that an entity shall present bearer plant portion of biological assets as property, plant and equipment in accordance with IAS 16. Thus, the reclassification of bearer plant as part of property, plant and equipment to enhance the presentation of information. It has no financial implication on the financial statement.

Deemed cost of Bearer plants at transition date

In line with the amendments to IAS 16 and IAS 41 which states that for annual periods beginning on or after 1 January 2016, Bearer plants should be retrospectively accounted for under IAS 16, the Company has treated its bearer plant in this regard.

The Company has also elected to adopt the transitional guideline which allows the application of the fair value of bearer plants as their deemed cost at the beginning of the earliest period presented- 1 January 2015.

Depreciation

Depreciation of bearer plant, on the same basis as other property assets, commences on transition and at maturity of the immature plants. Hitherto, it is the policy of the Company to charge depreciation to the bearer plants element of the biological assets. Hence, no depreciation was adjusted for in the comparative period.

2.1.2 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.

The application does not have material impact on the financial statements."

2.1.3 Amendments to IAS 1: Disclosure Initiative

The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is sufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgement. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
- An entity needs not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted. Application of the amendments need not be disclosed

The effective date of the amendment is for years beginning on or after 1 January 2016.

The application does not have material impact on the financial statements."



2.1.4 Annual Improvements to IFRSs 2012-2014 Cycle

The annual improvements to IFRS 5 introduce specific in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify such a change should be considered as a continuation of the original plan of disposal and hence requirement set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held for distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred assets for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post –employment benefit obligations should be determined by reference to market yields at the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application does not have material impact on the financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) When the intangible asset is expressed as a measure of revenue; or
- b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The effective date of the amendment is for years beginning on or after 1 January 2016. The effect of the application has been included in note 2.1.1

2.2 Standards and interpretations not yet effective

The standards and interpretation that are issued but not yet effective upto the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards when they become effective. The standards that may

impact the company's financial statements only have been considered below. The extent of the impact has not been determined and the company does not plan to adopt these standards early.

2.2.1 IFRS 15, 'Revenue from Contracts with Customers', Issued: May 2014 (effective 1 January 2018)

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 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.

2.2.2 IFRS 16: Leases

IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

It distinguishes lease and service contracts on the basis of whether an asset is controlled by a customer. Distinction of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

2.2.3 Amendment to IFRS 2: Classification and Measurement of Share based Payment Transactions

The amendment clarifies the following:

- In estimating the fair value of a cash-settled share-based payments, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
- Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.



- A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
 - the original liability is derecognised;
 - the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
 - any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted.

2.2.4 Amendments to IAS 7: Disclosure Initiative

The amendment require an entity to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted.

2.2.5 Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendment clarify the following:

- Decreases below the cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
- When an entity assesses whether taxable profits will be available against which it can utilize a deductible temporary difference, and the tax law restricts the utilization of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that is probable that the entity will achieve this;
- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.



The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted.

2.2.6 IFRS 9, 'Financial instruments', issued in November 2009 (effective 1 January 2018)

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 2018.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.



3 Summary of Significant Accounting Policies

The principal accounting policies set out below have been applied in the preparation of the company's financial statements.

(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 relating to genetic plants is recognised as an expense in the period in which it is incurred.

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

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

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

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



An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or 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

Produce growing on bearer plants

Produce growing on bearer plants are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell of produce growing on bearer plants are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated market price of the produce growing on bearer plants.

(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.

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
- Processing Equipment: 10-20 years
- Heavy Duty Equipment: 10-20 years
- Utilities: 3-20 years
- Furniture and fittings: 5-7 years
- Vehicles, wheels & tractors: 5-10 years
- Bearer plant: 22 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.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-five years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over its remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

(e) Leases

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

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

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a 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 only has 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. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The stock of finished products (including biological assets after harvest) are valued by adding the total cost to produce the goods.

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.

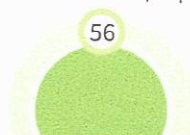
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle 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.

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

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

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



(r) Segment information

The Chief Executive Officer is the Company's chief operating decision-maker. The Chief Executive Officer has determined that there is only one business and operating segment. Based on the information reviewed by the Chief Executive Officer for the purposes of allocating resources and assessing performance, the Company is only involved in cultivation of oil palms and in the extraction, refining and fractioning of crude palm oil into vegetable oil and palm stearin.

4 Capital management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 24 offset by cash and bank balances) and equity of the Company comprising issued capital, reserves, retained earnings as disclosed in the statement of financial position).

The Company's risk management committee reviews the capital structure of the Company on a frequent basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 5 per cent determined as the proportion of net debt to equity. Based on the committee's recommendations, the Company expects to maintain its current gearing ratio unchanged.

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

Gearing ratio

The gearing ratio at the year end is as follows:

	2016 N'000	2015 N'000
Debt	5,168,967	4,569,798
Cash and bank balances	<u>(2,585,128)</u>	<u>(877,291)</u>
	<u>2,583,840</u>	<u>3,692,507</u>
Equity	<u>52,119,003</u>	<u>30,395,473</u>
Debt to equity ratio	<u>5%</u>	<u>12%</u>

Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts).

Equity includes all capital and reserves of the Company that are managed as capital.

5 Financial instruments

5.1 Categories of financial instruments

	2016	2015
	N'000	N'000
Financial assets		
Cash and bank balances	2,585,128	877,291
Loans and receivables	1,095,901	2,777,782
	<u>3,681,029</u>	<u>3,655,073</u>
Financial liabilities		
Amortized cost:		
Borrowings	5,168,967	4,569,798
Overdrafts	791,557	1,514,634
Trade and other payables	1,699,761	3,356,707
	<u>7,660,285</u>	<u>9,441,139</u>

5.2 Financial Risk Management

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

Key elements of risk management are:

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

The overall Company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

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

Notes to the Financial Statements

For The year Ended December 31st, 2016

5.2.1 Market Risk

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

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

5.2.1.1 Foreign currency risk management

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

The following table details the Company's sensitivity to a 15% (2015; 3%), increase and decrease in Naira against foreign currencies. Management believes that a 15% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding balances of foreign currencies denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 15% against the foreign currencies. For a 15% weakening of Naira against the foreign currencies there would be an equal and opposite impact on profit, and the balances below would be negative.

The following exchange rates applied during the year end December 2016:

	2016		2015	
	Average rate	Year end spot rate	Average rate	Year end spot rate
USD	253.19	352.70	193.14	197.00
EUR	279.90	371.11	214.31	214.65
GBP	339.35	435.41	295.07	291.93
			2016	2015
			N'000	N'000
			Profit/(loss)	Profit/(loss)
			after tax	after tax
Profit or loss and equity			(70,005)	27,396

5.2.1.2 Interest rate risk

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

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

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

	2016 N'000 Profit/(loss) after tax	2015 N'000 Profit/(loss) after tax
If LIBOR is 10 BP lower:		
Borrowings (USD)	-	612
If LIBOR is 10 BP higher:		
Borrowings (USD)	-	(612)
If NIBOR is 10 BP lower:		
Borrowings (NGN)	-	19,189
If NIBOR is 10 BP higher:		
Borrowings (NGN)	-	(19,189)

Liquidity Risk Management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes to the Financial Statements

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Maturity analysis of financial liabilities

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

	0-6 months N'000	6-12 months N'000	12-24 months N'000	24 months and above N'000	Total N'000
2016					
Trade and other payables	197,423	1,502,338	-	-	1,699,761
Borrowings	1,713,196	3,455,771	-	-	5,168,967
2015					
Trade and other payables	389,873	2,966,834	-	-	3,356,707
Borrowings	616,145	3,953,653	-	-	4,569,798

5.2.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposures to its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

Financial assets and other credit exposures

	Maximum credit risk	
	2016 N'000	2015 N'000
Bank balances	2,585,128	877,291
Trade and other receivables	1,095,901	2,777,782

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

5.2.4 Fair value of financial instruments

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

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

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

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

c. Fair value hierarchy

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
2016				
Financial assets				
Loans and receivables:				
Cash and bank balances	-	2,585,128	-	2,585,128
Trade and other receivables	-	1,095,901	-	1,095,901
	-	3,681,029	-	3,681,029
Financial liabilities				
At amortized cost:				
Borrowings	-	5,168,967	-	5,168,967
Trade and other payables	-	1,699,761	-	1,699,761
	-	6,868,728	-	6,868,728
2015				
Financial assets				
Loans and receivables:				
Cash and bank balances	-	877,291	-	877,291
Trade and other receivables	-	2,777,782	-	2,777,782
	-	3,655,073	-	3,655,073
Financial liabilities				
At amortized cost:				
Borrowings	-	4,569,798	-	4,569,798
Trade and other payables	-	3,356,707	-	3,356,707
	-	7,926,505	-	7,926,505

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

5.2.4 Fair value of financial instruments (cont'd)

Financial instruments in level 1

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

Financial instruments in level 2

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

Financial instruments in level 3

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

6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

6.1 Property, plant and equipment

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

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

6.2 Provision for defined benefit obligation

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

6.3 Taxation

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

6.4 Valuation of financial liabilities

As at the end of the reporting period, the Company was granted some government assisted loans at below market rates. In accordance with IAS 20, the government grant which is the difference between the proceeds of the loans and their fair value should be accounted for. Based on IAS 39, all financial liabilities should be initially recognized at fair value. In computing the fair value of these loans, the imputed interest rate used in discounting the cashflows associated with the loans is based on management judgement of best estimate of its borrowing cost at the time the loans were granted.

6.5 Biological assets

Fair value of the produce is measured with reference to the price in an active market at the point of harvest adjusted for its present location and condition.

	2016	2015
	N'000	N'000
7 Revenue		
Local sales		
Sales of main products	15,714,722	10,446,806
Mill by-products	1,476	1,547
Sales of palm seedlings & fertilizers	-	-
	15,716,198	10,448,353
8 Cost of sales		
Raw materials consumed	16,442	334,704
Upkeep of mature plantings, harvesting and laboratory expenses	1,512,056	1,150,228
Mill processing, refinery and packaging costs	2,876,287	2,328,205
	4,404,785	3,813,137

Notes to the Financial Statements

For The year Ended December 31st, 2016

	2016	2015
	N'000	N'000
9 Selling, General & Admin Expenses		
Clearing and handling	131,859	195,682
Office and housing Expenses	72,825	54,531
Rent and rate	15,052	14,645
Repairs and maintenance	233,819	162,748
Postage and telephone	22,408	15,577
Insurance	108,610	102,275
Legal	28,088	23,509
Audit fees	31,000	24,000
Professional and other consultancy fees	54,123	65,989
Donation	30,397	1,327
Subscription and licences	47,914	25,456
Transport and travelling	328,809	240,813
Security	104,645	45,395
Selling expenses	97,479	37,323
Community development	52,149	58,125
Meeting and entertainment	66,720	38,455
Directors' fees	25,172	26,184
Staff costs	824,964	799,937
Depreciation	407,408	466,265
Bank charges	68,128	91,478
Exchange losses	1,443,259	392,880
Others	183,966	58,341
	4,378,794	2,940,936
10 Distribution Expenses	(223,945)	(198,608)
10.1 Other gains		
Live-stock sales	1,977	1,587
Others operating income	211,498	314,017
Financial income (Note 25.1)	109,671	49,035
	323,146	364,639
11 Financial expenses		
Interests on loans	598,919	524,028
Interests on overdrafts, etc.	85,736	156,684
Other interests	-	27,088
	684,655	707,800

	2016	2015
	N'000	N'000
12 Profit before taxation		
Profit before taxation is stated after charging/(crediting) the following:		
Depreciation of property plant and equipment	1,246,068	1,118,697
Directors' remuneration	33,763	26,184
Auditors' remuneration	31,000	24,000
Loss/(profit) on disposal of fixed assets	204,657	(250)
Interest on loans, overdraft, etc.	684,655	707,800
Seconded staff cost	431,519	599,675
Exchange loss	1,443,259	392,880
	<u>9,503,297</u>	<u>1,727,885</u>
13 Tax expenses		
Income tax		
Current income tax	1,631,407	805,307
Education tax	169,610	87,349
	<u>1,801,017</u>	<u>892,657</u>
Deferred tax	7,702,280	835,228
	<u>9,503,297</u>	<u>1,727,885</u>
13.1 Analysis of income tax expense:		
Income tax recognised in profit or loss	9,490,987	1,721,146
Income tax recognised in other comprehensive income	12,310	6,739
	<u>9,503,297</u>	<u>1,727,885</u>

The current tax charge has been computed at the applicable rate of 30% (31 December 2015: 30%) plus education levy of 2% (31 December 2015: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as legal fees, donations, public relations expenses and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income include income such as dividend income and income from government bonds which are not taxable.

Notes to the Financial Statements

For The year Ended December 31st, 2016

13.1 Analysis of income tax expense (cont'd) Income taxes relating to continuing operations Income tax recognized in profit or loss

	2016	2015
	N'000	N'000
Current tax		
Current tax expense in respect of the current period:		
Company income tax payable	1,631,407	805,307
Education tax payable	169,610	87,349
Capital gains tax	-	-
Adjustments recognized in the current period in relation to the current tax of prior periods	-	-
	1,801,017	892,657
Deferred tax		
Deferred tax expense recognized in the current period	7,689,970	433,105
Deferred tax reclassified from equity to profit or loss (if any)	-	-
Write-downs (reversals of previous write-downs) of deferred tax assets	-	-
Adjustments recognized in the current period in relation to the deferred tax of prior periods	-	395,384
	7,689,970	828,489
Total income tax expense recognized in the current period relating to continuing operations	9,490,987	1,721,146

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

13.2 Effective tax reconciliation

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

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

Notes to the Financial Statements

For The year Ended December 31st, 2016

	2016		2015	
	N'000	%	N'000	%
Profit before tax from continuing operations (A)	31,226,452	100.00	4,214,741	100.00
Income tax expense calculated at 30% of PBT (Period 1: 30%)	9,367,936	30.00	1,264,422	30.00
Effect of income that is exempt from taxation	-	0.00	-	-
Effect of expenses that are not deductible in determining taxable profit	20,716	0.07	30,541	0.72
Effect of concessions (research and development and other allowances)	(67,275)	-0.22	(56,550)	-1.34
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	-	0.00	-	-
Education tax at 2% of assessable profits	169,610	0.54	87,349	2.07
Adjustments recognized in the current period in relation to the deferred tax of prior periods	-	-	395,384	9.38
Effective tax rate	9,490,987	30.39	1,721,146	40.84

The tax rate used for 2016 above is the corporate tax rate of 30% & 2% (for tertiary education tax) payable by corporate entities in Nigeria on taxable profits under tax law in the country.

Income tax recognized in other comprehensive income

	2016 N'000	2015 N'000
Current tax	-	-
Deferred tax		
Arising on income and expenses recognized in other comprehensive income:	12,310	6,739
Arising on actuarial (gains)/losses on staff retirement benefit	-	-
Translation of foreign operations	-	-
Fair value re-measurement of hedging instruments entered into for a hedge of a net investment in a foreign operation	-	-
Fair value re-measurement of available-for-sale financial assets	-	-
Fair value re-measurement of hedging instruments entered into for cash flow hedges	-	-
Property revaluations	-	-
	12,310	6,739
Arising on income and expenses reclassified from equity to profit or loss:		
Relating to cash flow hedges	-	-
Relating to available-for-sale financial assets	-	-
On disposal of a foreign operation	-	-
	-	-
Arising on gains/losses of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	-	-
	-	-
Total income tax recognized in other comprehensive income	12,310	6,739

Notes to the Financial Statements

For The year Ended December 31st, 2016

Income tax recognized in equity of the previous years

	2015	2014
	N'000	N'000
Current tax	-	-
Deferred tax		
Arising on income and expenses recognized in equity	(172,801)	(786,539)
Total income tax recognized in equity	(172,801)	(786,539)

14 Intangible assets

	Computer software	Genetic	Total
	N'000	N'000	N'000
Cost			
At 1 January 2015	118,249	117,586	235,835
Additions during the year	-	148,262	148,262
Transfer	(1,737)	(99,266)	(101,003)
At 31 December 2015	116,512	166,582	283,094
Additions during the year	-	101,387	101,387
Transfer	-	(75,665)	(75,665)
At 31 December 2016	116,512	192,304	308,816
Amortization			
At 1 January 2015	87,902	-	87,902
Charge during the year	11,611	-	11,611
Transfer	-	-	-
At 31 December 2015	99,513	-	99,513
Charge during the year	16,737	-	16,737
Transfer	-	-	-
At 31 December 2016	116,250	-	116,250
Carrying amount			
At 31 December 2016	262	192,304	192,566
At 31 December 2015	16,999	166,582	183,581

Computer software relates to cost of acquisition of Absolute Business System and is amortized over 11 years.

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

Transfers here relates to cost of genetic plant reclassified to CWIP after successful growth.



15 Biological assets: Agricultural Produce

	2016 N'000	2015 N'000	2014 N'000
Biological assets consist of the Fresh fruit bunches from the trees.			
At Fair Value			
Fresh Fruit Bunches			
At 1 January	30,543,592	29,481,362	23,708,464
Change in fair value less costs to sell due to prices changes (Gain on BA)	24,879,287	1,062,230	5,772,898
At 31 December 2016	55,422,879	30,543,592	29,481,362
The biological assets are analysed into:			
Non-Current	44,920,219	29,291,216	28,297,091
Current	10,502,660	1,252,376	1,184,271
At 31 December 2016	55,422,879	30,543,592	29,481,362

The biological assets of Presco comprise of fresh fruit bunches ("FFB") prior to harvest. The valuation model adopted by the company considers the present value of the net cash flows expected to be generated from the sale of products (CPO) from FFB. In estimating the net cash flows, management considered cash flows which was derived by estimating the expected yield from each plantation estate taking into consideration expected extraction rate and purchase price. The extraction rate adopted was based on actual historical average extraction rate for Presco while the purchase price is based on observable selling price per tonne grown at a constant rate of 5% per annum.

The forecast growth rate was based on management's expectation and experience.

Estimated cash flows derived was based on upkeep cost, harvesting/collection cost, overheads and other factory costs. Management estimated these costs to flow in line with inflation rate. The net cash flow derived was discounted by the pre-tax weighted average cost of capital (WACC) which reflects market participant's view.

In arriving at the reported fair value, management estimated the cost of disposing off the biological asset, (incremental costs to take the asset too market, cost of engaging professionals to asset with the disposal proses, other transaction cost as management deemed necessary) and deducted these estimated costs from the fair value to arrive at the fair value less cost to sell of about N55.42 billion.

During the financial year, Presco harvested 171,000 tons of FFB (2015: 176,477 tons).

As at 31 December 2016, none of the biological assets are pledged as securities for liabilities.

The fair value measurement of the company's biological assets are categorised within Level 3 of the fair value hierarchy. If the FFB products selling price changes by 10%, profit or loss for the company would have equally increased or decreased by approximately NGN24.88 million (2015: NGN1.06 million).

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



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16 PROPERTY, PLANT AND EQUIPMENT

In thousand naira	Bearer Plant N'000	Building N'000	Leasehold Land N'000	Processing Equipment N'000	Heavy Duty Equip N'000	Vehicles & Tractors N'000	Furniture & Fittings N'000	Utilities N'000	Spare Parts N'000	Work-In-Progress N'000	Total N'000
Cost											
At 1 January 2015	4,604,446	886,796	2,506,792	8,967,906	696,051	1,300,133	360,154	575,232	426,655	3,847,614	24,171,779
Additions	-	98,845	1,310,992	310,629	-	146,413	8,719	55,031	-	2,281,198	4,211,827
Transfers (Note 17.1)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(77,809)	(30,166)	(182,432)	(144,468)	(3,756)	(44,636)	-	(483,267)
Reclassifications	610,987	-	-	-	-	-	-	-	-	(610,987)	-
At 31 December 2015	5,215,433	985,641	3,817,784	9,200,726	665,885	1,264,114	224,405	626,507	382,019	5,517,825	27,900,339
Additions	-	885	-	35,152	103,262	84,345	6,840	11,969	278,151	3,529,517	4,050,120
Transfers	1,115,859	192,524	-	1,004,309	62,769	23,138	378	18,102	-	(2,417,079)	0
Disposals	-	-	-	(325,423)	(53,164)	(66,268)	(320)	-	-	-	(445,175)
Spare utilized	-	-	-	-	-	-	-	-	(96,674)	-	(96,674)
At 31 December 2016	6,331,292	1,179,050	3,817,784	9,914,763	779,752	1,305,329	231,303	656,578	563,496	6,630,264	31,408,610
Accumulated Depreciation											
At 1 January 2015	(1,179,419)	(372,394)	(1,102,991)	(2,696,102)	(465,367)	(803,330)	(299,411)	(259,472)	-	-	(7,178,486)
Charge for the year	(202,107)	(40,482)	(51,225)	(514,360)	(79,050)	(163,949)	(15,118)	(40,795)	-	-	(1,107,086)
Disposals	-	-	-	15,573	30,166	182,432	144,413	2,660	-	-	375,244
At 31 December 2015	(1,381,526)	(412,876)	(1,154,216)	(3,194,889)	(514,251)	(784,847)	(170,116)	(297,607)	-	-	(7,910,328)
Charge for the year	(241,626)	(50,037)	(48,087)	(645,236)	(80,227)	(166,761)	(1,507)	(12,587)	-	-	(1,246,068)
Disposals	-	-	-	84,194	47,156	61,093	-	-	-	-	192,443
At 31 December 2016	(1,623,152)	(462,913)	(1,202,303)	(3,755,931)	(547,322)	(890,515)	(171,623)	(310,194)	-	-	(8,963,953)
Carrying amount											
At 31 December 2016	4,708,140	716,136	2,615,482	6,158,833	231,430	414,814	59,680	346,383	563,496	6,630,264	22,444,657
At 31 December 2015	3,833,907	572,765	2,663,568	6,005,837	151,634	479,267	54,289	328,900	382,019	5,517,825	19,990,011
At 1 January 2015	3,425,027	514,402	1,403,801	6,271,804	230,684	496,803	60,743	315,760	426,655	3,847,614	16,993,295

16.1 Transfer refer to asset transfer from one asset class to another within the Property Plant and Equipment class.**16.2 Assets pledged as security**

There are no asset pledged as security for loan or other form of borrowing.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

At 31 December 2016, 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 15,356 hectares;
- Immature Palm trees for a total of 1,294 hectares and;
- Pre nursery and Main nursery seedlings available to generate a total of 1,800 hectares of planting.



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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 incremented by a factor taking into account Nigerian Market specificities, and a pre-tax discount rate of 32.5% at 31 December 2016.

	2016 N'000	2015 N'000	2014 N'000
17 Other non-current assets			
Guarantee Paid in Cash	<u>110</u>	<u>110</u>	<u>110</u>
18 Inventories			
Supplies (Spares)	832,507	778,649	787,204
Finished Goods	463,343	120,712	105,832
Goods in Transit	<u>124,747</u>	<u>206,271</u>	<u>470,893</u>
	<u>1,420,597</u>	<u>1,105,632</u>	<u>1,363,929</u>

The cost of inventories recognized as an expense during the year in respect of continuing operations was N 798,928million (2015 N 633.4 million).

	2016 N'000	2015 N'000	2014 N'000
19 Trade and other receivables			
Trade receivables	585,142	794,355	401,721
Payments in advance	393,876	800	6,405
Amount invoiced	-	-	7,591
Intercompany receivable (Note 32.1)	6,053	1,859,469	949,929
Sundry debtors	<u>110,830</u>	<u>123,158</u>	<u>403,128</u>
	<u>1,095,901</u>	<u>2,777,782</u>	<u>1,768,774</u>

A short-term fixed initially recorded as other receivable has been reclassified to cash and cash equivalent to show a better presentation.

Trade receivables

The average credit period granted to customers is 30 days. No interest is charged on overdue receivables. The Company does not hold any collateral for trade receivables. Allowance for doubtful debts are recognised against trade receivables on a case by case basis, after specific review of individual customer balances. Where there are indications of impairment, allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of trade receivables that are past due but not impaired:		2016	2015	2014
		N'000	N'000	N'000
31 -60 days		29,151	120,966	-
61 days & above		245,791	82,634	-
		274,942	203,600	-

	2016	2015	2014
	N'000	N'000	N'000
20 Cash and cash equivalent			
Cash and bank balances	2,585,128	877,291	63,088
Bank overdrafts (financial liabilities – Note 24)	(791,557)	(1,514,634)	(352,722)
	1,793,571	(637,343)	(289,634)
21 Share Capital			
Authorised share capital			
1,100,000,000 ordinary shares of 50kobo each	550,000	550,000	550,000
Issued and fully paid up capital			
1,000,000,000 ordinary shares of 50kobo each	500,000	500,000	500,000

22 Defined benefit obligation

22.1 Defined contribution plans

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

The total expense recognised in the Company's statement of comprehensive income of N36.57 million (2015: N28.58 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 December 2016, contributions of N3.53 million (2015: N3.47 million) due in respect of the 2016 (2015) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period

22.2 Defined benefit plans

The company recognises provision for post-employment benefits for all its permanent employees in accordance with the statute. The provision is based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". Post-employment benefit recognised by the company amounted to approximately NGN313 million as at 31 December 2016 (2015: NGN 271 million).

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2016 by Alexander Forbes. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Details at the end of December 2016 were: Gratuity Scheme NGN 53.60 million, Retirement Scheme NGN 243 million and Long Service Awards NGN 16.87 million

	2016	2015	2014
	N'000	N'000	N'000
As at 1 January	271,481	234,897	242,326
Current service costs	21,701	40,326	27,081
Past service cost	43,278	-	-
Interest costs	32,519	33,552	29,865
Payment during the year	(14,500)	(14,831)	(60,977)
As at 31 December	354,479	293,944	238,294
Remeasurements - OCI	(41,034)	(22,463)	(3,397)
	313,445	271,481	234,897



Amounts recognised in statement of comprehensive income in respect of these defined benefit schemes are as follows:

	2016 N'000	2015 N'000	2014 N'000
Current service cost	21,701	40,326	27,081
Past service cost	43,278	-	-
Interest on obligation	32,519	33,552	29,865
Remeasurements - OCI	(41,034)	(22,463)	(3,397)
	56,464	51,415	53,549

Of the expense for the year, N73.88 million (2014: N56.95 million) has been included in administrative expenses. Actuarial gains and losses have been reported in other comprehensive income.

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

	2016	2015	2014
Financial assumptions			
Discount rate	16.4%	11.4%	12.5%
Expected rate(s) of salary increases	8.0%	7.5%	10.0%
Inflation	12.5%	8.0%	9.0%

Demographic assumptions

Mortality

Pre-retirement mortality: A1949/52 tables

The mortality rates as at the previous year's valuation were based on the WHO World Health Statistics (2009) data.

Withdrawal/retirement

Age Brand	Rate of withdrawal	Rate of retirement
18 - 30	3.0%	0.0%
31 - 44	2.0%	0.0%
45 - 50	5.0%	0.0%
51	0.0%	4.5%
52	0.0%	4.0%
53	0.0%	3.5%
54	0.0%	3.0%
55	0.0%	100.0%

Notes to the Financial Statements

For The year Ended December 31st, 2016

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

Employee benefit type	Parameters	Main result	+1%	-1%
	Discount rate	000	000	000
Retirement		-243,004	-233,841	-253,164
Change			-3.8%	4.2%
Long Service Awards		-16,869	-16,777	-17,621
Change			-0.5%	4.5%
Gratuity		-53,572	-51,879	-54,407
Change			-3.2%	1.6%
Total	Discount rate	-313,445	-302,497	-325,192
			-3.5%	3.7%
	Salary increase rate	Main result	+1%	-1%
Retirement		-243,004	-254,621	-232,435
Change			4.8%	-4.3%
Long Service Awards		-16,869	-22,484	-21,512
Change			33.3%	27.5%
Gratuity		-53,572	-55,550	-51,732
Change			3.7%	-3.4%
Total	Discount rate	-313,445	-332,655	-305,679
			6.1%	-2.5%
	Mortality rate	Main result	Rated up 1 year	Rated down 1 year
Retirement		-243,004	-242,186	-243,748
Change			-0.3%	0.3%
Long Service Awards		-16,869	-22,484	-22,523
Change			33.3%	33.5%
Gratuity		-53,572	-54,292	-52,920
Change			1.3%	-1.2%
Total	Mortality rate	-313,445	-318,962	-319,191
			1.8%	1.8%



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

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

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out as at 31 December, 2016 by Alexander Forbes

23 Borrowings	2016	2015	2014
	N'000	N'000	N'000
UBA CACS loan	1,606,156	1,793,194	-
Fidelity Nistra loan	1,698,765	2,000,000	-
IBTC PAIF loan	635,846	776,604	918,583
Fidelity BOI Loan	1,228,200	-	-
Intercompany loan- SIAT	-	-	1,743,570
	5,168,967	4,569,798	2,662,153
Included in the statement of financial position as:			
Current	1,097,051	527,721	307,426
Non-current	4,071,916	4,042,077	2,354,727
	5,168,967	4,569,798	2,662,153

Below is the loan movement during the year

	2016	2015
	N'000	N'000
Balance at 1 January	4,569,798	2,662,153
Additional loan during the year	1,228,200	4,000,000
Recognition of grant on additional loan during the year	(116,481)	(220,140)
Additional interest recognized in Profit or loss	109,573	49,034
Repayment during the year	(622,123)	(1,921,249)
Balance at 31 December	5,168,967	4,569,798

23.1 Summary of borrowing arrangements

UBA CACS loan: The Company obtained a 7% N2 billion loan under the CBN Commercial Agriculture Credit Scheme (CACS) in two tranches of N982 million and N1.018 billion in July 2015 and November 2015 respectively. The loan was facilitated by United Bank for Africa (UBA) for the purpose of financing the expansion program of the company in rubber planting.. The loan has a tenor of 6 years inclusive of 9 months moratorium. Using imputed market interest rates of 14% for an equivalent loan of 9%, the fair value of the loan is estimated at N1.78billion. The difference of N220million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 26). The deferred revenue is recognized over the loan tenure.

Fidelity Nistra loan: This is a N2 billion loan granted to the Company in February 2015 by Fedelity Bank as an interest rate of 18% which was reviewed upward to 20% in July 2015. The loan which has a tenor of 5 years (inclusive of 18 months moratorium) was granted for the purpose of financing the establishment of 14,400 hectares rubber plantation at Upper Sakponba area of Benin City, Edo State. This is secured by a negative pledge, letter of comfort from the SIAT Group, Brussels and credit guarantee from NIRSAL.

IBTC PAIF loan : In November 2013, the Company received a 7% N1.066 billion loan under the CBN =N=500b Power and Aviation Intervention Fund (PAIF) facilitated by Stanbic IBTC Bank for the purpose of financing the purchase of a 2.5MW steam turbine with a view to expanding the Company's power generating capacity. The loan has a tenor of 7 years inclusive of 12 months moratorium. Using imputed market interest rates of 14% for an equivalent loan of 7%, the fair value of the loan is estimated at N859million. The difference of N207million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 26). The deferred revenue is recognized over the loan tenure.

BOI/Fidelity Bank loan : In October 2016, the Company received a 10% N1.230 billion loan under the BOI Fund facilitated by Fidelity Bank for the purpose of financing the procurement of items of plant and machinery towards the expansion of oil palm processing plant in Obaretin, Edo State. The loan has a tenor of six and half years inclusive of 18 months moratorium. Using imputed market interest rates of 14% for an equivalent loan of 10%, the fair value of the loan is estimated at N1.112billion. The difference of N116million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 26). The deferred revenue is recognized over the loan tenure.

23.2 Breach of loan agreement

There was no breach of loan agreement during the year 2016 (2015: nil).

Notes to the Financial Statements

For The year Ended December 31st, 2016

	2016 N'000	2015 N'000	2014 N'000
24 Bank overdraft (Note 20)	791,557	1,514,634	352,722
25 Deferred income	2016 N'000	2015 N'000	2014 N'000
Arising from customers' advance	90,682	-	-
Arising from government grant (Note 25.1)	325,402	318,592	147,487
	416,084	318,592	147,487
25.1 Government grant			
Opening balance	318,592	147,487	206,974
Additions	116,481	220,140	-
Recognized in profit or loss (financial income)	(109,671)	(49,035)	(59,487)
	325,402	318,592	147,487
Included in the statement of financial position as:			
Current	198,235	94,401	35,700
Non-current	217,849	224,191	111,787
	416,084	318,592	147,487

1. The deferred income from customers' advance arises as a result of the trade debtors credit balances.
2. The deferred income arises as a result of the benefit received from below-market-interest rate government assisted loans (see note 24) granted to date. The credit is recognized in the profit or loss account over the tenor the loan.

26 Obligations under finance leases

26.1 Leasing arrangements

The Company leased certain of its landed properties under finance leases. The average lease terms range from 25 years to 99 years (2015: 25 year to 99 years). The Company has options to purchase the equipment for a nominal amount at the end of the lease terms. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 2.40% to 2.42% (2014: 2.40% to 2.42%) per annum.

Notes to the Financial Statements

For The year Ended December 31st, 2016

26.2 Finance lease liabilities

	Minimum lease payments			Present value of minimum lease payments		
	2016 N'000	2015 N'000	2014 N'000	2016 N'000	2015 N'000	2014 N'000
Not later than one year	41,614	42,273	42,257	28,906	27,541	26,883
Later than one year and not later than five years	179,901	180,530	181,188	127,329	117,075	114,277
Later than five years	639,398	708,529	1,150,832	364,339	404,174	835,202
	860,913	931,332	1,374,277	520,575	548,790	976,362
Less: future finance charges	(340,339)	(382,542)	(397,914)	-	-	-
Present value of minimum lease payments	520,575	548,790	976,363	520,575	548,790	976,362

Included in the statement of financial position as:

	2016 N'000	2015 N'000	2014 N'000
Current	28,906	27,541	26,883
Non-current	491,668	521,249	949,480
	520,575	548,790	976,363

27 Current Tax Liabilities

	2016 N'000	2015 N'000	2014 N'000
At 1 January	905,058	399,453	97,443
Charge for the year	1,801,017	892,657	394,996
	2,706,075	1,292,110	492,439
Under-provision for the previous year	-	165	-
Payment during the year	(914,034)	(387,217)	(92,986)
	1,792,041	905,058	399,453



Notes to the Financial Statements

For The year Ended December 31st, 2016

	2016 N'000	2015 N'000	2014 N'000
28 Deferred taxes			
Balance as at 1 January	(12,638,125)	(11,802,897)	(10,276,677)
Charge for the year	(7,702,280)	(835,228)	(1,526,220)
	(20,340,405)	(12,638,125)	(11,802,897)

	Opening balance N'000	Movements recognized in the year by the company N'000	Recognised directly in equity N'000	Closing balance N'000
12/31/2016				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	12,708,230	7,872,848	-	20,581,078
Property, plant and equipment @ 10%	-	-	-	-
Loss	-	-	-	-
Provisions	(81,444)	(12,589)	-	(94,033)
Exchange difference	11,339	- 157,979	-	(146,640)
	12,638,125	7,702,280	-	20,340,405

12/31/2015				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	11,873,366	834,864	-	12,708,230
Property, plant and equipment @ 10%	-	-	-	-
Loss	-	-	-	-
Provisions	(70,469)	(10,975)	-	(81,444)
Exchange difference	-	11,339	-	11,339
	11,802,897	835,228	-	12,638,125

12/31/2014				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	10,349,375	1,523,991	-	11,873,366
Property, plant and equipment @ 10%	-	-	-	-
Loss	-	-	-	-
Provisions	(72,698)	2,229	-	(70,469)
Exchange difference	-	-	-	-
	10,276,677	1,526,220	-	11,802,897

The following is the analysis of deferred tax assets / (liabilities) presented in the statement of financial position.

Notes to the Financial Statements

For The year Ended December 31st, 2016

	2016	2015	2014
	N'000	N'000	N'000
Deferred tax assets	240,673	81,444	70,469
Deferred tax liabilities	(20,581,078)	(12,719,569)	(11,873,366)
Net Deferred tax liabilities	<u>(20,340,405)</u>	<u>(12,638,125)</u>	<u>(11,802,897)</u>

28 Deferred taxes (cont'd)

The following are the major deferred tax liabilities recognised by the Company and movements thereon during the current and prior reporting period.

	2016	2015	2014
	N'000	N'000	N'000
At 1 January	(12,638,125)	(11,802,897)	(10,276,677)
Charge to profit or loss	(7,702,280)	(828,489)	(1,525,201)
Charge to other comprehensive income	-	(6,739)	(1,019)
	<u>(20,340,405)</u>	<u>(12,638,125)</u>	<u>(11,802,897)</u>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

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

29 Trade and Other Payables	2016	2015	2014
	N'000	N'000	N'000
Trade payables	455,807	83,060	176,010
Accruals	135,134	79,471	46,779
Sundry creditors	522,988	883,683	562,734
Intercompany payables (Note 33.1)	585,832	2,310,493	2,611,502
Others	-	-	-
	<u>1,699,761</u>	<u>3,356,707</u>	<u>3,397,025</u>

The average credit period on purchases is 30 days. No interest is charged on trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.

30 Earnings per share from continuing operations	2016	2015
	N'000	N'000
Net profit attributable to equity holders of the Company (N'000)	21,735,465	2,493,595
Effect of dilutive potential ordinary shares:	-	-
Earnings from continuing operations for the purpose of diluted earnings per share excluding discontinued operations	<u>21,735,465</u>	<u>2,493,595</u>
The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.		
Weighted average number of shares ('000)	1,000,000	1,000,000
Basic (Naira)	<u>22</u>	<u>2</u>
Diluted (Naira)	<u>22</u>	<u>2</u>

31 Related party transactions

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

31.1 Trading transactions

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

	Sales of goods and services		Purchases of goods and services	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
SIAT Nigeria Limited	2,289,148	262,987	2,272,148	216,053
SIAT SA	322,656	-	663,661	2,897,263

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

	Due from related parties		Due to related parties	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
SIAT Nigeria Limited	-	663,766	363,119	217,441
SIAT SA	-	1,188,315	222,713	2,093,053
SIAT Gabon	5,789	2,430	-	-
GOPDC (Ghana)	264	4,683	-	-
	<u>6,053</u>	<u>1,859,194</u>	<u>585,832</u>	<u>2,310,494</u>

Notes to the Financial Statements

For The year Ended December 31st, 2016

Sales and purchases of goods and services were done at prevailing market prices. The outstanding balances are unsecured and will be settled in cash. No guarantee has been given or received. No expense has been recognised in the current or prior year for bad debts in respect of amounts owed by related parties.

31.2 Loans to related parties

	2016 N'000	2015 N'000
Loans to key management personnel	-	-
Others	-	-

The Company did not provide loans to any of its key management personnel during the year.

31.3 Loans from related parties

	2016 N'000	2015 N'000	2014 N'000
SA Siat NV, Belgium	-	-	1,743,570

The Company has not been provided loans by related parties during the year.

31.4 Details of related companies

a SA Siat NV, Belgium

Presco Plc is a subsidiary of SA Siat NV, Belgium, with 60% holding. The company had significant transactions of N775 million during the year. There was a closing balance of N222.7 million in favour of SA Siat NV during the year. The seconded staff included in note 12 relates to salaries of staff seconded from SA SIAT NV to the company.

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. SA SIAT NV, Belgium (the parent company of Presco) is also the parent company of Ghana oil Palm Development Company limited.

c Siat Gabon

Siat Gabon is a related company of Presco Plc. There were no material transactions between the two companies during the year. SA SIAT NV, Belgium (the parent company of Presco) is also the parent company Siat Gabon.

d Compagnie Heveicole de Cavally, Ivory Coast

Compagnie Heveicole de Cavally, Ivory Coast is a related company to Presco Plc. There were no transactions between the companies during the year. SA SIAT NV, Belgium (the parent company of Presco) is also the parent company Compagnie Heveicole de Cavally.



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. SA SIAT NV, Belgium (the parent company of Presco) is also the parent company Siat Nigeria Limited.

31.5 Compensation of key management personnel

The remuneration of key management personnel was as follows:

	2016	2015
	N'000	N'000
Short-term benefits	22,912	19,789
Post-employment benefits	228	179
Other long term benefits	4,958	6,737
Termination benefits	-	-
	<u>28,098</u>	<u>26,704</u>

The remuneration of key management personnel is determined by remuneration committee having regard to the performance of individuals and market trends.

32 Directors

	2016	2015	2014
	N'000	N'000	N'000
Directors' remuneration and fees	25,963	16,287	6,389
Others	7,800	9,897	900
	<u>33,763</u>	<u>26,184</u>	<u>7,289</u>
Fees and other emoluments disclosed above include amount paid to:			
Chairman	1,100	1,100	1,000
Other director	32,663	25,084	6,289
	<u>33,763</u>	<u>26,184</u>	<u>7,289</u>

The number of directors excluding the Chairman whose emoluments were within the following ranges:



Notes to the Financial Statements

For The year Ended December 31st, 2016

	Number	Number	Number
N			
600,000 - 610,000	-	-	-
611,000 – 700,000	-	-	-
1,320,000 - 1,330,000	9	9	9
1,450,000 - 1,460,000	1	1	1
1,500,000 - Above	-	-	-
	10	10	10

Highest paid director received

33 Employees

Average number of persons employed during the year :

	Number	Number	Number
Management staff	29	30	26
Senior staff	93	86	72
Junior staff	322	326	372
	444	442	470

Staff costs relating to the above employees were:

	2016 N'000	2015 N'000	2014 N'000
Salaries, wages and other benefits	790,509	787,135	257,750
Pension	10,357	26,076	-
Gratuity	19,324	11,277	-
Long service awards	4,774	-	-
	824,964	824,488	257,750

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

34 Employees

N	2016 Number	2015 Number	2014 Number
70001 - 200000	-	-	-
200001 - 300000	-	-	-
300001 - 400,000	-	-	9
400001 - 500,000	241	308	363
500001 - 600,000	81	18	-
3600001 - 700,000	-	15	39
700001 - 800,000	53	32	1
800001 - 900,000	-	-	-
900001 - 1,000,000	-	22	18
1000001 - 1,100,000	26	1	7
1100001 - 1,200,000	-	14	7
1200001 - 1,300,000	14	2	-
1300001 - 1,400,000	-	-	-
1400001 - 1,500,000	-	-	-
1500001 - 1,600,000	-	-	-
1600001 - 1,700,000	-	-	-
1700001 - 1,800,000	-	-	-
1800001 - 1,900,000	-	-	-
1900001 - 2,000,000	-	-	-
2000001 - 3,000,000	25	27	24
3000001 - 4,000,000	4	3	2
	444	442	470

34 Contingent Liabilities

The company is the defendant in various law suits arising from normal course of business. There were contingent liabilities as at 31 December 2016 in respect of pending litigation estimated at N 2.498billion (2015: estimated NGN 2.092 billion) in respect of pending litigation. The Directors are of the opinion that it is most likely that this will not result to any significant liability on the Company.

A cumulative amount of N784m (2015: N361million) which is the total of N423 million in the current year and N361 million in the prior year relating to management fees to be paid to the parent company (SIAT BV) has not been recognised in the books of Presco Plc. as the National Office of Technology Acquisition and Promotion (NOTAP) approval which is statutorily required for such fees to become payable is pending as at year end. The fees will become a liability and will be recognised as such in the books upon approval by NOTAP.

Notes to the Financial Statements

For The year Ended December 31st, 2016

35 Capital Commitments

Capital expenditure authorized by the Board, but not provided for in the accounts was Nil (2015 Nil).

Events after the reporting period

There were no events after the reporting period could have had a material effect on the financial statements of the Company that have not been provided for or disclosed in the financial statements.

Notes to the financial statements

36 Restatement of some comparative Figures

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

37 Approval of Financial Statement

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on March 2017.



**OTHER NATIONAL DISCLOSURES
STATEMENT OF VALUE ADDED**

	2016		2015	
	N'000	%	N'000	%
Turnover	15,716,198		10,448,353	
Other income	<u>25,202,433</u>		<u>1,426,869</u>	
	40,918,631		11,875,222	
Bought in materials and services:				
- Imported	(4,893,002)		(3,368,623)	
- Local	<u>(1,985,719)</u>		<u>(815,762)</u>	
VALUE ADDED	<u>34,039,910</u>	<u>100</u>	<u>7,690,837</u>	<u>100</u>
APPLIED AS FOLLOWS:				
To pay employees:				
Salaries, wages and other benefits	824,964	2	799,937	10
To pay Government:				
Income and education taxes	1,801,017	5	892,657	12
To pay providers of capital:				
Interest expense	684,655	2	707,800	9
To provide for replacement of assets, payment of dividend and future expansion:				
- Depreciation of fixed assets	1,246,068	4	1,107,086	14
- Amortisation of intangible assets	16,737	-	11,611	-
- Dividend	-		1,000,000	13
- Deferred tax	7,702,280	23	835,228	11
- Profit and loss account	<u>21,764,189</u>	<u>64</u>	<u>2,336,518</u>	<u>30</u>
	<u>34,039,910</u>	<u>100</u>	<u>7,690,837</u>	<u>100</u>

Value added represents the additional wealth which the Group and Company have been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, government, providers of capital and that retained for the future creation of more wealth.

Notes to the Financial Statements

For The year Ended December 31st, 2016

Other national disclosures Five-year financial summary

STATEMENT OF FINANCIAL POSITION

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'001
		(restated)	(restated)	(not restated)	(not restated)
ASSETS/(LIABILITIES)					
Intangible assets	192,566	183,581	147,933	303,296	169,024
Biological assets	44,920,219	29,291,216	28,297,091	26,944,026	16,839,424
Property, plant and equipment	22,444,657	19,990,011	16,993,295	10,686,754	8,534,791
Other non-current assets	110	110	110	110	110
Net Current assets	9,996,734	(412,982)	(139,147)	876,162	(326,248)
Non-current liabilities	(25,435,282)	(17,697,123)	(15,453,788)	(14,847,814)	(8,129,003)
Total	52,119,004	31,354,813	29,845,494	23,962,534	17,088,098
CAPITAL EMPLOYED					
Equity	500,000	500,000	500,000	500,000	500,000
Share premium	1,173,528	1,173,528	1,173,528	1,173,528	1,173,528
Revenue Reserves	50,358,028	29,622,561	28,128,966	22,248,384	15,414,570
Other Reserves	87,448	58,724	43,000	40,622	0
Shareholders' funds	52,119,004	31,354,813	29,845,494	23,962,534	17,088,098

STATEMENT OF COMPREHENSIVE INCOME

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'001
		(restated)	(not restated)	(not restated)	(not restated)
Revenue	15,716,198	10,448,353	9,137,704	8,485,143	11,251,521
Profit before taxation	31,226,452	4,214,741	7,900,779	2,333,970	3,875,622
Other comprehensive profit	41,034	22,463	3,397	-	-
Taxation	(9,503,297)	(1,727,885)	(1,526,220)	(996,768)	(387,553)
Profit after taxation	21,764,189	2,509,319	6,377,956	1,337,202	3,488,069
Declared Dividend	-	1,000,000	1,000,000	100,000	1,000,000
Per Share data (Kobo)					
Basic and diluted earnings per share	2,176	251	638	134	349
Net assets	52	31	29	24	17

Note

Earnings per share are based on profit after tax and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

This report is not prepared under IFRS. Instead it has been prepared in compliance with the Nigerian Companies and Allied Matters Act of Nigeria, CAP C20 LFN 2004.



Notes to the Financial Statements

For The year Ended December 31st, 2016

Share Capital History

Year	Year	Values (Naira)	Fully paid Number of Shares	Values (Naira)	Description
1991	50,000,000	50,000,000	50,000,000	50,000,000	Cash
1992	50,000,000	50,000,000	50,000,000	50,000,000	
1993	50,000,000	50,000,000	50,000,000	50,000,000	
1994	100,000,000	100,000,000	100,000,000	100,000,000	Cash
1995	100,000,000	100,000,000	100,000,000	100,000,000	
1996	130,000,000	130,000,000	100,000,000	100,000,000	
1997	130,000,000	130,000,000	100,000,000	100,000,000	
1998	130,000,000	130,000,000	130,000,000	130,000,000	Conversion of debt to equity
1999	260,000,000	130,000,000	260,000,000	130,000,000	Conversion of share NI 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 I: I
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	0

PROXY FORM
24th Annual General Meeting

I/We*.....
the undersigned, being a member/s of Presco Plc, RC 17370, 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 19, 2017 and at any adjournment thereof. Unless otherwise instructed, the proxy will Vote or abstain from voting as he/she thinks fit.
Dated thisday of2017
Signature

I/We desire this proxy to be used in favor of or against the Resolution as indicated alongside. Strike out whichever is not desired.

Ordinary Resolution	For	Against
1. To declare a dividend		
2. To re - elect Mr. Osa Osunde as a director		
3. To elect Dr. ir. Daniel Van Wassenhove as a director		
4. To elect Mr. Kenneth Crockett as a director		
5. To re-appoint Akintola Williams Deloitte as Independent Auditors		
6. To authorize Directors to fix the remuneration of the Independent Auditors, Akintola Williams Deloitte		
7. To elect members of the Audit Committee		
Name of Candidate-----		
Name of Candidate-----		
Name of Candidate-----		

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, Nigeria 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

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

Shareholders' Right to Ask questions

Shareholders reserve the right to ask questions at the Annual General Meeting. Shareholders may also submit their questions prior to the meeting in writing to the company, in line with Rule 19. 12(c) of the listing rules of Nigerian Stock Exchange. Such questions should be addressed to the Company Secretary and reach the Company at its Registered Office or by electronic mail at info.presco@siat-group.com not later than 7 days prior to the date of the meeting.
General Meeting

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 (24TH ANNUAL GENERAL MEETING) HELD AT DURA CLUB, OBARETIN ESTATE, KM 22, BENIN SAPELE ROAD, IKPOBNOKHA LGA, EDO STATE, ON WEDNESDAY JULY 19TH 2017 AT 12.00 NOON

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

ADMISSION CARD

PRESCO PLC RC 174370

Number of shares held..... Signature..... Please admit the shareholder named in this form or his/her duly appointed proxy to the company's 24th 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 19th, 2017 at 12.00 noon

Name of Shareholder*Signature.....

Name of Proxy**Signature.....

A member (Shareholder) of the company, entitled to attend and vote is entitled to appoint a proxy to attend and vote for him/her. A proxy need not be a member. The proxy form has been prepared to enable you to exercise your right to vote.

IMPORTANT

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



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





Presco

PRESKO PLC

SHAREHOLDERS DATA UPDATE

This is to inform shareholders of PRESKO PLC in our stable to update their personal details such as:

Surname:.....

First Name:..... Other Names:.....

E-mail Address:.....

Primary GSM Number:..... Alternative GSM Number:.....

Clearing House Number (CHN)..... Bank Verification Number (BVN).....

Preferred Stockbroker's Name.....

Date of Birth.....

Old Address.....

New Address (to be used for address update).....

.....

Next of Kin..... Next of Kin Phone Number.....

I/We hereby authorise PRESKO Plc to update my/our shareholding accounts with the above information

.....
Individual Shareholder Signature

.....
Joint Shareholder Signature

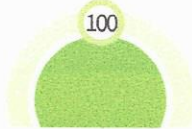
.....
Corporate Shareholder

.....
Company Seal

Kindly download the update form from our website
<http://www.XXX.com>




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



**Affix
Current
Passport**
(To be stamped by Bankers)
Write your name at the back of
your passport photograph

E-DIVIDEND

E-DIVIDEND ACTIVATION FORM



Instruction Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
First Registrars & Investor Services Ltd.
2, Abebe Village Road, Iganmu
P.M.B. 12692 Lagos, Nigeria.

I/We hereby request that henceforth, all my/our dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick)

Shareholder Account information

Surname	First Name	Other Names
<input style="width: 100%; height: 20px;" type="text"/>		

Address:

City	State	Country
<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>

Previous Address (if any)

CHN (if any) **Email Address**

Mobile Telephone 1 **Mobile Telephone 2**

Signature(s)

Authorised Signature of Banker

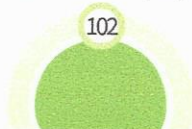
Joint/Company's Signatories

Authorised Stamp of Banker

Company's Seal

First Registrars & Investor Services Limited
...processing for you over dividend
www.firstregistrarsinvestorservices.com | Email: info@firstregistrarsinvestorservices.com

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





Dear Shareholder,

Introducing the E-Dividend mandate Management System (E-D MMS)

We are pleased to inform you that dividends on your shareholdings can now be paid directly into your preferred Bank Account.

This is made possible with the **e-Dividend Mandate Platform** that allows you to **register/validate** your e-dividend mandate at any Branch of a Bank nearest to you nationwide or First Registrars offices.

The platform also provides you a quick and convenient way to enjoy the benefits of the direct cash settlement (DCS) from your Registrar, whilst minimizing the incidents of unclaimed dividends.

To register and be mandated for your e-dividend **free of charge within 150 days spanning April 14, 2016 to September 13, 2016**, please visit any of the First Registrars office listed below or a Bank branch nearest to you.

it is easy and it is a one-off exercise!!!

First Registrars & Investor Services Ltd.
Plot 2, Abebe Village Road,
Iganmu,
Lagos
Tel: **23412799880, +23412701078**
Email: **info@firstregistrarsnigeria.com**

Abuja
First Bank Nigeria Limited
Jos Street Branch
Plot 451, Opposite Sharon hotel
Area 3, Garki, Abuja
Tel: **+234 802 315 4938**

Enugu
First Bank of Nigeria Limited (Main Branch)
21, Okpara Avenue
Enugu
Enugu State
Tel: **+234 805 459 0483**

Ibadan
First Bank Nigeria Limited (2nd Floor)
48, Molete/Challenge Road
Opposite Texaco,

Ibadan, Oyo State
Tel: **+234 802 571 4780**

Kaduna
First Bank of Nigeria Limited (Area Office)
14, Bank Road, Kaduna
Kaduna State
Tel: **+234 802 396 4430**

Port Harcourt
First Bank of Nigeria Limited (2nd Floor)
22/24, Aba Road
Port Harcourt
Rivers State
Tel: **+234 80556 56430**

Thank you.