



**Presco**

RC 174370

# **PRESCO PLC**

Producers Of Speciality Fats And Oil

## **ANNUAL REPORT AND ACCOUNTS 2023**

[www.presco-plc.com](http://www.presco-plc.com)





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## Company Profile

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

**Brief History:** sa Siat nv, a Belgium company, became involved in Presco in 1991 at which time 2,700 hectares were planted at Obaretin Estate, a palm plantation formally owned by the old Bendel State Government. Under the management of Siat, Presco acquired more land which include: 2,800 hectares of Cowan Estate at Ajagbodudu from Delta State Government; a total of 6,500 hectares at Obaretin Estate, Ologbo Estate of 13,100 hectares from Edo state government and other parties and the newly acquired 17,600 hectares in Orhionmwon LGA from Edo State Government to be planted with oil palm and rubber. With a total land bank of about 40,000 hectares in its holdings, Presco Plc is making giant strides in the Agro-business sphere in Nigeria.

**Our Products:** We supply specialty fats and oils of outstanding quality to customer's specification and guarantee reliable supply of these products all year round due to the fully integrated nature of our operations. Our products include Palm Fatty Acid Distillate (PFAD), Crude Palm Kernel Oil (CPKO), Stearin, Olein, Refined Bleached Deodorized Oil (RBDO), Special Palm Oil (SPO) among others.

In a bid to make its products available for household use, a Jerry can plant for bottling of palm oil and vegetable oil in small jerry cans of 25litres and 5litres has been fully installed.

**Employment:** Presco is one of the largest employers of labour in Edo and Delta states, with a total of about 8,000 employees. Indirectly, Presco's operations positively impact on the livelihoods of many more people through transport and/or construction contracts, Fresh Fruit Bunches (FFB) and Kernel purchase from out grower farmers, as well as by the company being a large consumer of goods and services.

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

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

**Future Investments and Expansion:** By increasing the planted area and improving yield per unit area using modern planting materials, total production will increase. Presco plans to plant and replant a total of 10,000 hectares over the next five years at its Ologbo, Sakponba and Obaretin Estates. Presco also plans to plant 5,000 hectares of rubber within the newly acquired 17,600 hectares.

**Awards and Recognition:** Presco has won many awards including the Nigerian Stock Exchange (NSE) Annual President's Merit Award 2007; Manufacturers Association of Nigeria (MAN) Chairman's Award for Community Development





Excellence among companies in Edo and Delta States of Nigeria, 2008; Nigerian Union of Journalist (NUJ), Edo State Chapter Award for remarkable contribution to the development of agriculture and for good Corporate Social Responsibility (CSR) programmes, 2010; Institute for Government Research & Leadership Technology's Best Oil Palm Development & Extraction Company Award, 2012. Others include The Achievers in Agriculture Award (2015), Pearl Awards for Sectoral leadership in Agriculture (2015) Award for highest Dividend Growth, NAA (Nigeria Agric Awards) Winner of Corporate Social Responsibility Award (2017), NAA (Nigeria Agriculture Awards) Achiever in Agriculture Awards, Pearl Most Outstanding CEO of the Year Award, Pearl Award of Sectorial Leadership in Agriculture (2018), ICAN Merit Award, 2021, Pearl 2022 Sectoral Leadership Award for Excellence in the Agriculture Sector of the Nigerian Stock Market, Proactive Shareholders' Association of Nigeria (PROSAN) Merit Award as Corporate Transformational Agent Award Company of the Year, 2023 etc.

For more information on Presco Plc, please visit [www.presco-plc.com](http://www.presco-plc.com)  
Tel: 08034134444; 07035622750; 07034141113



Notice of Annual General Meeting

Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023



# PRESKO PLC

RC 174370

## NOTICE OF THE 31ST ANNUAL GENERAL MEETING OF PRESKO PLC

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting of the members of Presco PLC ('the Company') will be held at The Jewel Aida Event Centre, Plot 105B Hakeem Dickson Link Road, Lekki Phase 1, Lagos, Nigeria on Thursday, 6 June, 2024, at 12:00 noon to transact the following:

### A. Ordinary Business/Ordinary Resolutions

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2023, together with the Reports of the Directors, Independent Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect the following Directors who are retiring by rotation and being eligible have offered themselves for re-election:
  - a. Chief (Engr.) James B. Erhuero JP Mni OON (Non-Executive Director) notwithstanding that he is over 70 years (Special Notice)
  - b. Mrs. Ingrid Gabrielle Vandewiele (Non-Executive Director)
4. To elect the following Directors who were appointed after the last annual general meeting to fill casual vacancies on the Board and being eligible have offered themselves for election:
  - a. Mr. Olakanmi Rasheed Sarumi, Chairman, (Non-Executive Director)
  - b. Mrs. Grace Titilayo Osuntoki (Independent Non-Executive Director)
  - c. Mr. Abdul Akhor Bello (Non-executive Director)The profiles of the above-named Directors can be found on the company's website: [www.presco-plc.com](http://www.presco-plc.com)
5. To disclose the remuneration of managers of the Company
6. To re-appoint Deloitte & Touche (Chartered Accountants) as Independent Auditors of Presco PLC
7. To authorize the Directors to fix the remuneration of the Independent Auditors
8. To elect members of the Statutory Audit Committee

### B. Special Business

9. To approve the Non-Executive Directors' remuneration for the Year Ended 31 December, 2023

To consider, and if thought fit pass the following special resolutions:

10. That in compliance with the Rule of the Nigerian Exchange Limited governing transactions with Related Parties or Interested Persons, the Company, and its related entities be and are hereby granted a General Mandate in respect of all recurrent transactions entered with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations and are based on normal commercial terms.

### Amendment of Articles of Association

11. That pursuant to Part 1, Section 11 of the Schedule to the Business Facilitation (Miscellaneous Provisions) Act 2022, the Company's Articles of Association be amended by the insertion of the following new Article 28 to provide as follows:
  - (a) "The Company shall in each calendar year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Any other general meetings held within the year shall be called "Extraordinary General Meetings". The General Meetings



of the Company, as determined by the Directors, may be held physically, virtually, a hybrid and/or such other electronic means that shall give all shareholders the opportunity to participate in the meeting. Any member participating via electronic means shall be deemed to be present in person at such meeting for the purposes of a quorum and shall be entitled to vote at such meeting via any electronic/virtual channel as provided by the company. General Meetings if determined to be held physically, shall be held within Nigeria."

(b) A new Article 29 be inserted as follows: "An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a Special Resolution shall be called by twenty-one days' notice in writing at the least. The Notice, which shall be given to Members by post, e-mail, publication via national newspapers, on the Company's website or other electronic format, shall be exclusive of the day on which it is published, served, or deemed to be served and of the day for which it is given and shall specify the place or manner, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, pursuant to the Companies and Allied Matters Act 2020, entitled to receive such notices from the Company PROVIDED that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed"

A new Article 29(b) "A notice may be given by the Company to any member either personally or by sending it by post or courier to him or to his registered address, or by email or any other electronic means to his contact details in the Register of Members or (if he has no registered address within Nigeria) to the address, if any, within Nigeria supplied by him to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post."

(c) Amending Article 8 of the Articles of Association by inserting a new Article 8(5) to provide as follows: "Subject to the provisions of these Articles, a meeting of the Directors shall be called by not less than fourteen days' notice (exclusive of the day on which it is served or deemed to be served and of the day for which it is given) to all Directors and Alternate Directors entitled to receive the same, every such notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted; Provided that any meeting may be convened on such shorter notice and in such manner as each Director or his Alternate Director may approve."

(d) Amending Article 21 in the Company's Articles of Association by creating and inserting a subsection "C" and subsection "D" to include the following provision: "The Directors may from time to time appoint one or more of their body to the office of Managing Director, Deputy Managing Director, Chief Operating Officer, Chief Executive Officer or other Executive Director position for such period and on such terms as they think fit, and may also continue in office any person appointed thereto before the adoption of these Articles. A Director or Executive so appointed, so long as he shall hold such office, shall not be subject to retirement nor taken into account in determining the number of Directors who are to retire by rotation at any Annual General Meeting, but his tenure of office shall (subject to the term of any contract between him and the Company), be determined ipso facto if he ceases for any cause to be a Director or if the Directors resolve that his term of office as Managing Director, Deputy Managing Director or such other Executive Director be determined."

(e) That Article 83 in the Company's Articles of Association be and is amended by creating and inserting a subsection "B" to include the following provision "The Directors may entrust, delegate and confer upon a Managing Director, Deputy Managing Director, and any other Executive Director any of the powers exercisable by them; to deal with the shares or stocks of the Company or to borrow except in the ordinary course of business (or fix the remuneration of the Managing Director, the Deputy Managing Director or any other Executive Director) upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers."

And that Articles of Association be renumbered seriatim from 28 to 89 both numbers inclusive."





*Notice of Annual General Meeting  
Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

- To consider and if thought fit to pass the following as ordinary resolutions.
12. That the Board of Directors is duly authorised to invest in and acquire directly or through its subsidiary all or majority of the shares or assets of a company or companies in the same line of business with Presco Plc as determined by the Board of Director pursuant to the Business Expansion Programme
  13. That the Company be and is hereby authorised to raise additional capital through Debt Finance or Equity raising or a combination of both and by the issue of debt instruments in such tranches, series, or proportions and at such periods or dates, coupon or interest rates and such other terms and conditions as may be determined by the Board of Directors subject to obtaining the approvals of the relevant regulatory authorities.
  14. That the Directors be and are hereby authorised to do all such acts and deeds as well as take all such steps (including but not limited to executing or authorising the execution of all relevant agreements and documents, appointing professional advisers and other parties and complying with directives of any regulatory authority) which may be incidental, ancillary, supplemental, consequential or otherwise necessary to give full effect to the above resolutions and for the aforesaid purpose, on behalf of the Company.

#### Proxy

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the Company. A proxy form can be found on the company's website at [www.presco-plc.com](http://www.presco-plc.com). Duly completed and stamped instruments of proxy should be emailed to [info@firstregistrarsnigeria.com](mailto:info@firstregistrarsnigeria.com) or deposited at the office of the Registrar, First Registrars and Investor Services Limited, Plot 2, Abebe Village Road, P.M.B 12692 Marina, Lagos, not later than 48 hours before the time of the meeting.

#### Dividend Qualification Date

Members whose names appear in the Register of Members at the close of business on Tuesday, May 14, 2024, shall qualify for the dividend payment.

#### Closure of Register and Transfer Books

In accordance with Section 114 of the Companies and Allied Matters Act, 2020 (CAMA 2020), Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Wednesday 15 May, 2024, to Friday 17 May, 2024, (both days inclusive) to enable the Registrar to prepare for the payment of the final dividend.

#### Payment of Dividend

If the proposed final dividend of N24.30 per 50 Kobo Ordinary Share is approved at the meeting, the dividend will be paid on Thursday 6 June, 2024, to shareholders whose names appear on the register of members at the close of business on Tuesday 14 May, 2024.

#### E-Annual Report

The electronic version of the audited financial statements of the company for the year ended December 31, 2023, is available at [www.firstregistrarsnigeria.com](http://www.firstregistrarsnigeria.com). Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the audited financial statements of the company for the year ended 31 December, 2023, via email. Furthermore, shareholders who are interested in receiving the electronic version of the audited financial statements of the company for year ended 31 December, 2023, are kindly required to request for it via email to [info@firstregistrarsnigeria.com](mailto:info@firstregistrarsnigeria.com)

#### E-Dividend

Notice is hereby given to all Shareholders who are yet to mandate their dividends to their bank accounts to kindly update their records by completing the e-dividend mandate form and submitting same to the Registrar, as the dividend will be credited electronically to shareholders' accounts pursuant to the directive of the Securities and Exchange Commission.

A detachable application Mandate form for e-dividend payment can be found in the company's website and the website of the Registrars, First Registrars and Investor Services Limited for completion by all Shareholders to furnish the particulars of their accounts to the Registrars (First Registrars & Investor Services Ltd, Plot 2, Abebe Village Road, Iganmu, Lagos).

#### Nomination for Statutory Audit Committee

In accordance with section 404 (6) of the Companies and Allied Matters Act, 2020 (CAMA 2020), any member may nominate a Shareholder as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary (together with a short biodata of the nominee), at least 21 days before the Annual General Meeting. A list of the prospective



candidates shall be posted on the Company's website before the date of the meeting.

#### Rights of Securities Holders to Ask Questions

Pursuant to Rule 19.12 (c) of the Nigerian Exchange Limited Rulebook 2015, as amended, every shareholder has the right to ask questions, not only at the Annual General Meeting but may also submit written questions to the Company prior to the meeting. Such questions should be sent by electronic mail to: [info@firstregistrarsnigeria.com](mailto:info@firstregistrarsnigeria.com) or addressed to the Company Secretary and delivered to the Company not less than 7 days to the date of the meeting.

#### Website

A copy of this Notice and other information relating to the meeting (with a link for all Shareholders to join the meeting on the 6th of June 2024) can be found at [www.presco-plc.com](http://www.presco-plc.com)

#### Notes

The notice of the 31st annual general meeting of the company together with the financial statements for the year ended 31 December, 2023, has been published in the company's website: [www.presco-plc.com](http://www.presco-plc.com)

By Order of the Board

**Patrick Uwadia, Esq.**

Company Secretary

Dated this 30<sup>th</sup> day of April 2024.

FRC/2013/ICSAN/00000004864



#### PRESKO PLC NIGERIA – HEAD OFFICE

Sapele Road, Km 22 Benin City

M +234 8035060244, +2348026753049

email. Address: [patrick.uwadia@siat-group.com](mailto:patrick.uwadia@siat-group.com)

[www.siat-group.com](http://www.siat-group.com)

[www.presco-plc.com](http://www.presco-plc.com)



## Financial Highlights

Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023

# PRESCO PLC

## FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER, 2023

	Group		Company	
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
<b>Statement of Comprehensive Income</b>				
Revenue	102,419,187	81,029,846	84,998,472	69,368,480
Gross Profit	65,032,020	49,972,836	53,883,562	41,483,263
Operating Profit	59,139,097	28,269,752	55,151,578	24,772,764
Interest Expenses	9,180,737	8,491,775	5,856,510	5,196,705
Profit before taxation	50,006,525	19,814,841	49,558,298	19,612,923
Profit After taxation	32,861,334	13,032,424	32,413,107	12,867,381
EBITDA	63,340,051	32,459,813	58,198,046	27,837,205
Gross Margin %	63%	62%	63%	60%
Operating Profit %	58%	35%	65%	36%
Profit before tax %	49%	24%	58%	28%
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
<b>Statement of Financial Position</b>				
Total Assets	170,318,145	132,369,448	157,340,222	120,413,917
Total Liabilities	113,155,092	98,208,883	82,036,098	68,205,282
Equity	57,163,053	34,160,565	75,304,124	52,208,636
Current Assets	68,530,001	35,707,860	69,407,705	36,061,785
Current Liabilities	35,949,623	28,790,942	23,977,466	17,394,493
Retained Earnings	56,501,292	32,430,726	74,238,397	50,616,060
Return On Equity	57%	38%	43%	25%
Return on Total Assets	35%	21%	35%	21%
Current Ratio	1.91	1.24	2.89	2.07
Debt/Equity Ratio	1.98	2.87	1.09	1.31
Equity/Total Assets	34%	26%	48%	43%
Debt/Total Assets	66%	74%	52%	57%
Earning Per Share	3,286	1,303	3,241	1,287
Interest Cover	6.44	3.33	9.42	4.77





## Corporate Information

### Directors

#### The Directors Who Held Office during the Year and to the Date of this Report are:

Mr. Jean Henri Van Gysel	Chairman (Resigned on 16 April 2024)
Mr. Olakanmi Rasheed Sarumi	Chairman (Appointed on 16 April 2024)
Mr. Dirk Arthur G. Lambrecht	Non-Executive Director (Resigned on 5 October, 2023)
Mr. Felix O. Nwabuko FCA	Managing Director
Chief (Engr.) James B. Erhuero, JP, mni, OON	Non-Executive Director
Mr. Osa Osunde FCS, FCTI, F.IoD	Independent Non-Executive Director
Chief (Dr.) Bassey E. O. Edem, FCA, MFR	Independent Non-Executive Director
HRH Prince Aiguobasimwin O. Akenzua	Independent Non-Executive Director
Amb. Nonye Udo	Independent Non-Executive Director
Mrs. Ingrid Gabrielle Vandewiele	Non-Executive Director
Mr. Jan Johanna Lucien Van Eykeren	Non-Executive Director
Mr. Sam Sabbe	Non-Executive Director (Resigned on 16 April 2024)
Mr. Mano Demeure	Non-Executive Director (Appointed on 5 October 2023 & resigned on 16 April 2024)
Mrs. Grace Titilayo Osuntoki	Independent Non-Executive Director (Appointed on 16 April 2024)
Mr. Abdul Akhor Bello	Non-Executive Director (Appointed on 16 April 2024)

### Group Registration Number

RC 174370

### Corporate Office

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

### Company Secretary

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

### Independent Auditor

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

### Bankers

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



## Chairman's Statement



**Mr. Olakanmi Rasheed Sarumi**  
Chairman

Dear esteemed Shareholders, Fellow Directors, Representatives of Regulatory Bodies, Ladies and Gentlemen.

It is a pleasure and honour for me to host this 31<sup>st</sup> Annual General Meeting of our Company, Presco Plc, and meet with our shareholders and other stakeholders. I welcome you and present the Annual Report and Financial Statements for the Financial year ended 31 December, 2023.

### The Nigerian Economy and Business Environment

The operating environment in 2023 proved to be exceptionally challenging and demanding. The continuing economic difficulties within Nigeria exacerbated existing hurdles to productivity and growth. This was particularly intensified by two significant policy changes - the removal of fuel subsidies and the unification of exchange rates. Consequently, we witnessed fuel shortages, increase in pump price of petroleum products, a substantial devaluation of the Naira, and a surge in

inflation.

Nigeria's economic performance recorded significant shifts in 2023, as reported by the National Bureau for Statistics (NBS). The annual Gross Domestic Product (GDP) growth rate, which stood at 2.74%, marked a notable decline from the previous year's 3.10%. This decrease represents the slowest growth rate since 2020, when the economy contracted by 1.92% due to the pandemic's impact.

The Inflation rate at the end of 2023 was 28.92%; this had further surged to 33.69% at the end of April 2024. Consequently, operating expenses rose considerably. Furthermore, significant devaluation of the Naira against major currencies led to expanded working capital requirements in a year of rising interest rates

The GDP of the Agricultural sector was 1.13% in 2023, down from 1.88% in 2022. Similarly, the Manufacturing and Non-oil sectors experienced downturns, with growth rates of 1.4% and 3.04% in 2023, respectively, compared to 2.45% and 4.84% in 2022.

### Financial and Operating Results

Despite these challenges, I am pleased to report that Presco Plc demonstrated remarkable resilience and growth in 2023. We increased the oil palm hectareage planted in pursuit of our operations expansion strategy. The Company's Revenue grew by an impressive 26.4%, from N81.03billion in 2022 to N102.42 billion in 2023, while Gross Profit grew by 30.13% to N65.03 billion. Crude and refined products of 105,000 tons were sold during the year under review (2022: 91,400 tons).

Profit Before Tax witnessed a remarkable uptick of 152%, amounting to N50.01 billion from N19.81billion recorded in the previous year and Profit After Tax reached N32.86 billion, marking a significant increase of 152% from the previous year.

These achievements underscore our commitment to operational excellence and value creation. Furthermore, our strategic pursuit of operational expansion and emphasis on environmental, social, and governance initiatives remained unwavering, reaffirming our dedication to sustainable growth.

### Dividend

Pursuant to the provisions of Section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, the Board of Directors recommends a final dividend of N24.30 per 50 Kobo share, which amounts to N24,300,000,000 (Twenty-four Billion Three Hundred Million Naira only) for shareholders' approval at this Annual General Meeting subject to withholding tax at the appropriate rate and payable on Thursday 6 June 2024 to shareholders registered on the Register of Members as at



the close of business on Tuesday 14 May 2024. Together with the interim dividend of 200 kobo per 50 Kobo share, which amounted to N2,000,000,000 (Two Billion Naira only), the total dividend for the year ended 31 December 2023 amounts to N26.30 per share amounting to N26,300,000,000 (Twenty-six Billion Three Hundred Million Naira only).

### Corporate Governance

The Board is firmly committed to maintaining the highest standards of corporate governance in line with best practice. During the year, Grant Thornton Consultants, an international corporate consultant, repeated the annual Board Assessment and reviewed the Company's corporate governance policies and procedures to monitor compliance. Their report forms part of the annual report and accounts as required by the Securities and Exchange Commission (SEC) Code and the 2018 National Code of Corporate Governance Practice. 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.

### Future Outlook

The outlook in the near-term points to a continuing challenging business environment. Presco is however, committed to leveraging the abundant business opportunities present within Nigeria and the ECOWAS sub-region to realise our strategic growth ambitions for the benefit of all stakeholders.

### Appreciation

I would like to thank Jan Van Gysel, Sam Sabbe and Mano Demeure for their invaluable contributions to our Company during their tenure on the Board.

I extend my gratitude to you, our shareholders for your support. On behalf of the Board, I thank the Presco team for its commitment and dedication throughout the year. Finally, I thank you, my colleagues on the Board. Together, we will continue to strive for operational excellence, pursue substantial growth and uphold the highest standards of corporate governance.

I thank you all for attending this meeting and I wish you pleasant homeward journeys.

**Mr. Olakanmi Rasheed Sarumi**  
Chairman





## Board of Directors

Mr. Rasheed Sarumi	Chairman, Non-Executive Director - Appointed 16 April, 2024
Mr. Felix O. Nwabuko	Managing Director
Chief James B. Erhuero JP mni, OON	Non-Executive Director
Mr. Osa Osunde	Ind. Non-Executive Director
Chief (Dr.) Bassey E.O. Edem, MFR	Ind. Non-Executive Director
HRH Prince Aiguobasimwin O. Akenzua	Ind. Non-Executive Director
Amb. Nonye Udo	Ind. Non-Executive Director
Mrs. Ingrid Vandewiele (Belgian)	Non-Executive Director
Mr. Jan Van Eykeren (Dutch)	Non-Executive Director
Mrs. Grace Titilayo Osuntoki	Independent Non-Executive Director - Appointed 16 April, 2024
Mr. Abdul Akhor Bello	Non-Executive Director - Appointed 16 April, 2024

## Brief Profiles of Directors

### Mr. Rasheed Sarumi

Mr. Rasheed Sarumi is the Founder/Managing Director of SaroAfrica Limited, an Agro-industrial and Consumer Goods Group with various subsidiaries. He is the Chairman of the Board of Trustees of the Large-scale Cassava and Derivatives Processors in Nigeria, Chairman of Oil Palm Investors Group, Edo State, and a Member of the Presidential Economic Coordination Council amongst others. Rasheed is a Co-founder of the Youth Advocacy for Social Change foundation.

### Felix Onwuchekwa Nwabuko

Mr. Felix Onwuchekwa Nwabuko is a Chartered Accountant and award-winning business leader with multi sector experience in agriculture, manufacturing, consultancy and education sectors. He has special interest in strategy, corporate governance, and leadership. A Fellow of Institute of Chartered Accountants of Nigeria, Associate of Chartered Institute of Taxation Nigeria, Alumni of Manchester Business School, United Kingdom (MBA 2008) and University of Benin, Nigeria (MBA 1991), and member of the Institute of Directors in the United Kingdom.

Career experience of ten years of professional practice at KPMG, twenty-six years' expert management of large-scale industrial oil palm plantations 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. Currently Managing Director of SIAT Group of Belgium; as Managing Director of Presco Plc and Siat Nigeria Limited. Previous roles include Ag. Managing Director, Ghana Oil Palm Development Company Limited (GOPDC), Chief Financial Officer, GOPDC, Finance Manager at University College London, Director Finance & Corporate Affairs, Presco Plc and Finance Controller, Okomu Oil Palm Plc. Professional recognitions include "Pearl Outstanding CEO of The Year Award", "Nigeria Agriculture Award Achiever in Agriculture Award", and the prestigious "ICAN Merit Award" by the Institute of Chartered Accountants of Nigeria awarded to Presco Plc under my leadership as Managing Director/CEO.



### **Ingrid Vandewiele**

Mrs. Ingrid Vandewiele was appointed as non-executive director (NED) of Presco PLC on May 22, 2020. For 16 years, she worked in Financial Management with the Siat Group, Belgium. She has contributed to more consistent and drill down accounting by standardization and automatization. Her core skills include commercial finance in international environment, cash management, operational efficiency and analyst. Prior to her appointment as non-executive director of Presco Plc, she acquired professional experience in (1), SIAT N.V., a Belgium agro- industrial company, operational in West Africa, China, USA and Cambodia in the oil palm, rubber and ornamental sector as Group Chief Financial Officer; (2) IMPERBEL N.V., Belgium; producer of bituminous, water proofing products mainly for flat roofs; such as membranes ("DERBIGUM") and cold adhesives as an Assistant - Cost controller as CEO Assistant - Cost Controller; (3) SKF International S.A., Brussels - Headquarters of Middle East and Africa area as Credit Controller, Overall Accountant Finance Department, and as Assistant Logistics Manager. Her education includes High School at Tend Doorinstituut in Eeklo - majoring in Classic language (Latin) and Mathematics; Masters in Sovonic Philology Rijksuniversiteit Gent - Belgium (1988) and Post University Diploma in Business Management VUB (1990) - Belgium.

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

Chief (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 BSc degree in Mechanical Engineering and an MBA from University of Benin. He also holds a certificate in Industrial Projects' Appraisal from the University of Bradford, UK. James is a member of the Nigeria Institute of Policy Strategic Studies, Kuru, Jos, fellow of the Nigeria Institute of Management, and once a member of the Governing Council of the Institute from 2009 - 2013. He is a Knight of St. Mulumba (KSM).

### **HRH Prince Aiguobasimwin Ogie Akenzua**

HRH Prince Aiguobasimwin Ogie Akenzua was appointed a Director of Presco Plc on April 16th, 2015. He holds a BSc in Computer Science and Information Technology (2005), Igbinedion University, Okada and MPA, University of Benin, Benin City. He is Enogie of Siluko. He served as Special Adviser to the Executive Governor of Edo State on Youth and Special Interests from 2008 - 2012 and Special Adviser to the Executive Chairman of Ovia Southwest Local Government Area from 2007 to 2008.

### **Chief (Dr) Bassey Edem Orok Edem MFR**

Chief Bassey Edem Orok Edem is an Administrator, Chartered Accountant and an Agri-Business magnate. He holds a Diploma in Accountancy from Yaba College of Technology, a Bachelor of Science (B.Sc.) in Accounting from University of Lagos, a Master of Business Administration (MBA) from 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 where he was promoted Managing Director/Chief Executive Officer 1982 and appointed Vice Chairman, MD/CEO. He voluntarily retired in 2006. He was also an Executive Director of Dunlop Nigeria PLC (the parent company of Pamol Nigeria Limited). Chief Edem won the Unilever International Managing Director of the year award in 1988. He is a fellow of Chartered Association of Certified Accountants UK; Fellow of the Institute of Chartered Secretaries and Administrators UK, Fellow of the Institute of Chartered Accountants of Nigeria and Alumnus of the Lagos Business School (CEP. 1994) and the past President of NACCIMA. He was appointed as a director of Presco PLC on December 6, 2013.



### Amb. Nonye Udo

Ambassador Nonye Udo is an accomplished 'career diplomat who represented Nigeria admirably both at home and abroad. Her distinguished service to Nigeria in the Ministry of Foreign Affairs earned her the 2017 Presidential Civil Service Merit Award. At the United Nations Headquarters, she was a well-respected expert member of the United Nations revered Advisory Committee on Administrative and Budgetary Questions, the ACABQ. As a female officer in a mostly male dominated field of diplomacy, Ambassador Udo was very sensitive to women empowerment, gender mainstreaming and mentoring of the underprivileged. This was a continuation of her work on Sustainable Development Goals (SDGs) at the United Nations as well as Nigeria's expert to the Committee on Responsibility to Protect (R2P). As a further recognition of her expertise and dedication to service both to humanity in general and Nigeria in particular, she was nominated and served as the first Nigeria female Ambassador to the Kingdom of Belgium, Luxembourg and to the European Union Headquarters.

### Osa Osunde

Osa Osunde is an Accountancy graduate and alumnus of Auchu Polytechnic with vast experience in Capital Market Operations, Banking and Financial Services. Mr. Osunde belongs to several professional bodies amongst which are Fellow of The Chartered Institute of Taxation of Nigeria and Member of Nigeria Institute of Management. As part of his early working experience, he was Head of Stockbroking with Wintrust Limited, one of the early stockbroking firms in Nigeria based in Lagos 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 (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 Exchange Limited and was one time a member of Council of The Exchange. He sits on the boards of many quoted and private limited liability companies. Mr. Osunde is, currently the Executive Chairman of Fidelity Finance Company. He was appointed as a director of Presco PLC on May 7, 2003. He is widely travelled and happily married.

### Mr. Jan Van Eykeren

Mr. Jan Van Eykeren was appointed as non-executive director (NED) of Presco PLC on September 26th, 2022. He holds a Masters in Tropical and Subtropical Agriculture (Engineer), and an Executive Master in Interim Management. He has a very long experience as General Manager in managing international agricultural companies in Africa and Europe. He has been active in many countries in Africa in large scale palm oil & rubber plantations and processing for over eighteen (18) years. Earlier in Cameroon in livestock feed mill industry, poultry parent stock farms and hatchery and in Europe in fruit production, international fruit trade and fruit grower cooperatives. He worked for own companies and for third parties. Company experience include in board meetings, Finance (P&L and Balance Sheet), budget, and cost control; land developments; agricultural department, road, and bridge constructions; technical: factories, industrial and vehicle workshops; procurement and warehouse management; human resources management, health, safety and environment (HSE), hospitals, schools, residences, and worker housing. Company sizes in value are ranging up to € 300 million and more.

### Mrs. Grace Titilayo Osuntoki

Titi is the Chief Executive Officer of GTO Professional Services Limited. She also holds the position of Chairman at Saro Oil Palm Limited and serves as a Non- Executive Director on the boards of Access Bank Plc, Coronation Insurance Plc, Konga Online Nigeria Ltd and Richardson Oil & Gas Ltd among other board appointments. Before her current roles, she had a brilliant and meritorious career of nearly three (3) decades in banking. Titi held executive positions on the boards of GTBank plc and Access Bank plc at different points in her career.

### Mr. Abdul Akhor Bello

Mr. Abdul Akhor Bello is a Nigerian Chartered Accountant with extensive board service and leadership experience in various sectors of the economy. During his 30-year career with the UACN Group, Abdul held senior leadership positions such as Managing Director of CAP Plc, Managing Director of UPDC Plc, Group ED/Chief Financial Officer of UACN Plc and Group Chief Executive Officer of UAC of Nigeria Plc. Abdul is an Independent Non-Executive Director of Vitafoam Nigeria Plc and Chairman of Saro Lifecare Limited.





## Directors of Presco



**Mr. Rasheed Sarumi**  
Chairman



**Mr. Felix O. Nwabuko**  
Managing Director/CEO



**Mr. Osa Osunde**



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



**Chief (Dr.) Bassey E.O. Edem, MFR**



**Mrs. Ingrid Vandewiele**



**Mr. Jan J. Van Eykeren**



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



**Mr. Abdul Akhor Bello**



**Amb. Nonye Udo**



**Mrs. Grace T. Osuntoki**



## Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended 31 December, 2023, which disclose the state of affairs of the Group.

### 1. Principal Activities

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

### 2. Operating Result

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

Particulars	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	N'000	N'000	N'000	N'000
Revenue from operations	102,419,187	81,029,846	84,998,472	69,368,480
Gross profit	65,032,020	49,972,836	53,883,562	41,483,263
Profit for the year	32,861,334	13,032,424	32,413,107	12,867,381

### 3. Dividend

In respect of the current year, the Directors recommended for approval a final dividend of N24.3 per 50 kobo share to the shareholders for approval at the Annual General Meeting (AGM) subject to the deduction of withholding tax at the appropriate rate.

An Interim dividend of N2.00 per 50 kobo share was paid in the year under review.

The total dividend recommended by the Directors' is N26.30 kobo per 50 kobo share amounting to N26,300,000,000 (31 December, 2022 - N8,800,000,000), subject to the deduction of withholding tax at the appropriate rate.

### 4. Directors

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

Mr. Jean Henri Van Gysel	[Belgian]	Chairman – NED (Resigned on 16 April 2024)
Mr. Olakanmi Rasheed Sarumi	[Nigerian]	Chairman – NED (Appointed on 16 April 2024)
Mr. Dirk Arthur G. Lambrecht	[Belgian]	Non-Executive Director (Resigned on 5 October 2023)
Mr. Felix O. Nwabuko FCA	[Nigerian]	Managing Director
Chief (Engr.) James B. Erhuero, JP, mni, OON	[Nigerian]	Non-Executive Director
Mr. Osa Osunde FCS, FCTI, F.IoD	[Nigerian]	Independent Non-Executive Director
Chief (Dr.) Bassey E. O. Edem, FCA, MFR	[Nigerian]	Independent Non-Executive Director
HRH Prince Aiguobasimwin O. Akenzua	[Nigerian]	Independent Non-Executive Director
Amb. Nonye Udo	[Nigerian]	Independent Non-Executive Director
Mrs. Ingrid Gabrielle Vandewiele	[Belgian]	Non-Executive Director
Mr. Jan Johanna Lucien Van Eykeren	[Belgian]	Non-Executive Director
Mr. Sam Sabbe	[Belgian]	Non-Executive Director (Resigned on 16 April 2024)
Mr. Mano Demeure	[Belgian]	Non-Executive Director (Appointed on 5 October 2023 & resigned on 16 April 2024)
Mrs. Grace Titilayo Osuntoki	[Nigerian]	Independent Non-Executive Director (Appointed on 16 April 2024)
Mr. Abdul Akhor Bello	[Nigerian]	Non-Executive Director (Appointed on 16 April 2024)



## Report of the Directors (cont'd) Report of the Directors (cont'd)

In accordance with the company's articles of association, James B. Erhuero and Mrs. Ingrid Gabrielle Vandewiele retire by rotation at this annual general meeting; being eligible, they offered themselves for re-election.

### 5. Directors Interest in Shares

The interest of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act, 2020, and disclosed in accordance with the Listing Rules of the Nigerian Stock Exchange is as follows:

Name of Director	Units (Direct)	Units (Indirect)
Mr. Felix O. Nwabuko FCA	104,732	46,968
Mr. Osa Osunde FCS, FloD	1,000	-
Chief Engr. James B. Erhuero, mni, JP, OON	624,000	-
Chief Dr. Bassey Edem, FCA, MFR	50,000	-
Mr. Abdul Akhor Bello	90,000	-
<b>Total</b>	<b>869,732</b>	<b>46,968</b>

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

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

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

Rasheed Sarumi represents SIAT Sa which holds 60% of the shares of Presco

### 6. Shareholding Structure

Hereunder is the shareholding structure in accordance with NGX regulations.

Description	2023		2022	
	Units	Percentage	Units	Percentage
Issued Share Capital	1,000,000,000	100%	1,000,000,000	100%
<b>Substantial Shareholding (5% and above)</b>				
<b>Name of shareholders</b>				
SIAT SA (Ultimate Holding Company)	600,000,000	60%	600,000,000	60%
20450 ZPC/SIPML RSA Fund li-Main A/C	51,234,022	5.12%	72,544,666	7.25%
<b>Total Substantial Shareholdings</b>	<b>651,234,022</b>	<b>65.12%</b>	<b>672,544,666</b>	<b>67.25%</b>



## Report of the Directors (cont'd)

### 6. Shareholding Structure (cont'd)

#### Details of Directors Shareholding (direct and indirect) Excluding Directors Holding Substantial Interests.

	Indirect	Direct	Percentage	Indirect	Direct	Percentage
Mr. Jean Henri Van Gysel	-	-	-	-	-	-
Mr . Olakanmi Rasheed Sarumi	-	-	-	-	-	-
Mr. Dirk Arthur D. Lambertch	-	-	-	-	-	-
Chief (Enr) James B. Erhuero OON	-	624,000	0.0624%	-	624,000	0.0624%
Chief Dr. Bassey Edem FCA MFR	-	50,000	0.0050%	-	50,000	0.0050%
Mr. Osa Osunde	-	1,000	0.0001%	82,435	1,000	0.0083%
Mr. Felix O. Nwabuko FCA	46,968	104,732	0.0105%	47,052	250	0.0047%
HRH Prince Aiuobasinmwin Akenzua	-	-	-	-	-	-
Ambassador Nonye Udo	-	-	-	-	-	-
Mrs. Ingrid Gabrielle Vandawiele	-	-	-	-	-	-
Mr. Jan Johanna Lucien Van Eykeren	-	-	-	-	-	-
Mr. Sam Sabbe	-	-	-	-	-	-
Mrs. Grace Titilayo Osuntoki	-	-	-	-	-	-
Mr. Abdul Akhor Bello	-	90,000	0.0090%	-	-	-
Total Directors' Shareholding	46,968	869,732	0.09%	129,487	675,250	0.08%
Free float in Unit and Percentage		347,896,246	34.79%		326,780,084	32.6%
Free float in Value (NGN)		36,181,209,584			23,528,166,048	

Share price at the end of the reporting period was N193 (2022: N137.50)

### 7. Share Range Analysis

The range of the distribution of the shares of the Company as at 31 December, 2023 is as follows:

#### Range Analysis as at 31/12/2023

1	- 1,000	4,707	43.49	2,096,578	0%
1,001	- 5,000	3,611	33.36	9,510,642	1%
5,001	- 10,000	1,033	9.54	8,254,098	1%
10,001	- 50,000	1,061	9.80	24,411,325	2%
50,001	- 100,000	173	1.60	13,383,914	1%
100,001	- 500,000	161	1.49	35,842,452	4%
500,001	- 1,000,000	30	0.28	20,483,777	2%
1,000,001	- 5,000,000	36	0.33	77,607,604	8%
5,000,001	- 10,000,000	1	0.01	8,275,828	1%
10,000,001	- 50,000,000	8	0.07	148,899,760	15%
50,000,001	- 1,000,000,000	1	0.01	51,234,022	5%
1000000001	- 10,000,000,001	1	0.01	600,000,000	60%
		<b>9,194</b>	<b>100.00</b>	<b>1,000,000,000</b>	<b>100%</b>





## Report of the Directors (cont'd)

### 8. Capital Assets

Capital assets expenditure during the year was as follows:

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	N'000	N'000	N'000	N'000
Work in progress	10,496,877	8,706,201	7,006,422	6,107,934
Bearer plants	-	47,895	-	-
Building	189,535	228,665	41,327	209,315
Heavy duty equipment	188,777	188,541	101,578	188,541
Utilities	336,707	99,815	336,707	75,815
Furniture and fittings	154,560	260,109	117,387	80,403
Motor vehicles & wheel tractors	733,810	617,111	506,110	412,435
Processing Equipment	319,823	2,392,003	75,357	2,367,537

See Note 18, for the additions to capital assets during the year.

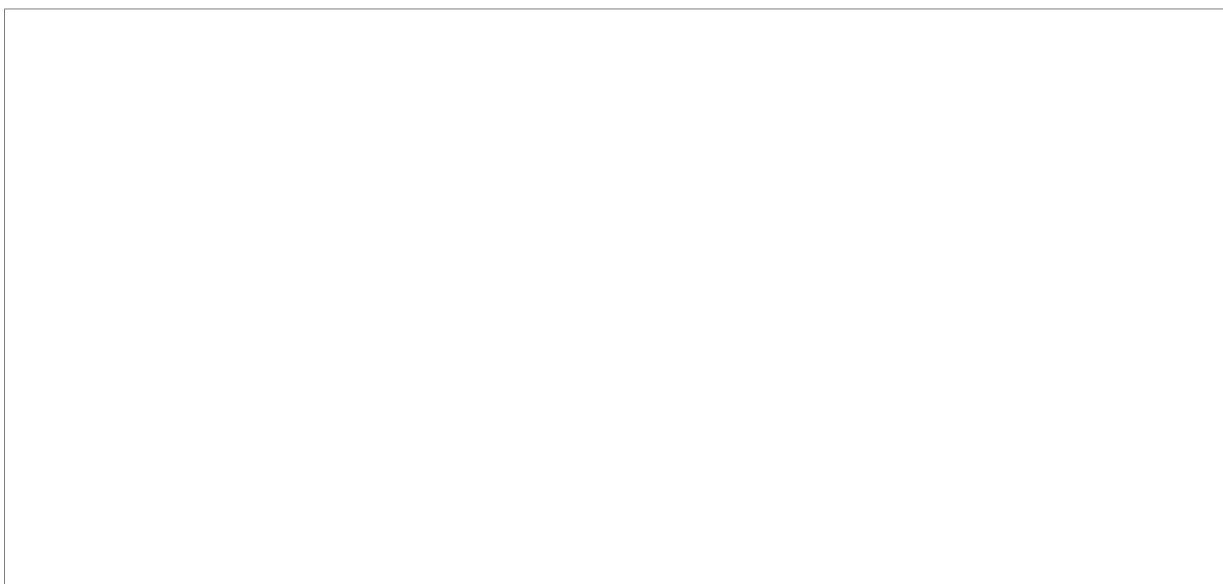
### 9. Major Customers

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

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

### 10. Community Development Projects/community Relations

The Company's Host Communities' Development Programme continued during the year ended 31 December 2023. The focus was on education, roads, water, electricity, and support to out-growers. Total expenditure in respect of the programme was N188,266,819 (2022: N130,480,000) and is included within the community development expense of Note 9 in the financial statements.





## Report of the Directors (cont'd)

### 11. Donations

The group made donation of N142,738,000 (2022: N58,240,000) to various organisation and communities while the company made donations of N64,238,000 (2022: N57,100,000) to various organisations:

	31-Dec-23 N '000
Bendel Insurance FC	2,500
Obaseki Women Football Tournament	2,500
Oba of Benin Coronation Anniversary	10,000
Alaghodaro Economic Summit	17,970
Manufacturer Association of Nigeria	2,000
Ologbo Community Relation	2,000
Nigeria Immigration Services	3,328
Others	23,940
<b>The Company Total</b>	<b>64,238</b>
Donation by the Subsidiary	78,500
<b>Group Total</b>	<b>142,738</b>

### 12. Research & Development

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

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

### 13. Employment Of Disabled Persons

The Group and the Company maintain a policy of giving fair consideration to applications for employment of disabled persons having regards to their particular aptitudes and abilities. At present there are fifty (50) disabled persons employed by the Company.

### 14. Health, Safety and Welfare

Medical services are provided free of charge for The Group and the Company's employees at the estate clinics and retainer hospitals. Appropriate personal protective equipment is provided for employees at work. There is a fire -fighting program, which involves all employees and the use of sophisticated equipment. Welfare facilities provided include housing for employees (or payment of an allowance in lieu) and transport to and from the workplace.

### 15. Employee Involvement and Training

The Group and 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.



## Report of the Directors (cont'd)

### 16 Auditors

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

### By Order of the Board

.....  
Patrick Uwadia, Esq.  
Company Secretary

Dated this 30th day of April, 2024

FRC/2013/ICSAN/00000004864  
Obaretin Estate,  
Ikpoba Okha LGA, Edo State, Nigeria



## Corporate Governance Report

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

### The Board

The Board is constituted of eleven Directors including the Chairman who has no executive responsibilities. 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 relationships with its various stakeholders.

On appointment, Directors receive all codes of corporate governance, charters and policy documents and 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 expenses.

### Independent & Executive Status of Directors

Mr. Jean Henri Van Gysel	Chairman	----	NED Appointed 26 Sept 2022
Mr. Olakanmi Rasheed Sarumi	Chairman	----	NED Appointed 16 April 2024
Mr. Felix O. Nwabuko FCA	Managing Director		
Chief (Engr.) James B. Erhuero, JP, mni, OON	Non-Executive Director		
Mr. Osa Osunde FCS, FCTI, F.IoD	Independent Non-Executive Director		
Chief (Dr.) Bassey E. O. Edem, FCA, MFR	Independent Non-Executive Director		
HRH Prince Aiguobasimwin O. Akenzua	Independent Non-Executive Director		
Ambassador. Nonye Udo	Independent Non-Executive Director		
Mrs. Ingrid Gabrielle Vandewiele	Non-Executive Director		
Mr. Jan Johanna Lucien Van Eykeren	Non-Executive Director		
Mr. Sam Sabbe	Non-Executive Director (resigned 16 April, 2024)		
Mr. Mano Demure	Non-Executive Director <sup>4</sup> (Appointed 5 October, 2013 and resigned 16 April, 2024)		
Mrs. Grace Titilayo Osuntoki	Independent Non-Executive Director (Appointed on 16 April 2024)		
Mr. Abdul Akhor Bello	Non-Executive Director (Appointed on 16 April 2024)		

### Board Meeting

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

Meeting Date	Main Item of Business
25-Jan-23	Minutes of the Previous Board Meeting. Matters Arising from the Minutes of the Previous Board Meeting. Reports of Board Committees. Unaudited Financial Statements for the year ended 31 December 2023. Operations Report for the year ended 31 December 2023. Budget for the year ended 31 December 2023. Quarterly forecast, use of common seal among other matters, Sustainability, Board Calendar.
20-Apr-23	Matters Arising from the last Meeting, Establishment of Risks Management Office, Reconstitution of Siat Nigeria Ltd Board of Directors, Comprehensive Review of Salaries and Wages, Review of Directors Remuneration, Reconstitution of Board Committees, Audited Consolidated Financial Statements for the year ended 31 December 2022, 29th Annual General Meeting
	Independent Auditors Management Letter, Dividend, Annual General Meeting, Unaudited Financial Statements for the three months ended 31 March 2023, Operations Report, Cancellation of Unissued Share Capital, Payment of Performance Bonus, Financing of New Oil Palm Mill, among other matters.
13-Jul-23	Minutes of the Previous Meeting, Matters Arising from the Minutes of the Previous Meeting, Delay in finalizing Audited Accounts for the year ended 31 December, 2022. Recruitment of CFO of Presco PLC and SNL, respectively, among other matters.
25-Jul-23	Resignation and Appointment of Directors, Management Letter, Audited Consolidated Financial Statements for the Year ended 31 December, 2022, Unaudited Financial Statements for the six months ended 30 June 2023, Dividend, Operations reports, Preparation for AGM, Market Update, Resignation of Director, Filling of Casual vacancy in the Board. Annual General Meeting.





## Corporate Governance Report (cont'd)

### Board Meeting (cont'd)

Meeting Date	Main Item of Business
5-Sep-23	Loan funding of SNL by Presco Plc and preparation for Presco Plc AGM
29-Sep-23	Minutes of the Last Board Meeting, Matters Arising from the Minutes of the Last Board Meeting, Board Committees Reports, Establishment of Risks Management Office, Unaudited accounts as at 30 September 2023, Operations Reports, Meeting Calendar.
25-Oct-23	Minutes of the Last Board Meeting, Matters Arising from the Minutes of the Last Board Meeting, Report of the board committees, Extra ordinary general meeting, operations report, unaudited financial statements as at August 31, 2023, interim dividend.
28-Dec-23	Approval of 2024 Budget Proposals, among other matters.

### Attendances at Meeting by Board Members

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

Names of Directors	Number of Attendances at Meetings
Mr. Felix O. Nwabuko FCA, MD	8
Chief (Engr.) James B. Erhuero, JP, mni, OON	8
Mr. Osa Osunde, FCS, FCTI, F.IoD	8
Chief (Dr.) Bassey E.O. Edem, FCA, MFR	8
HRH (Prince) A.O. Akenzua	8
AMB Nonye Udo	8
Mrs. Ingrid Gabrelle Vandewiele	8
Sam Sabbe	8
Jean Van Gysel	8
Jan Van Eykeren	8
Mano Demeure	5

### Conflict of Interest

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

There have been no transaction and other contractual relationship between the Company and its Board members and executive members, which are not covered by its legal provisions on conflict 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 nv 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.



## Corporate Governance Report (cont'd)

### Transaction in Shares and Compliance with Directives on Market Abuse (cont'd)

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 issuers' code of conduct regarding securities transactions by directors.

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

### Committees

#### Statutory Audit Committee

Mr. Job Onwughara (Chairman)	Shareholder, member	(Elected on November, 2023)
Chief (Dr.) Bassey E.O. Edem, MFR	Director, member	(Re-appointed September 2023)
Mr. Ambrose Ogodie	Shareholder, member	(Elected November 2023)
Mr. Bright Ezomo	Shareholder, member	(Elected November, 2023)
Mr. Osa Osunde FCS, FCTI, F. IoD	Director, member	(Re-appointed September, 2023)

#### Attendances at meeting by Statutory Audit Committee Members

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

Names of Audit Committee Members	Number of Attendances at Meeting
Job Onwughara (Chairman)	2
Chief (Dr.) Bassey E.O. Edem, MFR	5
Mr. Ambrose Ogodie	2
Mr. Bright Ezomo	2
Mr. Osa Osunde FCS, FCTI, F.IoD	5

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

Meeting Date	Main Items of Business
24-Jan-23	Whistle Blowing Policy, Unaudited Q4 Financial 2022, Internal Audit Report, 2022 Budget Proposals among others. Internal Audit Plan for the year ending 31 December 2023
19-Apr-23	Approval of Management Letter, Draft Audited Financial Statements for the year ended 31 December 2022. Unaudited Financial Statement as at March, 2023, First Quarter Internal Audit Manager's Report. Preparation for AGM among other matters. Preparation
25-Jul-23	Approval of Unaudited accounts as at 30 June 2023 and Internal Audit Report as at 30 June 2023.
28-Sep-23	Approval of Audit Planning Memorandum for Presco Plc for the year ended 31 December 2023, unaudited Financial Statements as at 30 September 2023.
27-Dec-23	2024 Budget Proposals.



## Corporate Governance Report (cont'd)

### Board Risks Management Committee

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

- a. Overseeing that the executive team has identified and assessed all the risks that the company faced and has established a risk management infrastructure capable of addressing those risks.
- b. Overseeing in conjunction with other board-level committees or full board, if applicable, management of risks, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks.
- c. Overseeing the division of risk-related responsibilities as clearly as possible and performing a gap analysis to determine that the oversight of any risks is not missed.
- d. In conjunction with the full board, approving the company's enterprise-wide risk management framework.
- e. The risk committee may have the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities of the board, the chief executive officer of the company, and all other executive and non-executive directors and senior management positions.

### Duties

To fulfill responsibilities, the Risk Management Committee will:

- a. Help to set the tone and develop a culture of the enterprise vis-à-vis risk, promote open discussion regarding risk, integrate risk management into the Company's goals and compensation structure, and create a corporate culture such that people at all levels manage risks rather than avoid them.
- b. Provide input to management regarding the enterprise's risk appetite and tolerance and, ultimately, approve risk appetite and the statement of risk appetite and tolerance messaged throughout the company and line of business.
- c. Monitor the Company's risk profile – its on-going and potential exposure to risks of various types.
- d. Approve on behalf of the Board, the risk management policy and plan. Management develop both the risk management policy and the plan for approval by the committee. The risk management plan should consider the maturity of the risk management of the company and should be tailored to the specific circumstances of the company. The risk management plan should include:
  - i. The company's risk management structure
  - ii. The risk management framework i.e. the approach to be followed
  - iii. The measurable milestones such as tolerances, intervals, frequencies, frequency rates, etc.
  - iv. Risk management guidelines reference to integration through, for instance, training and awareness programmes, and details of the assurance and review of the risk management process.
  - v. The committee should review the risk management plan at least one year.
  - vi. Define risk review activities regarding the decisions (e.g. acquisitions), initiatives (e.g. new products), and transactions and exposures (e.g. by amount) and prioritize them prior to being sent to the board's attention.
  - vii. Review and confirm that all responsibilities outlined in the Charter have been carried out.
  - viii. Monitor all enterprise risks; in doing so, the committee recognizes the responsibilities delegated to other committees by the board and understands that the other committees may emphasize specific risk monitoring through their respective activities.
  - ix. Conduct an annual performance assessment relative to the committee's purpose, duties and responsibilities
  - x. Oversee the risk programme/interactions with management
  - xi. Review and approve the risk management infrastructure and the critical risk management policies adopted by the company.
  - xii. Periodically review and evaluate the company's policies and practices with respect to risk assessment and risk management and annually present to the full board a report summarizing the committee's review of the company's methods for identifying, managing and reporting risks and risk management deficiencies.



## Corporate Governance Report (cont'd)

### Duties (cont'd)

- xiii. Continually, as well as at specific intervals, monitor risk and risk management capabilities within the company, including communication about escalating risk and crisis preparedness and recovery plans.
- xiv. Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- xv. Communicate formally and informally with the executive team regarding risk governance and oversight.
- xvi. Discuss with the CEO and management of the company's major risk exposures and review the steps management has taken to monitor and control such exposures, including the company's risk assessment and risk management policies.
- xvii. Review and assess the effectiveness of the company's enterprise-wide risk assessment processes and recommend improvements, where appropriate; review and address, as appropriate, management's corrective actions for deficiencies that arise with respect to the effectiveness of such programmes.
- xviii. Monitor governance rating agencies and their assessments of the company's risks and proxy advisory services policies, and make recommendations as appropriate to the Board.
- xix. In coordination with the Audit Committee, understand how the company's internal audit work plan is aligned with the risks that have been identified and with risk governance (and risk management) information needs. Understand and approve management's definition of the risk related reports that the committee could receive regarding the full range of risks the company faces, as well as their form and frequency.
- xx. Respond to reports from Management so that Management understands the importance placed on such reports by the Committee and how the Committee views their content.
- xxi. Read and provide input to the Board and Audit Committee regarding risk disclosures in financial statements and other public statements regarding risk.
- xxii. Keep risk on both the full board's and management's agenda on a regular basis.
- xxiii. Disclose in the company's integrated report how it has satisfied itself that risk assessments, responses and interventions are effective.
- xxiv. Approve the appointment and, when and if appropriate, replacement of the Chief Risk Officer, who shall report directly to the Committee as well as to the Chief Executive Officer and who shall have qualifications commensurate with applicable legal and regulatory guidance relating to risk management expertise.
- xxv. Review and evaluate annually the qualifications, performance and compensation of the Chief Risk Officer.
- xxvi. Review with the Chief Risk Officer the adequacy of staffing and resources of the risk management function.
- xxvii. Make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.
- xxviii. Regularly evaluate its performance and that of its individual members.
- xxix. Have such other authority, duties and responsibilities as may be delegated to the Committee by the Board.

### Board Risks Management Committee

18-Jan-23	Amb Nonye Udo	Chairman	5
Mar-23	Mr. Osa Osunde	Member	5
17-Apr-23	Chief (Dr) Bassey E.O. Edem (MFR)	Member	5
Sep-23	Mrs. Ingrid Gabrielle Vandewiele	Member	5
Oct-23	Company Secretary	Member	5





## Corporate Governance Report (cont'd)

### Board Audit Committee

#### Purpose

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

- Values and Ethics
- Governance Structures
- Risk Management
- Internal Control Framework
- Oversight of the Internal Audit Activity, External Auditors, and other providers of assurance.
- Financial statements and accountability reporting.

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

#### Authority

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

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

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

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

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

#### Members of Board Audit Committee

Date of Meeting	Attendance		
Jan-23	Chief (Dr) Bassey EO Edem (MFR)	Chairman	4
19-Apr-23	Mr. Osa Osunde	Member	4
Jul-23	HRH Prince Akenzua	Member	3
Sep-23	Sam Sabbe	Member	4
	Company Secretary	Secretary	4

The board audit committee met four times during the year.



## Corporate Governance Report (cont'd)

### Board Nomination and Governance Committee

#### Responsibilities of the Committee

1. Consider and review proposals from Management for the recruitment, promotion and employment/termination of Senior Management Staff;
2. Consider and make recommendations to the Board for approval of disciplinary action to be carried out against senior management staff;
3. Consider and make recommendations to the Board for approval on the organizational structure, and policies covering the evaluation, compensation and provision of benefits to employees and any other human capital issues;
4. Consider and make recommendations to the Board for approval of the Company's policy on Health and Safety at work and any proposed amendments;
5. Consider and make recommendations to the Board for approval of the Company's human resource strategies and compensation policy.
6. Assess the effectiveness of the Corporate Governance Framework.
7. Consider and make recommendations to the Board on composition and the experience required by Board committee members, committee appointments and removal, operating structure, reporting and other committee operational matters.
8. Consider and make recommendations to the board on appointment and re-election of directors.
9. Ensure that all new directors receive formal letters of appointment specifying their tenure, responsibilities, board committee involvement and other relevant details.
10. Ensure that new directors receive a formal induction training to familiarize them with the Company's business, strategy and operations, assist them in discharging their fiduciary duties, responsibilities, and understand their powers and potential liabilities.
11. Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
12. Ensure adequate succession planning for Board of Directors and key management staff in the company.
13. Review and make recommendations to the Board for approval of the company's organization structure, and the company's policies on evaluation, compensation and provision of benefits to its employees and any other human capital issues.
14. Review and make recommendations to the Board for approval of the terms and conditions of employment of company's staff, its staff handbook and any proposed amendment.
15. Consider and advise the Board on its size, composition and balance of the Board and its Committees, retirement and appointment of additional Directors, and the replacement of Directors.
16. Prepare a description of the role and capabilities required for a particular appointment and ascertain that nominees for the position of director are fit and proper and are not disqualified from being directors.
17. Oversees the implementation of the Company's Code of Business Conduct and reporting lapses and recommending appropriate actions to the Board from time to time.
18. Ensure the performance evaluation of the CEO is performed by the Board on an annual basis and formal feedback provided to the CEO;
19. Nominate independent consultants to conduct annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's roles in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship to shareholders.
20. Regularly evaluates its performance and that of its individual members.
21. Perform such other matters as may be specifically delegated to the committee by the board.



## Corporate Governance Report (cont'd)

### Board Nomination and Governance Committee

18-Jan-23	Mr. Osa Osunde	Chairman	4
Mar-23	Chief Dr Bassey Edem MFR	Member	4
19-Sep-23	Ambassador Nonye Udo	Member	4
Oct-23	Company Secretary	Secretary	4
	Jean Van Eykeren	Member	3
	Mano Demeure	Member	3

### Securities Trading Policy

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

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

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

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

### Complaints Management Policy

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

To establish and maintain an open and easy accessible window to all stakeholders and members of the public to 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 of public quoted company in particular and organization in general.

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



## Corporate Governance Report (cont'd)

### Complaints Management Committee.

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

Date of meeting	Member		Attendance
Jan-23	HRH Prince A.O Akenzua	Chairman	4
17-Apr-23	Mrs. Ingrid G Vandewiele	Member	4
Sep-23	Engr. James B. Erhuero JP mni OON	Member	4
Oct-23	Company Secretary	Member	4
	Mano Demeure	Member	3
	Jean Van Eykere	Member	3

The complaints management committee met four times during the year under review.

### Board 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) and National Code of Corporate Governance (NCCG). The members of this committee are:

#### Board Remuneration Committee:

Date of meeting	Member	Attendance
Jan-23	Chief James B. Erhuero J.P OON	Chairman 4
21-Mar-23	Ambassador Nonye Udo	Member 4
Sep-23	HRH Prince AO Akenzua	Member 4
Oct-23	Company Secretary	Member 4
	Mr. Sam Sabbe	Member 3

### Purpose of the Committee

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

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

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

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

### Responsibilities of the Committee

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





## Corporate Governance Report (cont'd)

### Responsibilities of the Committee (cont'd)

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

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

### Company Secretary

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

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

The Company Secretary is Mr. Patrick Uwadia. He was employed on 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 with a dotted line to the Chairman, the department is guided by the instructions of the Statutory Audit Committee and the Company's internal Audit Charter/Procedures Manual. The Internal Auditor Mr. Gbenga Abodunrin. He was promoted to head the Internal Audit after some months in acting capacity.

### Management

The Chief Operating Officer and Financial Officer resigned and new appointments were made to replace them.

### Environment, Health and Safety

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

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



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

We the undersigned hereby certify with regards to our financial reports for the year ended 31 December, 2023 that;

- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain:
  - (i) Any untrue statement of material effect, or
  - (ii) Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Group as of, and for the period presented in the report;
- d) We:
  - (i) Are responsible for establishing and maintaining internal controls;
  - (ii) Have designed such internal controls to ensure that material information relating to the Group 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 Group's internal controls as of date within 90 days prior to the report;
  - (iv) Have presented in our report our conclusions about the effectiveness of the group's internal controls based on our evaluation as of that date;
- e) We are not aware of and have disclosed as such to the Auditors and the Audit Committee:
  - (i) Significant deficiencies in the design and operation of internal controls which would adversely affect the Group'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 group's internal controls.
- f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Managing Director  
FRC/2016/ICAN/00000014276

Chief Financial Officer  
Waiver from FRC



### Certification Pursuant to Section 405 of Company and Allied Matters Act 2020

We the undersigned hereby certify with regards to our financial reports for the year ended 31 December, 2023 that;

- (a) the audited financial statements has been reviewed and based on our knowledge that:
  - (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
  - (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;
- (b) the officer who signed the audited financial statements —
  - (i) is responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the company and its subsidiaries is made known to the officer by other officers of the companies, particularly during the period in which the audited financial statement report is being prepared,
  - (ii) has evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its audited financial statements, and
  - (iii) certifies that the company's internal controls are effective as of that date;
- (c) officer who signed the audited financial statements disclosed to the company's auditors and audit committee —
  - (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and
  - (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and
- (d) officer who signed the report, has indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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

**Johnson Amandor**  
Chief Financial Officer  
Waiver from FRC



## Statement of Directors' Responsibilities

### For the Preparation and Approval of the Financial Statements for the Year ended 31 December 2023

The Directors of Presco Plc are responsible for the preparation of the Group financial statements that give a true and fair view of the financial position of the Group as at 31 December 2023, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- making an assessment of the Group'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 Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group'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 Group; and
- preventing and detecting fraud and other irregularities.

### Going Concern:

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

The financial statements set out on the accompanying pages have been prepared on a going concern basis, were approved by the directors on 30 April, 2024 and were signed on its behalf by:

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

**Johnson Amandor**  
Chief Financial Officer  
Waiver from FRC





## Report of the Audit Committee To the Members of Presco Plc

In compliance with the provision of Section 404(7) of the Companies and Allied Matters Act, the members of the Audit Committee reviewed the financial statements of the company for the year ended 31 December 2023 and reports as follows:

- Reviewed the scope and planning of the audit requirements and found them adequate;
- Reviewed the financial statements for the year ended 31 December 2023 and are satisfied with the explanations obtained;
- Reviewed the external auditors' management letter for the year ended 31 December 2023 and are satisfied that management is taking appropriate steps to address the issues raised; and
- Ascertained that the accounting and reporting policies for the year ended 31 December 2023 are in accordance with legal requirements and agreed ethical practices.

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

**Mr. Job Onwughara**  
**FRC/2016/CIBN/0000014339**  
**Chairman, Statutory Audit Committee**

**30 April, 2024**

### Members of the Statutory Audit Committee:

Mr. Job Onwughara	Shareholder	Chairman
Mr. Ambrose Ogodie	Shareholder	Member
Mr. Bright Ezomo	Shareholder	Member
Chief Dr. Bassey E.O. Edem, FCA, MFR	Director	Member
Mr. Osa Osunde FCS. FCTI, F.Iod	Director	Member

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

## MEMBERS OF THE STATUTORY AUDIT COMMITTEE



**Mr. Job Onwughara**  
**Chairman**



**Mr. Ambrose Ogodie**  
**Member**



**Mr. Bright Ezomo**  
**Member**



**Chief Dr. Bassey**  
**E. O. Edem, MFR**  
**Member**



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



**Chartered Accountants**

Grant Thornton Nigeria  
2A Ogalade Close  
Off Ologun Agbaje Street  
Off Adeola Odeku Street  
Victoria Island, Lagos  
P.O. Box 5996, Surulere  
Lagos, Nigeria

T: +2348167149350  
T: +2349071259650  
T: +2348057849477

[www.grantthornton.com.ng](http://www.grantthornton.com.ng)

**REPORT OF THE EXTERNAL CONSULTANTS ON PRESCO PLC'S BOARD OF DIRECTORS' APPRAISAL**

We have completed our procedures for Presco Plc's Board of Directors' appraisal for the year ended 31 December 2023 in accordance with the requirements of the Nigerian Code of Corporate Governance 2018 for public and private sectors in Nigeria and the Securities and Exchange Commission (SEC) Form 01.

Our review procedures were in accordance with the scope as documented in our letter of engagement. In carrying out the evaluation, we have relied on representations made by members of the Board and Senior Management, and on the documents provided for our review.

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

This report should not be construed as an expression or approval of matters not specifically mentioned therein.

The review commenced in January 2024 and was concluded in February 2024. The key findings and specific recommendations for improvements have been articulated and included in our detailed report to the Board of Directors.

Yours faithfully,  
**For: Grant Thornton Nigeria**

**Lateef A. Emiola**  
**FRC/2017/ICAN/00000016070**  
**28 March 2024**

Partners  
Rigob A. Ogbo (Managing Partner/CEO)  
Oy J. Ojo  
Victor O. Odeh  
Ikemba U. Abdu  
Uchevwa O. Ojo  
Ayin O. Wole  
Kingsley C. Opara  
Lateef A. Emiola  
Tayo Adedokun

Audit - Tax - Advisory  
Grant Thornton Nigeria is a member firm of Grant Thornton International Ltd.



P.O. Box 965  
Marina  
Lagos  
Nigeria

Deloitte & Touche  
Civic Towers  
Plot GA 1, Ozumba Mbadiwe Avenue  
Victoria Island  
Lagos  
Nigeria

Tel: +234 (1) 904 1700  
[www.deloitte.com.ng](http://www.deloitte.com.ng)

## Independent Auditors' report

### To the Shareholders of Presco Plc

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated and separate financial statements of **Presco Plc** and its subsidiary (the Group and Company) set out on pages 26 to 98, which comprise the consolidated and separate statements of financial position as at 31 December, 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including a summary of material accounting policies information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Presco Plc** as at 31 December, 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### 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 consolidated and separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate Financial Statements in Nigeria.

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

#### Key Audit Matter

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



List of partners and partner equivalents available on the website  
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



Key Audit Matter	How the matter was addressed in the audit
<b>Biological Assets Valuation</b>	
<p>The value of the biological assets (Fresh Fruit Bunches) is a significant balance in the Group's consolidated and separate statements of financial position and is disclosed in note 17 to the consolidated and separate financial statements. The valuation of the biological assets involves significant judgments and assumptions.</p> <p>Accordingly, for the purposes of our audit, we identified the valuation of biological assets as a key audit matter based on the significant judgement and assumption made by the directors.</p> <p>The assumptions which have the most significant impact on the biological assets' valuation are:</p> <ul style="list-style-type: none"> <li>The Fresh Fruit Bunches (FFB) yield of the palm tree, which is subjective because it is based on the directors' experience and expectations rather than observable market data. The yield is estimated based on age profile of the palm trees. Relevant assumptions and judgements have been included in note 3 of the financial statements.</li> <li>The discount rate, which is based on the weighted average cost of capital. The calculation of the weighted average cost of capital is a complex process that involves judgements and specific risk adjustments.</li> <li>The applicable market to determine the most appropriate Crude Palm Oil price and related transactional costs to the Group with consideration for the effective foreign exchange rate impacting the Group's operations.</li> <li>The forecast for the biological produce which were based on management's expectation and experience.</li> <li>The estimated cost of disposing of the biological asset which includes the incremental costs to take to market, the cost of engaging professionals to assist with the disposal process and other transaction costs, which are based on the fair value to arrive at the fair value less cost to sell.</li> </ul>	<p>In evaluating valuation of the Biological Assets, we tested the assumptions used and also compliance with the requirements of relevant accounting standards.</p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Challenged the model in use with respect to compliance with IAS 41 provision and ensured appropriate adjustments made when necessary.</li> <li>Reviewed the inputs used in the valuation by holding discussions with the farm manager and obtaining and reviewing the farm report to verify the input factors used.</li> <li>Benchmarked the inputs used in the valuation to applicable market data.</li> <li>Obtained the relevant and applicable Crude Palm Oil (CPO) price converted at the appropriate exchange rate.</li> <li>Reviewed the assumptions used in the discount cash flow computation and ensured that they were reasonable considering the recent economic trends in the country.</li> <li>Reviewed historical price margins to determine the reasonability and appropriateness of the cash flows.</li> <li>Ensured that discount rate used in the computation was the weighted average cost of capital of the Group's industry.</li> <li>Performed sensitivity analysis to assess the impact of any change on the assumptions and inputs.</li> <li>Involved our internal valuation expert in the valuation of the Group's biological assets.</li> <li>Evaluated the adequacy of the financial statements' disclosures, including disclosures of key assumptions, judgements and sensitivities.</li> </ul> <p>The judgement and assumptions made by the directors for the biological assets valuation were found to be appropriate and the inputs and rates appear to be based on applicable supporting information.</p>

#### Other Information

The directors are responsible for the other information. The other information comprises the Directors' report, Corporate Governance Report, Certification Pursuant to Section 60(2) of Investment and Security Act No. 29 of 2011, Certification Pursuant to Section 405 of Companies and Allied Matters Act, 2020, Statement of Directors' Responsibilities, Report of the Audit Committee, report of the External Consultants on **Presco Plc's** Board of Directors' appraisal for the year ended 31 December 2023, and other national disclosures as required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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





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

#### **Responsibilities of the Directors for the Consolidated and Separate Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate 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 Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

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

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

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Fifth Schedule of Companies and Allied Matters Act, 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 Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and 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.

**Folorunso Hunga, FCA - FRC/2013/PRO/ICAN/004/00000001709**

**For: Deloitte & Touche**

**Chartered Accountants**

**Lagos, Nigeria**

**30 April, 2024**





*Statement of Profit or Loss  
Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

**Statement of Profit or Loss and Other Comprehensive Income**

	Notes	Group		Company	
		31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
Revenue	7	102,419,187	81,029,846	84,998,472	69,368,480
Cost of sales	8	(37,387,167)	(31,057,010)	(31,114,910)	(27,885,217)
<b>Gross profit</b>		<b>65,032,020</b>	<b>49,972,836</b>	<b>53,883,562</b>	<b>41,483,263</b>
Administrative expenses	9	(23,627,924)	(17,051,491)	(15,659,614)	(11,271,982)
Selling and distribution expenses	10	(1,557,532)	(1,790,236)	(1,291,503)	(1,483,743)
Other gains	11	46,241	162,900	46,423	162,900
Exchange gain /(Loss)*		4,387,454	(3,311,123)	6,063,443	(3,287,492)
Other operating income	11.1	2,636,259	1,319,226	2,279,165	1,026,464
Gains /(Loss) on biological asset revaluation	17	12,243,696	(895,035)	9,772,054	(1,681,703)
Expected Credit Loss Allowance		(21,117)	(137,325)	58,047	(174,943)
<b>Operating profit before finance cost and finance income</b>		<b>59,139,097</b>	<b>28,269,752</b>	<b>55,151,578</b>	<b>24,772,764</b>
Finance cost	12	(9,180,737)	(8,491,775)	(5,856,510)	(5,196,705)
Finance income	13	48,165	36,864	263,230	36,864
<b>Profit before tax</b>	14	<b>50,006,525</b>	<b>19,814,841</b>	<b>49,558,298</b>	<b>19,612,923</b>
Tax expense	15	(17,145,191)	(6,782,417)	(17,145,191)	(6,745,542)
<b>Profit for the year</b>		<b>32,861,334</b>	<b>13,032,424</b>	<b>32,413,107</b>	<b>12,867,381</b>
<b>Profit for the year attributable to:</b>					
Non-controlling interest		-	-	-	-
Owners of the parent		32,861,334	13,032,424	32,413,107	12,867,381
		<b>32,861,334</b>	<b>13,032,424</b>	<b>32,413,107</b>	<b>12,867,381</b>
<b>Other Comprehensive Income (OCI)</b>					
<b>Profit for the year</b>		<b>32,861,334</b>	<b>13,032,424</b>	<b>32,413,107</b>	<b>12,867,381</b>
<b>Item(s) that will not be classified subsequently to profit or loss</b>					
Remeasurement of defined benefit obligation	26.2	(1,327,571)	84,790	(786,342)	(127,892)
Income tax relating to components of OCI	15	259,493	27,557	259,493	41,565
		-	-	-	-
<b>Other comprehensive income, net of tax</b>		<b>(1,068,078)</b>	<b>57,233</b>	<b>(526,849)</b>	<b>(86,327)</b>
<b>Total comprehensive income for the year</b>		<b>31,793,256</b>	<b>12,975,191</b>	<b>31,886,258</b>	<b>12,781,054</b>
<b>Earnings Per Share</b>					
Basic (Kobo)	34	3,286	1,303	3,241	1,287
Diluted (Kobo)	34	3,286	1,303	3,241	1,287

\* Prior year foreign exchange gain was reclassified from administrative cost for proper presentation.

The notes form an integral part of these financial statements.



*Statement of Financial Position*  
*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

**Statement of Financial Position**  
**As at 31 December 2023**

	Notes	Group		Company	
		31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>Assets:</b>					
<b>Non-current assets</b>					
Intangible assets	16	87,900	118,907	13,022	14,702
Property, plant and equipment	18	97,715,971	92,652,564	63,151,311	59,759,754
Right-of-use assets	19	3,984,273	3,890,117	1,768,184	1,577,676
Investment in subsidiaries	21	-	-	23,000,000	23,000,000
<b>Total non-current assets</b>		<b>101,788,144</b>	<b>96,661,588</b>	<b>87,932,517</b>	<b>84,352,132</b>
<b>Current assets</b>					
Inventories	22	15,877,089	4,127,736	11,537,297	3,431,768
Biological assets	17	26,584,978	14,341,283	20,874,641	11,102,588
Trade and other receivables	23	16,274,839	7,134,163	28,134,219	12,793,978
Cash and cash equivalents	24	9,793,095	10,104,678	8,861,547	8,733,450
<b>Total current assets</b>		<b>68,530,001</b>	<b>35,707,860</b>	<b>69,407,705</b>	<b>36,061,785</b>
<b>Total assets</b>		<b>170,318,145</b>	<b>132,369,448</b>	<b>157,340,222</b>	<b>120,413,917</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	25.1	500,000	500,000	500,000	500,000
Share premium	25.2	1,173,528	1,173,528	1,173,528	1,173,528
Other reserves		(1,011,767)	56,311	(607,801)	(80,952)
Retained earnings		56,501,292	32,430,726	74,238,397	50,616,060
<b>Total equity</b>		<b>57,163,053</b>	<b>34,160,565</b>	<b>75,304,124</b>	<b>52,208,636</b>
<b>Non-current liabilities</b>					
Borrowings	27	57,661,238	57,853,315	41,616,042	41,886,455
Defined benefit obligations	26	2,542,923	1,351,271	1,801,006	1,086,509
Deferred tax liabilities	31	13,970,135	7,312,881	13,904,046	7,246,792
Deferred income	29	447,368	412,254	447,368	412,254
Lease liabilities	30.2	2,583,805	2,488,220	290,170	178,778
<b>Total non-current liabilities</b>		<b>77,205,469</b>	<b>69,417,941</b>	<b>58,058,632</b>	<b>50,810,788</b>
<b>Current liabilities</b>					
Trade and other payables	32	14,605,884	12,009,025	4,633,950	4,674,382
Current tax liabilities	31	10,440,979	10,525,095	10,440,970	10,488,220
Bank overdraft	28	7,282,983	2,235,756	5,302,724	29,145
Borrowings	27	2,765,113	3,589,924	2,765,113	1,806,840
Deferred income	29	776,327	369,936	776,327	354,655
Lease liabilities	30	78,337	61,206	58,382	41,251
<b>Total current liabilities</b>		<b>35,949,623</b>	<b>28,790,942</b>	<b>23,977,466</b>	<b>17,394,493</b>
<b>Total liabilities</b>		<b>113,155,092</b>	<b>98,208,883</b>	<b>82,036,098</b>	<b>68,205,282</b>
<b>Total equity and liabilities</b>		<b>170,318,145</b>	<b>132,369,448</b>	<b>157,340,222</b>	<b>120,413,917</b>

The consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 30 April, 2024 and were signed on its behalf by:

**Olakanmi Rasheed Sarumi**  
**Chairman**  
**FRC/2014/MANUN/00000009695**

**Felix Nwabuko**  
**Managing Director**  
**FRC/2016/ICAN/00000014276**

**Johnson Amandor**  
**Chief Financial Officer**  
**Waiver from FRC**

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





*Statement of Change in Equity*  
*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

**Statement of Changes in Equity**

Group	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Other Reserves N'000	Total N'000
<b>Year ended 31 December 2023</b>					
<b>Balance as at 1 January 2023</b>	<b>500,000</b>	<b>1,173,528</b>	<b>32,430,726</b>	<b>56,311</b>	<b>34,160,565</b>
Profit for the year	-	-	32,861,334	-	32,861,334
Net remeasurement gain on defined benefit plan	-	-	-	(1,068,078)	(1,068,078)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>32,861,334</b>	<b>(1,068,078)</b>	<b>31,793,256</b>
Status Bar dividend (Note 32.4a)	-	-	9,231	-	9,231
Dividend - Interim	-	-	(2,000,000)	-	(2,000,000)
Dividend - Final	-	-	(6,800,000)	-	(6,800,000)
<b>Balance as at 31 December 2023</b>	<b>500,000</b>	<b>1,173,528</b>	<b>56,501,292</b>	<b>(1,011,767)</b>	<b>57,163,053</b>
<b>Year ended 31 December 2022</b>					
<b>Balance as at 1 January 2022</b>	<b>500,000</b>	<b>1,173,528</b>	<b>45,843,040</b>	<b>113,544</b>	<b>47,630,112</b>
Profit for the year	-	-	13,032,424	-	13,032,424
Acquisition reserves of SNL (Note 21)	-	-	(17,848,831)	-	(17,848,831)
Net remeasurement gain on defined benefit plan	-	-	-	(57,233)	(57,233)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(4,816,407)</b>	<b>(57,233)</b>	<b>12,975,191</b>
Status Bar dividend	-	-	4,093	-	4,093
Dividend - Interim	-	-	(2,000,000)	-	(2,000,000)
Dividend - Final	-	-	(6,600,000)	-	(6,600,000)
<b>Balance as at 31 December 2022</b>	<b>500,000</b>	<b>1,173,528</b>	<b>32,430,726</b>	<b>56,311</b>	<b>34,160,565</b>
<b>Company</b>					
<b>Year ended 31 December 2023</b>					
<b>Balance as at 1 January 2023</b>	<b>500,000</b>	<b>1,173,528</b>	<b>50,616,059</b>	<b>(80,952)</b>	<b>52,208,635</b>
Profit for the year	-	-	32,413,107	-	32,413,107
Net remeasurement gain on defined benefit plan	-	-	-	(526,849)	(526,849)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>32,413,107</b>	<b>(526,849)</b>	<b>31,886,258</b>
Status bar dividend	-	-	9,231	-	9,231
Dividend - Interim	-	-	(2,000,000)	-	(2,000,000)
Dividend - Final	-	-	(6,800,000)	-	(6,800,000)
<b>Balance as at 31 December 2023</b>	<b>500,000</b>	<b>1,173,528</b>	<b>74,238,397</b>	<b>(607,801)</b>	<b>75,304,124</b>
<b>Year ended 31 December 2022</b>					
<b>Balance as at 1 January 2022</b>	<b>500,000</b>	<b>1,173,528</b>	<b>46,344,585</b>	<b>5,375</b>	<b>48,023,488</b>
Profit for the year	-	-	12,867,381	-	12,867,381
Net remeasurement loss on defined benefit plan	-	-	-	(86,327)	(86,327)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>12,867,381</b>	<b>(86,327)</b>	<b>12,781,054</b>
Status bar dividend	-	-	4,093	-	4,093
Dividend - Interim	-	-	(2,000,000)	-	(2,000,000)
Dividend - Final	-	-	(6,600,000)	-	(8,600,000)
<b>Balance as at 31 December 2022</b>	<b>500,000</b>	<b>1,173,528</b>	<b>50,616,059</b>	<b>(80,952)</b>	<b>52,208,636</b>

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



*Statement of Cashflow*  
*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

**Statement of Cash Flows**

	Note	Group		Company	
		31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
		N'000	N'000	N'000	N'000
<b>Cash flows from operating activities</b>					
<b>Operating activities:</b>					
Profit before tax		50,006,525	19,814,841	49,558,298	19,612,923
<b>Adjustments for:</b>					
Loss on sale of property plant and equipment	11	170,912	61,407	170,730	61,407
Loss on sales of palm seedlings	11.1	-	355,864	-	274,235
(Loss)/Gain on biological asset valuation	17	(12,243,696)	895,035	(9,772,054)	1,681,703
Depreciation of property, plant and equipment	18.1	3,986,525	4,039,470	2,957,720	3,039,343
Depreciation of right-of-use assets	19	183,421	119,742	87,069	23,390
Amortization of intangible assets	16	31,008	30,848	1,680	1,707
Recognition of government grant on additional loan	29	(217,153)	(224,307)	(217,153)	(224,307)
Finance cost	12	9,180,737	8,491,775	5,856,510	5,196,705
Foreign exchange (gain) / Loss		(4,387,454)	3,311,123	(6,063,443)	3,287,492
Finance income	13	(48,165)	(36,864)	(263,230)	(36,864)
Service cost	26	123,630	103,207	123,630	59,601
Settlement gain on long service award	26	58,766	12,955	58,766	12,955
PPE Transfer to Inventory / write off		3,078,012	-	1,545,659	-
Expected credit loss / (Write-back)	23	21,117	137,325	(58,047)	174,943
		<b>49,944,185</b>	<b>37,112,423</b>	<b>43,986,134</b>	<b>33,165,233</b>
<b>Movement in working capital:</b>					
(Increase) / Decrease in trade and other receivable	41	(9,016,198)	2,809,924	(15,294,927)	(3,459,773)
(Increase) Decrease in inventories	41	(14,873,558)	68,186	(9,651,188)	487,851
(Increase) / Decrease in trade and other payables	41	16,706,886	(2,222,207)	10,255,883	(2,936,243)
Increase / (Decrease) in deferred income from advances from customers	41	441,505	(642,506)	456,786	(291,375)
<b>Cash generated in operating activities</b>		<b>43,202,820</b>	<b>37,125,820</b>	<b>29,752,688</b>	<b>26,965,693</b>
Benefits paid	26	(257,707)	(73,472)	(107,453)	(50,517)
Tax paid	31	(10,312,561)	(5,260,953)	(10,275,695)	(5,260,953)
<b>Net cash generated in operating activities</b>		<b>32,632,552</b>	<b>31,791,395</b>	<b>19,369,541</b>	<b>21,654,223</b>
<b>Investing activities:</b>					
Acquisition of property, plant and equipment	18	(12,420,089)	(12,540,340)	(8,184,888)	(9,441,979)
Investment in Subsidiary		-	(19,991,427)	-	(19,991,427)
Proceeds from sale of property, plant and equipment		17,868	11,620	15,862	11,620
Interest received	13	48,165	36,864	263,230	36,864
<b>Net cash used in investing activities</b>		<b>(12,354,056)</b>	<b>(32,483,283)</b>	<b>(7,905,796)</b>	<b>(29,384,922)</b>
<b>Financing activities:</b>					
Interest paid	27	(9,837,826)	(6,382,990)	(5,399,253)	(3,818,004)
Loan received during the year	27	4,602,476	4,802,813	1,366,751	3,662,914
Bond Issued during the year	27	-	33,987,100	-	33,987,100
Repayment during the year	27	(13,702,971)	(28,733,764)	(6,192,947)	(26,002,065)
Dividend paid during the year	32.4a	(8,800,000)	(8,600,000)	(8,800,000)	(8,600,000)
Status bar Dividend	32.4a	(9,231)	-	(9,231)	-
Unclaimed dividend invested	32.4a	(371,712)	(520,386)	(371,712)	(520,386)
Unclaimed dividend received from Registrars	32.4a	-	743,075	-	743,075
Interest on lease paid	30.3	(354,647)	(119,843)	(55,245)	(41,249)
Repayment of lease liabilities	30.3	(156,441)	(13,409)	(140,634)	2,395
<b>Net cash used in financing activities</b>		<b>(28,630,352)</b>	<b>(4,837,404)</b>	<b>(19,602,272)</b>	<b>(586,220)</b>
<b>Net decrease in Cash and cash equivalents</b>		<b>(8,351,856)</b>	<b>(5,529,293)</b>	<b>(8,138,527)</b>	<b>(8,316,920)</b>
<b>Impact of foreign exchange difference</b>		<b>2,993,046</b>	<b>(3,311,123)</b>	<b>2,993,046</b>	<b>(3,287,492)</b>
<b>Cash and cash equivalents as at beginning of year</b>		<b>7,868,922</b>	<b>16,709,338</b>	<b>8,704,305</b>	<b>20,308,717</b>
<b>Cash and Cash Equivalents at end of year</b>	24	<b>2,510,112</b>	<b>7,868,922</b>	<b>3,558,823</b>	<b>8,704,305</b>

The accompanying notes from an integral part of these financial statements



## Notes to the Financial Statements

### 1 General Information

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

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

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

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

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. Siatsa of Belgium held the balance of 33%. Following a capitalization exercise in 1995, the Siat group increased its shareholding in Presco to 50%. The Siat Group subsequently became the only shareholder in December 1997 when the President Group divested its interest in the Company.

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

On re-registration as Public Company in 2002, the authorized share capital of the Company was raised to N250,000,000 divided into 500,000,000 ordinary shares of 50k each. The authorized share capital was raised to N500,000,000 in 2008 divided into 1,000,000,000 ordinary shares of 50k each, issued and fully paid up. The company also increased its authorized share capital in 2014 to N550,000,000 divided into 1,100,000,000 ordinary shares of 50 kobo each with 1,000,000,000 issued and fully paid. There are currently 9,194 shareholders on the Company's register of shareholders.

The Company in 2021 acquired 100% interest in Siat Nigeria Limited.

#### 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.

The Company made 100% acquisition in Siat Nigeria Limited (SNL) as a strategy to increase shareholders value. The subsidiary operates from Obima and Elele Estate in Rivers State.



## Notes to the Financial Statements

### 2 Basis of Accounting

The financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by Financial Reporting Council (FRC) of Nigeria. The functional currency used for the preparation of these financial statements is Nigerian Naira (NGN).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed in note 3.

#### 2.1 Basis of Consolidation

The Group's financial statements consolidate those of the parent company and of its subsidiary as of 31 December 2023. The Company acquired 100% interest in Siat Nigeria Limited and thus is presenting a consolidated financial statements for the first time. The subsidiary has a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiary acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

#### 2.2 Going Concern

The financial statements have been prepared on a going concern basis. The directors have no doubt that the Group would remain in existence after 12 months from the date of this financial statements.

#### 2.3 Changes in Accounting Policy and Disclosures

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

##### 2.3.1 New and Amended IFRS Accounting Standards that are Effective for the Current Year

###### **IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)**

The group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The group does not have any contracts that meet the definition of an insurance contract under IFRS 17.





## Notes to the Financial Statements

### 2.3.1 New and Amended IFRS Accounting Standards that are Effective for the Current Year (cont'd)

#### **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies**

The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

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

The group did not adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, the entity is not required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

#### **Amendments to IAS 12 Income Taxes — International Tax Reform —Pillar Two Model Rules**

The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group did not applied the exception and is not required to disclose separately its current tax expense (income) related to Pillar Two income taxes.

#### **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**

The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.



## Notes to the Financial Statements

### 2.3.2 New and Revised IFRS Accounting Standards in Issue but not yet Effective

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

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

Amendments to IAS 1 - Non-current Liabilities with Covenants

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.	The directors of the Group is yet to adopt this amendment
Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current	The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.	The directors of the Group is yet to adopt this amendment



## Notes to the Financial Statements

### 2.3.1 New and Amended IFRS Accounting Standards that are Effective for the Current Year (cont'd)

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants	The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).	The directors of the Group is yet to adopt this amendment
Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants	The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024.  Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.	The directors of the Group is yet to adopt this amendment
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	Modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Defer the effective date of the 2020 amendments to 1 January 2024.	The directors of the Group is yet to adopt this amendment



## Notes to the Financial Statements

### 2.3.1 New and Amended IFRS Accounting Standards that are Effective for the Current Year(cont'd)

Amendments to IAS 8 Accounting Policies and Accounting Estimates: Definition of Accounting Estimates	<p>The changes to IAS 8 focus entirely on accounting estimates and clarify the following:</p> <p>The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. The amendments are effective for annual periods beginning on or after 1 January 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.</p>	The directors of the Group is yet to adopt this amendment
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	<p>The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk. The term ‘supplier finance arrangements’ is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The terms and conditions of the arrangements</li> <li><input type="checkbox"/> The carrying amount, and associated line items presented in the entity’s statement of financial position, of the liabilities that are part of the arrangements</li> <li><input type="checkbox"/> The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers</li> <li><input type="checkbox"/> Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement</li> <li><input type="checkbox"/> Liquidity risk information</li> </ul> <p>The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.</p>	The directors of the Group is yet to adopt this amendment





## Notes to the Financial Statements

### 2.3.1 New and Amended IFRS Accounting Standards that are Effective for the Current Year (cont'd)

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.	The directors of the Group is yet to adopt this amendment
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## 3 Material Accounting Policies

### a Statement of compliance

The consolidated and separate financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB (and adopted by FRC). Additional information required by national regulations is included where appropriate.

### b Functional and presentation currency

#### i) Functional currency

These consolidated and separate financial statements are presented in Nigeria Naira. The group functional currency and all values are rounded to the nearest thousand. "

#### (ii) Foreign currencies

##### Transactions and balances

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### b Functional and Presentation Currency (cont'd)

##### (ii) Foreign Currencies (cont'd)

##### Transactions and Balances (cont'd)

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

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

#### c Basis of preparation and measurement

The material accounting policies applied in the preparation of the consolidated and separate financial statements are set out below.

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

#### d Revenue

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

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

##### Sale Of Goods

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### d Revenue (cont'd)

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

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

Customers' Advance payment: These are paid made by customer and the goods and services are yet to be transferred to the customers. The amount is recognised as liability for each accounting year.

#### e Finance Income and Expense

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

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

#### f 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.

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.

#### g Biological Assets

##### Produce growing on bearer plants

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

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

#### h Property, Plant & Equipment

Items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their cost, less accumulated depreciation and accumulated impairment losses.

Historical cost includes purchase costs, expenditure that is directly attributable to the acquisition of the items.



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### h Property, Plant & Equipment (cont'd)

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. Land has an unlimited useful life and as such is not depreciated. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Freehold Land	Nil
Building	30 Years
Processing equipment	10-20 Years
Heavy duty equipment	10-20 Years
Furnitures, fixtures and fittings	3 -10 Years
Utilities	10 Years
Vehicles, wheels & tractors	5-10 Years
Bearer plant	25 Years
Rubber budwood	30 Years
Work-In-Progress	Nil

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

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

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

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

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





## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### i Leases

##### The Group as Lessee

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

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

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

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

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

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

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

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

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### i Leases (cont'd)

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

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

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

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

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

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

#### j Impairment of Tangible and Intangible Assets Excluding Goodwill

At the end of each reporting period, the group 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 group 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.



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### j Impairment of Tangible and Intangible Assets Excluding Goodwill (cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. "

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

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

#### k Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated and separate statements of financial position when the group becomes a party to the contractual provisions of the instrument.

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

#### i Amortised Cost and Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### k Financial Instruments (cont'd)

##### i Amortised Cost and eEffective Interest Method(cont'd)

##### Foreign Exchange Gains and Losses

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

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

##### Impairment of Financial Assets

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

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

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

##### i Definition of Default

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

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





## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### k Financial Instruments (cont'd)

##### i Definition of Default (cont'd)

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

##### ii Credit-Impaired Financial Assets

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

- ☐ significant financial difficulty of the issuer or the borrower;
- ☐ a breach of contract, such as a default or past due event (see (ii) above);
- ☐ the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- ☐ it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- ☐ the disappearance of an active market for that financial asset because of financial difficulties.

##### iii Write-off Policy

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

##### Derecognition of Financial Assets

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

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

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### k Financial Instruments (cont'd)

##### i Definition of Default (cont'd)

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

#### Financial Liabilities and Equity

##### Classification as debt or equity

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

##### Equity Instruments

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

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

##### Financial Liabilities

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

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

##### Financial Liabilities at FVTPL

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

##### A Financial Liability is Classified as Held for Trading if:

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### k Financial Instruments (cont'd)

##### i Definition of Default (cont'd)

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

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

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

Gains or losses on financial guarantee contracts issued by the company that are designated by the group as at FVTPL are recognised in profit or loss.

#### Financial Liabilities Measured Subsequently at Amortised Cost

Financial liabilities that are not :

- (i) contingent consideration of an acquirer in a business combination,
- (ii) held for trading, or
- (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### k Financial Instruments (cont'd)

##### i Definition of Default (cont'd)

#### Other Financial Liabilities

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

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

#### Trade Payables

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

#### Loans and Borrowings

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

#### Foreign eExchange Gains and Losses

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

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

#### Derecognition of Financial Liabilities

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





## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### k Financial Instruments (cont'd)

##### i Definition of Default (cont'd)

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

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between:

- (1) the carrying amount of the liability before the modification; and
- (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses. "

#### l Inventories

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

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

Supplies (Spares) purchase cost on a weighted average basis including transportation and applicable clearing charges

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

##### Goods in Transit Purchase Cost Incurred to Date

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

#### m Cash and Cash Equivalent

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

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### n 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 group are recognised at the proceeds received, net of direct issue costs.

Where the group purchases the 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 group'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 group's equity holders.

#### o Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group 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.

#### p Dividend Distribution

Dividend distribution to the group's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. In respect of interim dividends these are recognised once paid. Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 432 of Companies and Allied Matters Act of Nigeria are written back to retained earnings.

#### q Retirement Benefits and other Long and Short 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.

#### Defined Contribution Scheme

The group operates a defined contribution plan. The defined contribution plan pays a fixed contribution into a separate entity.



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### q Retirement Benefits and other Long and Short Term Employees' Benefits (cont'd)

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

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

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

#### Defined Benefit Scheme

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

#### Defined Benefit Costs are Categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

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

#### Termination Benefits

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

#### Short-Term Employee Benefits

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

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### r Government Grants

Government grants are not recognised until there is reasonable assurance that the Group 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 Group recognises as expenses the related costs on which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

#### s Current and Deferred Income Tax

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

##### Current Tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

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

##### Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill and on single transaction.





## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### s Current and Deferred Income Tax (cont'd)

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

#### Current Tax and Deferred Tax for the Year

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

#### t Earnings Per Share (EPS)

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

#### u Related Parties

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

#### v Investment in Subsidiary

The investment in the subsidiary is recognised in the financial statements of the company at cost while the share of profit, in form of dividend, is recognised in the income statements.



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### w Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

#### Critical Judgements in Applying the Group's Accounting Policies

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

#### Biological Assets

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

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

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

Cash-out costs were computed thus:

- Upkeep cost was forecasted based on the historical average cost per mature hectares and increased at the forecast inflation rate per annum.
- Harvesting/collection cost was based on the historical average collection cost per fresh fruit bunch (FFB) and increased at the forecast inflation rate per annum.

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

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### w Critical Accounting Judgements and Key Sources of Estimation uncertainty(cont'd)

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

#### Other Judgements and Estimates

##### (i) Useful Lives and Residual Value of Property, Plant and Equipment

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

##### (ii) Provision for Defined Benefit Obligation

The Group 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.

##### (iii) Taxation

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the group'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.

##### (iv) Valuation of Financial Liabilities

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

##### (v) Calculation of Loss Allowance

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



## Notes to the Financial Statements

### 3 Material Accounting Policies (cont'd)

#### w Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

##### (v) Calculation of Loss Allowance (cont'd)

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

### 4 Capital Management

The Group 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 Group's overall strategy remained unchanged.

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

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

	Group		Company	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N'000	N'000	N'000	N'000
<b>Gearing ratio</b>				
The gearing ratio at the year-end is as follows:				
Debt	67,709,334	63,678,994	49,683,878	43,722,441
Lease liabilities	2,662,142	2,549,426	348,552	220,029
Cash and bank balances (Note 24)	(9,793,095)	(10,104,678)	(8,861,547)	(8,733,450)
<b>Net debt</b>	<b>60,578,381</b>	<b>56,123,742</b>	<b>41,170,883</b>	<b>35,209,019</b>
Equity	57,163,053	34,160,565	75,304,124	52,208,636
<b>Net debt to equity ratio</b>	<b>106%</b>	<b>164%</b>	<b>55%</b>	<b>54%</b>

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

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





## Notes to the Financial Statements

### 5 Financial Instruments

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

#### 5.1 Categories of Financial Instruments

	Group		Company	
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
<b>Financial assets</b>				
<b>Amortized cost:</b>				
Cash and bank balances (Note 24)	9,793,095	10,104,678	8,861,547	8,733,450
Trade and other receivables (Note 23)	6,241,140	6,327,938	21,494,651	12,428,799
	<b>16,034,235</b>	<b>14,743,955</b>	<b>30,356,198</b>	<b>19,914,635</b>
<b>Financial liabilities</b>				
<b>Amortized cost:</b>				
Borrowings (Note 27)	60,426,351	61,443,239	44,381,154	43,693,295
Lease liabilities	2,662,142	2,549,426	348,552	220,029
Trade and other payables	13,538,714	10,532,404	4,036,131	3,327,933
Overdrafts (Note 24)	7,282,983	2,235,755	5,302,724	29,145
	<b>76,627,207</b>	<b>75,398,222</b>	<b>48,765,837</b>	<b>48,114,410</b>

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

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

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

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



## Notes to the Financial Statements

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

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

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

	Assets		Liabilities	
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
USD	8,398,323	3,296,117	762,733	-
EUR	4,723,243	1,556	1,378,641	491,813
GBP	3,450	1,631	-	-

The following exchange rates were applied during the year ended 31 December 2023:

	31 Dec. 2023		31 Dec. 2022	
	Average Rate	Year End Spot	Average Rate	Year End Spot
USD	633.83	896.14	447.28	764.00
EUR	686.12	989.02	477.46	566.00
GBP	792.21	1,140.81	539.34	668.00

The following table details the Group's sensitivity to a 15% (2022; 15%), increase and decrease in Naira against foreign currencies. Management believes that a 15% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding balances of foreign currencies denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 15% against the foreign currencies. For a 15% weakening of Naira against the foreign currencies there would be an equal and opposite impact on profit, and the balances below would be negative. The analysis assumes that all other variables remain constant.

	31-Dec-23 Profit/(loss) after tax N'000	31-Dec-22 Profit/(loss) after tax N'000
Naira strengthens by 15% against the USD	1,145,338	494,418
Naira strengthens by 15% against the EUR	501,690	73,539
Naira strengthens by 15% against the GBP	517	245
Naira weakens by 15% against the USD	(1,145,338)	(494,418)
Naira weakens by 15% against the EUR	(501,690)	(73,539)
Naira weakens by 15% against the GBP	(517)	(245)

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

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



## Notes to the Financial Statements

### 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 Group is not exposed to interest rate risk because it borrows funds denominated only in Naira at a fixed interest rates. Therefore no interest rate sensitivity analysis is required.

### 5.2.2 Liquidity Risk Management

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

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

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

#### 5.2.2.1 Maturity Analysis of Financial Liabilities

The following table details the Group'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 Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The Group	6-12 months		24 months and above		Total
	0-6 months N'000	months N'000	12-24 months N'000	N'000	
<b>31 Dec. 2023</b>					
Trade and other payables	14,605,884	-	-	-	14,605,884
Borrowings	2,765,113	-	26,439,251	35,161,522	64,365,886
Lease liability	78,337	-	2,125,699	-	2,204,036
Overdraft	7,282,983	-	-	-	7,282,983
<b>Total financial liabilities</b>	<b>24,732,317</b>	<b>-</b>	<b>28,564,951</b>	<b>35,161,522</b>	<b>88,458,789</b>
Cash and bank balances (Note 24)	9,793,095	-	-	-	9,793,095
Trade and other receivables (Note 23)	8,329,818	-	24,604,657	-	16,274,839
<b>Total financial assets</b>	<b>1,463,277</b>	<b>-</b>	<b>24,604,657</b>	<b>-</b>	<b>26,067,934</b>
<b>Net assets and liabilities</b>	<b>23,269,040</b>	<b>-</b>	<b>3,960,293</b>	<b>35,161,521.56</b>	<b>62,390,855</b>
<b>31 Dec. 2022</b>					
Trade and other payables	9,376,231	3,729,417	-	-	13,105,648
Borrowings	3,589,924	-	-	35,083,723	38,673,647
Lease liability	61,206	-	-	-	61,206
Overdraft	2,231,773	3,982	-	-	2,235,755
<b>Total financial liabilities</b>	<b>15,259,134</b>	<b>3,733,399</b>	<b>-</b>	<b>35,083,723</b>	<b>54,076,256</b>
Cash and bank balances (Note 24)	10,104,678	-	-	-	10,104,678
Trade and other receivables (Note 23)	2,533,276	-	3,100,000	1,500,887	7,134,163
<b>Total financial assets</b>	<b>12,637,954</b>	<b>-</b>	<b>3,100,000</b>	<b>1,500,887</b>	<b>17,238,841</b>
<b>Net assets and liabilities</b>	<b>2,621,180</b>	<b>3,733,399</b>	<b>(3,100,000)</b>	<b>33,582,836</b>	<b>36,837,415</b>



*Notes to the Financial Statements*  
*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

## Notes to the Financial Statements

### 5.2.2.1 Maturity Analysis of Financial Liabilities (cont'd)

The Company	0-6 months N'000	6-12 months N'000	12-24 months N'000	24 months and above N'000	Total N'000
<b>31 Dec. 2023</b>					
Trade and other payables	4,633,950	-	-	-	4,633,950
Borrowings	2,765,113	-	7,628,942	27,850,085	38,244,140
Lease liability	58,382	-	234,925	-	293,307
Overdraft	5,302,724	-	-	-	5,302,724
<b>Total Financial Liabilities</b>	<b>12,760,169</b>	<b>-</b>	<b>7,863,866</b>	<b>27,850,085</b>	<b>48,474,120</b>
Cash and bank balances (Note 24)	8,861,547	-	-	-	8,861,547
Trade and other receivables (Note 23)	3,529,562	-	24,604,657	-	28,134,219
<b>Total financial assets</b>	<b>12,391,110</b>	<b>-</b>	<b>24,604,657</b>	<b>-</b>	<b>36,995,767</b>
<b>Net assets and liabilities</b>	<b>369,059</b>	<b>-</b>	<b>(16,740,791)</b>	<b>27,850,084.93</b>	<b>11,478,353</b>
<b>31 Dec. 2022</b>					
Trade and other payables	2,041,588	3,729,417	-	-	5,771,005
Borrowings	1,806,840	-	-	30,673,852	32,480,692
Lease liability	41,251	-	-	-	41,251
Overdraft	25,163	3,982	-	-	29,145
	<b>3,914,843</b>	<b>3,733,399</b>	<b>-</b>	<b>30,673,852</b>	<b>38,322,094</b>
Cash and bank balances (Note 24)	5,822,759	2,910,691	-	-	8,733,450
Trade and other receivables (Note 23)	4,743,091	3,450,000	3,100,000	1,500,887	12,793,978
<b>Total Financial Assets</b>	<b>10,565,850</b>	<b>6,360,691</b>	<b>3,100,000</b>	<b>1,500,887</b>	<b>21,527,428</b>
<b>Net Assets and Liabilities</b>	<b>(6,651,008)</b>	<b>(2,627,292)</b>	<b>(3,100,000)</b>	<b>29,172,965</b>	<b>16,794,665</b>

### 5.2.3 Credit Risk Management

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group 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 Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposures to its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group consider that the group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, a guarantee for such receivables is obtained. The Group does not believe it is exposed to any material concentrations of credit risk because the counterparties deal with banks with high credit-ratings.

#### Overview of the Company's Exposure to Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2023, the group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position. "

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





## Notes to the Financial Statements

### 5.2.3 Credit Risk Management(cont'd)

#### For the Group

				Gross carrying amount N'000	Loss allowance N'000	Net carrying amount N'000
<b>31 Dec. 2023</b>	<b>Note</b>	<b>Internal credit rating</b>	<b>12-month or lifetime ECL</b>			
Trade receivables		Performing	Lifetime ECL (simplified approach)	3,332,031	(84,444)	3,247,587
Intercompany receivables		Performing	Lifetime ECL - not credit impaired	7,832,388	(31,764)	7,800,624
Other receivables		Performing	12-month ECL	5,226,628	-	5,226,628
				<b>16,391,047</b>	<b>(116,208)</b>	<b>16,274,839</b>
<b>31 Dec. 2022</b>	<b>Note</b>	<b>Internal credit rating</b>	<b>12-month or lifetime ECL</b>			
Trade receivables		Performing	Lifetime ECL (simplified approach)	2,190,630	(53,643)	2,136,987
Intercompany receivables		Performing	Lifetime ECL - not credit impaired	3,392,197	(83,682)	3,308,515
Other receivables		Performing	12-month ECL	1,688,661	-	1,688,661
				<b>7,271,488</b>	<b>(137,325)</b>	<b>7,134,163</b>
<b>31 Dec. 2023</b>	<b>Note</b>	<b>Internal credit rating</b>	<b>12-month or lifetime ECL</b>			
Trade receivables		Performing	Lifetime ECL (simplified approach)	3,288,961	(84,444)	3,204,517
Intercompany receivables		Performing	Lifetime ECL - not credit impaired	21,432,592	(32,452)	21,400,140
Call deposits		Performing	12-month ECL	3,529,562	-	3,529,562
				<b>28,251,115</b>	<b>(116,896)</b>	<b>28,134,219</b>
<b>31 Dec. 2022</b>	<b>Note</b>	<b>Internal credit rating</b>	<b>12-month or lifetime ECL</b>			
Trade receivables		Performing	Lifetime ECL (simplified approach)	2,299,830	(174,943)	2,124,887
Intercompany receivables		Performing	Lifetime ECL - not credit impaired	9,421,476	-	9,421,476
Call deposits		Performing	12-month ECL	1,247,615	-	1,247,615
				<b>12,968,921</b>	<b>(174,943)</b>	<b>12,793,977</b>

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

#### 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 Comp any, 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. "



## Notes to the Financial Statements

### 5.2.4 Fair Value of Financial Instruments (cont'd)

#### Financial Instruments in Level 2

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

#### Financial Instruments in Level 3

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

## 6 Segment Information

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

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

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

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

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

The Group	Segment Revenue		Segment Profit	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N'000	N'000	N'000	N'000
Local Sales	101,908,577	78,914,892	32,861,334	11,433,712
Export Sales	-	2,076,250	-	1,598,712
Related parties sales	510,610	38,704	-	-
	<b>102,419,187</b>	<b>81,029,846</b>	<b>32,861,334</b>	<b>13,032,424</b>
The Company	Segment Revenue		Segment Profit	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N'000	N'000	N'000	N'000
Local Sales	84,487,862	67,253,526	32,413,107	11,268,669
Export Sales	-	2,076,250	-	1,598,712
Related parties sales	510,610	38,704	-	-
	<b>84,998,472</b>	<b>69,368,480</b>	<b>32,413,107</b>	<b>12,867,381</b>



*Notes to the Financial Statements*  
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## Notes to the Financial Statements

### 7 Revenue

**Revenue comprises:**

Sales of crude and refined products  
 Mill by-products  
 Sales of Fresh Fruit Bunches (FFB)

**Geographical Market**

Nigeria  
 Germany

**Timing of revenue recognition**

at a point in time  
 over time

### 8 Cost of Sales

Raw materials consumed  
 Upkeep of mature plantings, harvesting & laboratory expenses  
 Employee cost (Note 37)  
 Mill processing, refinery and packaging costs  
 Depreciation of property, plant and equipment  
 Depreciation of right-of-use assets  
 Repairs and maintenance

### 9 Administrative Expenses

Clearing and handling  
 Office and housing expenses  
 Rent and rates  
 Repairs and maintenance  
 Gratuity expense (service cost)  
 Postage and telephone  
 Insurance  
 Legal and regulatory expenses  
 Audit fees  
 Professional and other consultancy fees  
 Donations  
 Subscription and licenses  
 Transport and travelling  
 Management fees (Note 14.1)  
 Security  
 Community development  
 Meeting, Entertainment and Corporate social responsibility (CSR)  
 Directors fees (Note 36)  
 Staff costs  
 Depreciation of property, plant and equipment  
 Amortization of intangible assets  
 Bank charges  
 Long service award settlement gain /(loss) (Note 26.2)  
 Provision for other charges and liabilities  
 Other taxes  
 Other expenses/(income)

	Group		Company	
	31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>Revenue</b>				
Sales of crude and refined products	101,878,839	80,986,852	84,458,124	69,325,486
Mill by-products	29,738	4,290	29,738	4,290
Sales of Fresh Fruit Bunches (FFB)	510,610	38,704	510,610	38,704
	<b>102,419,187</b>	<b>81,029,846</b>	<b>84,998,472</b>	<b>69,368,480</b>
<b>Geographical Market</b>				
Nigeria	102,419,187	78,953,596	84,998,472	67,292,230
Germany	-	2,076,250	-	2,076,250
	<b>102,419,187</b>	<b>81,029,846</b>	<b>84,998,472</b>	<b>69,368,480</b>
<b>Timing of revenue recognition</b>				
at a point in time	102,419,187	81,029,846	84,998,472	69,368,480
over time	-	-	-	-
	<b>102,419,187</b>	<b>81,029,846</b>	<b>84,998,472</b>	<b>69,368,480</b>
<b>Cost of Sales</b>				
Raw materials consumed	892,505	1,887,868	4,638,058	5,704,155
Upkeep of mature plantings, harvesting & laboratory expenses	9,289,601	6,403,432	6,687,585	5,939,156
Employee cost (Note 37)	9,286,517	7,197,911	7,026,796	4,935,160
Mill processing, refinery and packaging costs	14,725,183	12,187,803	9,665,460	8,195,365
Depreciation of property, plant and equipment	2,654,044	2,735,668	2,654,045	2,735,668
Depreciation of right-of-use assets	183,421	119,742	87,069	23,390
Repairs and maintenance	355,896	524,586	355,896	352,323
	<b>37,387,167</b>	<b>31,057,010</b>	<b>31,114,910</b>	<b>27,885,217</b>
<b>Administrative Expenses</b>				
Clearing and handling	1,163,319	697,286	755,368	655,765
Office and housing expenses	875,607	436,646	625,797	338,827
Rent and rates	96,650	124,410	2,250	6,390
Repairs and maintenance	952,239	379,950	717,696	318,143
Gratuity expense (service cost)	123,630	78,884	123,630	59,601
Postage and telephone	23,632	102,440	23,401	21,211
Insurance	425,791	263,882	308,584	184,116
Legal and regulatory expenses	110,781	133,821	64,635	67,060
Audit fees	92,853	76,425	67,978	60,425
Professional and other consultancy fees	898,543	848,099	507,579	602,387
Donations	142,739	58,240	64,239	57,100
Subscription and licenses	946,828	190,056	209,360	114,560
Transport and travelling	4,862,487	3,758,681	4,203,551	3,274,463
Management fees (Note 14.1)	1,818,502	1,404,030	1,282,698	961,499
Security	647,938	475,337	390,884	331,399
Community development	188,267	130,480	188,267	130,480
Meeting, Entertainment and Corporate social responsibility (CSR)	72,640	216,522	72,639	167,743
Directors fees (Note 36)	227,283	178,675	201,222	155,750
Staff costs	5,709,507	3,673,925	3,602,550	2,383,037
Depreciation of property, plant and equipment	1,332,480	1,303,803	303,675	303,675
Amortization of intangible assets	31,008	30,848	1,680	1,707
Bank charges	980,767	533,255	859,790	416,550
Long service award settlement gain /(loss) (Note 26.2)	58,766	12,955	58,766	12,955
Provision for other charges and liabilities	1,796,000	1,620,899	890,000	581,589
Other taxes	-	315,611	-	95,559
Other expenses/(income)	49,667	6,331	133,375	(30,009)
	<b>23,627,924</b>	<b>17,051,491</b>	<b>15,659,614</b>	<b>11,271,982</b>

The auditors provide the review of management report on internal control over financial reporting for a fee of N12.5 million for the group and N7.5million for the company. These fees form part of the professional fee expense during the year ended 31 December 2023. Other taxes relate to levies and taxes paid to various government authorities.



## Notes to the Financial Statements

	Group		Company	
	31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>10 Selling and Distribution Expenses</b>				
Finished products (Road transport)	1,246,664	1,155,012	1,246,664	1,111,984
Selling expenses	310,868	635,224	44,839	371,759
	<b>1,557,532</b>	<b>1,790,236</b>	<b>1,291,503</b>	<b>1,483,743</b>
	<b>The Group</b>	<b>The Group</b>	<b>The Company</b>	<b>The Company</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>11 Other Gains and (Losses)</b>				
Government grants	217,153	224,307	217,153	224,307
Loss on disposal of fixed assets	(170,912)	(61,407)	(170,730)	(61,407)
	<b>46,241</b>	<b>162,900</b>	<b>46,423</b>	<b>162,900</b>
<b>11.1 Other Operating Income/(Losses)</b>				
Livestock sales	8,546	4,565	8,546	4,565
Scrap sales	189,527	731,139	189,527	356,747
Palm seedlings sales	-	(355,864)	-	(274,235)
Miscellaneous Operating Income	564,890	-	207,796	-
Excess provision write-back	1,195,883	-	1,195,883	-
Petrol and diesel sales	677,413	931,033	677,413	931,033
Rent and Hire	-	8,353	-	8,353
	<b>2,636,259</b>	<b>1,319,226</b>	<b>2,279,165</b>	<b>1,026,464</b>
<b>11.2</b>	The excess provision write back was excess management fee provided for but cannot be paid to the technical team. Petrol and diesel sales relates to the group fuel station that distributes diesel for FFB Haulage to forestall production delay.			
<b>12 Finance Cost</b>				
	<b>The Group</b>	<b>The Group</b>	<b>The Company</b>	<b>The Company</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Interest on lease liabilities (Note 30.3)	354,647	119,843	55,245	41,249
Interest on loan (Note 27)	3,572,518	4,268,347	971,640	1,624,855
Interest on bond (Note 27)	4,511,089	3,313,248	4,511,089	3,313,248
Interest on overdrafts (Note 27)	580,408	643,818	156,461	70,834
Interest on defined benefit obligation	162,075	110,294	162,075	110,294
Interest on government grant (BOI)	-	36,225	-	36,225
	<b>9,180,737</b>	<b>8,491,775</b>	<b>5,856,510</b>	<b>5,196,705</b>
<b>13 Finance Income</b>				
Interest on call deposit	-	4,671.00	-	4,671
Interest on loan from related party	-	-	215,065	-
Interest on fixed deposit	48,165	32,193	48,165	32,193
	<b>48,165</b>	<b>36,864</b>	<b>263,230</b>	<b>36,864</b>





## Notes to the Financial Statements

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### Notes to the Financial Statements

		The Group		The Company		
		31 Dec 2023	31 Dec 2022	31 Dec. 2023	31 Dec. 2022	
		N'000	N'000	N'000	N'000	
14	Profit Before Tax					
	Profit before taxation is stated after charging / (crediting) the following:					
	Depreciation of property, plant and equipment	18	3,986,525	4,039,470	2,957,720	3,039,343
	Depreciation of Right-of-use assets	19	183,421	119,742	87,069	23,390
	Amortization of intangible assets	16	31,008	30,848	1,680	1,707
	Directors remuneration	9	227,283	178,675	201,222	155,750
	Auditors remuneration	9	101,193	76,425	75,478	60,425
	Loss on disposal of fixed assets	11	(170,730)	(61,407)	(170,730)	(61,407)
	Interest on loans, overdrafts etc.	27	8,664,015	8,225,413	5,639,190	5,008,937
	Management fee	9	1,818,502	1,404,030	1,282,698	961,499
	Technical knowhow		2,079,765	1,412,628	2,079,765	1,412,628
	Seconded staff cost		2,133,309	867,641	2,133,309	867,641
	Expected Credit Loss Allowance	23	21,117	137,325	58,047	(174,943)
	Exchange (Gain) / loss		(3,779,404)	3,311,123	6,063,443	416,550
	Gratuity expense (service cost)	26	123,630	114,335	123,630	59,601

#### 14.1 Technical and Management Service fees

The amount payable for Technical Knowhow and Management service agreement is based on applicable rates below. For the year ended 31 December 2023 the fees inclusive of VAT amounting to N2.08 billion (2022: N1.41 billion) was recognised in these financial statements. The agreement was made with the approval of the National Office for Technology Acquisition and promotion (NOTAP). The NOTAP Agreement covers for 3 years from 01 January 2021 - 31 December 2023.

Management fees charged for the year of N 1.819 billion (2022: N1.404 billion) represents the value of management services provided by SIAT NV and restricted to a maximum of 3% of profit before tax based on agreement between the parties."

NOTAP Approved Items	NOTAP Certificate NO	Rates	Bases
Technical Knowhow	Cr006852	3%	Net Sales
Management Fee	Cr006852	Not exceeding 3%	Profit before tax (PBT)
Technology Knowhow- SIAT	CR006412	2%	Net Sales
Management Fee - SIAT	CR006412	Not exceeding 2%	Profit before tax (PBT)

		The Group		The Company	
		31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
		N'000	N'000	N'000	N'000
<b>15</b>	<b>Analysis of Tax Expense</b>				
	Tax recognised in profit or loss	17,145,191	6,782,417	17,145,191	6,745,542
	Tax recognised in other comprehensive income	(259,493)	(27,557)	(259,493)	(41,565)
		16,885,698	6,754,860	16,885,698	6,703,977



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## Notes to the Financial Statements

	The Group		The Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>15.1 Tax Expenses</b>				
Income tax				
Current income tax	9,118,373	9,411,458	9,118,373	9,411,458
Education tax	1,107,593	975,695	1,107,593	938,830
Police trust fund	2,478	991	2,478	981
	<b>10,228,444</b>	<b>10,388,144</b>	<b>10,228,444</b>	<b>10,351,269</b>
Deferred tax	6,916,747	(3,605,727)	6,916,747	(3,605,727)
	<b>17,145,191</b>	<b>6,782,417</b>	<b>17,145,191</b>	<b>6,745,542</b>

## 15.2 Effective Tax Reconciliation

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

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

	The Group				The Company			
	31 Dec. 2023 N'000	%	31 Dec. 2022 N'000	%	31 Dec. 2023 N'000	%	31 Dec. 2022 N'000	%
Profit before tax from continuing operations	50,006,525		19,814,841		49,558,298		19,612,923	
Income tax expense calculated at 30% of PBT	15,001,958	30%	5,944,452	30%	14,867,489	30%	5,883,877	30%
Effect of expenses that are not deductible in determining taxable profit	(4,395,621)	-9%	5,830,814	29%	(4,395,621)	-9%	5,830,814	30%
Education tax at 3% (2.5% in 2022) of assessable profits	1,486,749	3%	975,695	5%	1,486,749	3%	938,830	5%
Police trust fund at 0.0005% of PBT	2,478	0%	991	0%	2,478	0%	981	0%
Balancing Charges adjustment	4,759	0%	-	0%	4,759	0%	-	0%
Deferred tax expense	6,657,254	30%	(3,605,727)	-18%	6,657,254	30%	(3,605,727)	-18%
Transfer pricing tax	704,576	1%	-		704,576	1%	-	0%
Tax adjustments (others)	(2,316,961)	-5%	(2,363,809)	-12%	(2,182,494)	-4%	(2,303,233)	-12%
<b>Income tax expense recognized in profit or loss</b>	<b>17,145,191</b>	<b>51%</b>	<b>6,782,417</b>	<b>34%</b>	<b>17,145,191</b>	<b>51%</b>	<b>6,745,542</b>	<b>34%</b>

## 15.3 Income Tax recognized in other Comprehensive Income

Deferred tax on remeasurement of defined benefit obligation

**Total income tax recognized in other comprehensive income**

The Group		The Company	
31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
(259,493)	(27,557)	(259,493)	(41,565)
<b>(259,493)</b>	<b>122,119</b>	<b>(259,493)</b>	<b>(41,565)</b>



## Notes to the Financial Statements

### 16 Intangible Assets

#### 16.1 Other Intangible Assets

##### The Group

##### Cost

At 1 January 2023

Addition

Reclassification

At 31 December 2023

##### Amortization

At 1 January 2023

Charge during the year

At 31 December 2023

##### The Group

##### Cost

At 1 January 2022

Reclassification

At 31 December 2022

##### Amortization

At 1 January 2022

Charge during the year

Write -back of Depr.

At 31 December 2022

##### Carrying amount

At 31 December 2023

At 31 December 2022

Computer software	Total
N'000	N'000
421,463	421,463
-	-
-	-
421,463	421,463
(302,555)	(302,555)
(31,008)	(31,008)
(333,563)	(333,563)
Computer software	Total
N'000	N'000
426,589	426,589
(5,126)	(5,126)
421,463	421,463
(276,833)	(276,833)
(30,848)	(30,848)
5,126	5,126
(302,555)	(302,555)
87,900	87,900
118,907	118,907



## Notes to the Financial Statements

### 16.1 Other Intangible Assets

	Computer software N'000	Total N'000
<b>The Company</b>		
<b>Cost</b>		
At 1 January 2022	133,313	133,313
Reclassification	(5,126)	(5,126)
<b>At 31 December 2022</b>	<b>128,187</b>	<b>128,187</b>
Addition during the year	-	-
Reclassification	-	-
<b>At 31 December 2023</b>	<b>128,187</b>	<b>128,187</b>
<b>Amortization</b>		
At 1 January 2022	(116,904)	(116,904)
Reclassification	5,126	5,126
Charge during the year	(1,707)	(1,707)
<b>At 31 December 2022</b>	<b>(113,485)</b>	<b>(113,485)</b>
Charge during the year	(1,680)	(1,680)
<b>At 31 December 2023</b>	<b>(115,165)</b>	<b>(115,165)</b>
<b>Carrying amount</b>		
At 31 December 2023	<b>13,022</b>	<b>13,022</b>
<b>At 31 December 2022</b>	<b>14,702</b>	<b>14,702</b>

### 17 Biological Assets

#### 17a Reconciliation of Carrying Amount

Biological assets consists of the fresh fruit bunches from the trees:

	Group		Company	
The Group	31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>At fair value (Fresh fruit bunches)</b>				
<b>At 1 January</b>	14,341,283	15,236,322	11,102,588	12,784,291
Fresh Fruit Bunches (FFB) Produced	4,455,793	1,120,467	4,504,626	1,179,146
Extraction rate	2,335,586	882,668	1,720,337	442,939
Cost (Upkeep cost, harvesting & Collection cost and Agric overhead costs)	(3,176,943)	(9,238,783)	(2,545,444)	(6,407,583)
Changes in fair value less costs to sell:				
Selling price	9,321,065	6,585,913	6,611,266	3,712,332
Contributory Asset Change	(72,612)	(272,732)	1,209	(393,199)
Discount rate	261,074	27,428	310,898	(215,338)
Tax	(880,268)	-	(830,839)	-
<b>At 31 December</b>	<b>26,584,978</b>	<b>14,341,283</b>	<b>20,874,641</b>	<b>11,102,588</b>
The biological assets are analysed into:				
Non- current	-	-	-	-
Current	26,584,978	14,341,283	20,874,641	11,102,588
<b>At 31 December</b>	<b>26,584,978</b>	<b>14,341,283</b>	<b>20,874,641</b>	<b>11,102,588</b>
<b>Gain/(Loss) on biological asset revaluation</b>	<b>12,243,696</b>	<b>(895,035)</b>	<b>9,772,054</b>	<b>(1,681,703)</b>

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





## Notes to the Financial Statements

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### Notes to the Financial Statements

#### 17a Reconciliation of Carrying Amount (cont'd)

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

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

As at 31 December 2023, none of the biological assets are pledged as securities for liabilities. The fair value measurement of the group's biological assets is categorised within Level 3 of the fair value hierarchy.

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

At 31 December 2023, The Group's material biological asset consists only of palm fruits coming from 6 existing estates palm trees (Obaretin, Cowan, Ologbo, Sakponba, Elele and Ubima):

The following information was used during valuation of its biological asset:

2023 sensitivity analysis: +/- 1% and +/- 0.5% change in extraction rate and discount rate respectively:

#### Company

	20,849,982,003	Extraction rate				
		23.0%	23.5%	24.0%	24.5%	25.0%
WACC	24.5%	19,396,899,578	20,142,546,376	20,888,193,175	21,633,839,973	22,379,486,771
	25.0%	19,379,115,912	20,124,076,759	20,869,037,607	<b>21,613,998,454</b>	22,358,959,302
	25.5%	19,361,425,077	20,105,703,540	<b>20,849,982,003</b>	21,594,260,467	22,338,538,930
	26.0%	19,343,826,219	<b>20,087,425,831</b>	20,831,025,444	21,574,625,057	22,318,224,670
	26.5%	19,326,318,493	20,069,242,757	20,812,167,020	21,555,091,284	22,298,015,547

#### Subsidiary

	5,710,336,834.5	Extraction rate				
		16.5%	17.5%	18.0%	18.5%	19.5%
WACC	19.2%	5,570,666,812.2	5,564,062,674.6	5,557,495,348.3	5,550,964,475.1	5,544,469,701.4
	19.7%	5,672,813,752.3	5,666,084,342.0	5,659,392,450.0	5,652,737,711.0	5,646,119,764.6
	20.2%	5,723,883,043.5	5,717,091,003.1	<b>5,710,336,834.5</b>	5,703,620,168.8	5,696,940,642.3
	20.7%	5,774,949,622.9	5,768,094,956.6	5,761,278,515.4	5,754,499,927.0	5,747,758,824.4
	21.2%	5,877,074,860.3	5,870,094,954.0	5,863,153,979.5	5,856,251,557.6	5,849,387,314.5

Since no reliable market-based prices are available to value the biological asset, the calculation method used was the discounted method (income method) to 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 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.



## Notes to the Financial Statements

### 17a Reconciliation of Carrying Amount (cont'd)

Any cash flows for financing the assets, taxation or re-establishing biological assets after harvest have been excluded. The assumptions applied in the valuation were an assumed CPO Malaysian Palm Oil price incremented by a factor taking into account Nigerian Market specificities, and a discount rate of 25.5% (2022: 24.3%) and the subsidiary uses 20.2% (2022:17.25%)

### 17b Measurement of Fair Values:

#### Level 3 fair values

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

Gains/(Loss) on biological assets for the Group	31 Dec. 2023 N'000	31 Dec. 2022 N'000
Change in fair value	12,243,696	(895,035)
Gains/(Loss) on Biological Assets for the Company	31 Dec. 2023 N'000	31 Dec. 2022 N'000
Change in fair value	9,772,054	(1,681,703)

#### iii. Valuation Techniques and Significant Unobservable Inputs

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<b>Palm Trees (Fresh Fruit Bunches)</b>			
Palm trees older than 3 years (i.e. the age at which its Fresh fruit bunches (FFB) becomes mature for processing into CPO)	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 6 months. The expected net cash flows are discounted using a risk adjusted discount rate.	<p>- <b>Estimated future market prices for CPO per tone</b> (2023: N1,190,000; 2022: N972,083).</p> <p>- <b>Estimated yields per hectare</b></p> <p>Obaretin (2023: 10.48,); Ologbo (2023: 16.11,); Cowan (2023: 10.31); Sakponba (2023: 12.77);</p> <p>Obaretin (2022: 0.5–1.7, weighted average 1.4); Ologbo (2022: 0.9 – 2.0, weighted average 1.5); Cowan (2022: 0.6 – 1.7, weighted average 1.2); Sakponba (2022: 0.5 – 1.3, weighted average 1.0);</p> <p>- <b>Estimated costs</b> (2023: 24%, ; 2022: 10.7% – 13.8%, weighted average 12.2%).</p> <p>- <b>Risk-adjusted discount rate</b> (2023: 20.2% – 25.5%, weighted average 25.5%; 2022: 23.8% – 25.8%, weighted average 24.8%);</p>	The estimated fair value would increase (decrease) if: – the estimated CPO prices per tone were higher (lower); – the estimated yields per hectare were higher (lower); – the estimated harvest and transportation costs were lower (higher); or – the risk-adjusted discount rates were lower (higher).

### 17c Risk Management Strategy Related to Agricultural Activities

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

#### i. Regulatory and Environmental Risks

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

#### ii. Supply and Demand Risk

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

#### iii. Climate and Other Risks

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

## Notes to the Financial Statements

### 18 Commitments for development or acquisition of biological assets

The group has not entered into any contract during the financial year to acquire additional palm oil seedlings (2022: nil).

#### Property, plant and equipment

Group	Bearer Plant #’000	Rubber Budwood #’000	Building #’000	Freehold Land #’000	Processing Equipment #’000	Heavy Duty Equipment #’000	Vehicles, Wheel Tractors #’000	Furniture, Fixtures & Fittings #’000	Utilities #’000	Work-in-progress #’000	Total #’000
<b>Cost</b>											
<b>At 1 January 2023</b>	31,781,397	129,063	5,827,654	6,622,929	36,656,838	2,297,598	3,654,862	1,538,307	2,258,674	22,582,968	113,350,290
Additions	-	-	189,535	-	319,823	188,777	733,810	154,560	336,707	10,496,877	12,420,089
Reclassification	2,245,382	-	276,398	-	1,636,913	-	470,066	40,697	26,192	(4,695,648)	-
Write-back/transfer to inventory	-	-	-	-	(3,068,976)	-	-	-	-	(9,036)	(3,078,012)
Disposal	-	-	-	-	-	(44,238)	(23,984)	(8,950)	(29,298)	(276,314)	(382,784)
<b>At 31 December 2023</b>	<b>34,026,779</b>	<b>129,063</b>	<b>6,293,587</b>	<b>6,622,929</b>	<b>35,544,597</b>	<b>2,442,137</b>	<b>4,834,754</b>	<b>1,724,614</b>	<b>2,592,275</b>	<b>28,098,843</b>	<b>122,309,584</b>

#### Accumulated depreciation

<b>At 1 January 2023</b>	(5,142,297)	(13,252)	(1,175,911)	-	(8,484,014)	(1,368,023)	(2,475,287)	(803,704)	(1,235,237)	-	(20,697,726)
Charge for the year	(1,310,637)	(4,298)	(200,819)	-	(1,585,345)	(115,311)	(418,299)	(181,378)	(170,438)	-	(3,986,525)
Write-off	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	43,775	21,797	8,950	16,122	-	90,644
<b>At 31 December 2023</b>	<b>(6,452,934)</b>	<b>(17,550)</b>	<b>(1,376,730)</b>	<b>-</b>	<b>(10,069,359)</b>	<b>(1,439,561)</b>	<b>(2,871,789)</b>	<b>(976,132)</b>	<b>(1,389,553)</b>	<b>-</b>	<b>(24,593,608)</b>

#### Group

Group	Bearer Plant #’000	Rubber Budwood #’000	Building #’000	Freehold Land #’000	Processing Equipment #’000	Heavy Duty Equipment #’000	Vehicles, Wheel Tractors #’000	Furniture, Fixtures & Fittings #’000	Utilities #’000	Work-in-progress #’000	Total #’000
<b>Cost</b>											
<b>At 1 January 2022</b>	31,846,204	129,063	4,959,653	5,722,592	32,480,292	2,109,057	3,082,851	1,244,637	2,145,925	18,128,703	101,848,979
Additions	47,895	-	228,665	0	2,392,003	188,541	617,111	260,109	99,815	8,706,201	12,540,340
Reclassification	-	-	639,336	900,337	2,337,588	-	23,610	63,898	12,934	(3,977,702)	-
Write-off	(112,702)	-	-	-	-	-	-	-	-	(274,235)	(386,937)
Disposal	-	-	-	-	(553,046)	-	(68,710)	(30,337)	-	-	(652,093)
<b>At 31 December 2022</b>	<b>31,781,397</b>	<b>129,063</b>	<b>5,827,654</b>	<b>6,622,929</b>	<b>36,656,838</b>	<b>2,297,598</b>	<b>3,654,862</b>	<b>1,538,307</b>	<b>2,258,674</b>	<b>22,582,968</b>	<b>113,350,290</b>

#### Accumulated depreciation

<b>At 1 January 2022</b>	(3,969,765)	(8,955)	(1,013,282)	-	(7,019,084)	(1,240,710)	(2,207,578)	(710,450)	(1,110,711)	-	(17,280,535)
Charge for the year	(1,215,746)	(4,297)	(162,629)	-	(1,951,874)	(127,313)	(332,301)	(120,783)	(124,526)	-	(4,039,470)
Write-off	43,214	-	-	-	-	-	-	-	-	-	43,214
Disposal/Reclass	-	-	-	-	486,944	-	64,593	27,529	-	-	579,066
<b>At 31 December 2022</b>	<b>(5,142,297)</b>	<b>(13,252)</b>	<b>(1,175,911)</b>	<b>-</b>	<b>(8,484,014)</b>	<b>(1,368,023)</b>	<b>(2,475,287)</b>	<b>(803,704)</b>	<b>(1,235,237)</b>	<b>-</b>	<b>(20,697,726)</b>

#### Carrying amount

<b>31 December 2023</b>	27,573,845	111,513	4,916,856	6,622,929	25,475,238	1,002,576	1,962,965	748,482	1,202,722	28,098,843	97,715,971
<b>31 December 2022</b>	31,781,397	115,811	4,651,743	6,622,929	28,172,824	929,575	1,179,575	734,603	1,023,436	22,582,968	92,652,564

## Notes to the Financial Statements

### 18 Commitments for development or acquisition of biological assets (cont'd)

#### 18.1 Amount recognized in income statement:

##### Recognised as:

Depreciation - Cost of sales (Note 8)

Depreciation - Administrative (Note 9)

	2023	2022
	₦'000	₦'000
	2,654,043	2,735,668
	1,332,479	1,303,803
	<u>3,986,523</u>	<u>4,039,470</u>

#### 18.2 Spare parts were transferred to inventory as it does not meet the requirement of PPE.

##### The Company

Cost	Bearer Plant ₦'000	Rubber Budwood ₦'000	Building ₦'000	Freehold Land ₦'000	Processing Equipment ₦'000	Heavy Duty Equipment ₦'000	Vehicles, Wheel & Tractors ₦'000	Furniture, Fixtures & Fittings ₦'000	Utilities ₦'000	Work-in- progress ₦'000	Total ₦'000
<b>At 1 January 2023</b>	22,314,864	129,062	4,506,793	6,622,929	26,696,211	877,465	2,466,220	918,801	1,607,687	8,032,055	74,172,086
Additions	-	-	41,327	-	75,357	101,578	506,110	117,387	336,707	7,006,422	8,184,888
Reclassification	2,245,382	-	276,398	-	1,636,913	-	470,066	40,697	26,192	(4,695,648)	-
Write-back/transfer from inventory	-	-	-	-	(1,536,623)	-	-	-	-	(9,036)	(1,545,659)
Disposal	-	-	-	-	-	(44,238)	(21,569)	(8,950)	(29,298)	(276,314)	(380,369)
<b>At 31 December 2023</b>	<b>24,560,246</b>	<b>129,062</b>	<b>4,824,518</b>	<b>6,622,929</b>	<b>26,871,858</b>	<b>934,805</b>	<b>3,420,827</b>	<b>1,067,935</b>	<b>1,941,288</b>	<b>10,057,478</b>	<b>80,430,946</b>

##### Accumulated depreciation

<b>At 1 January 2023</b>	(4,284,154)	(13,252)	(808,529)	(14,643)	(5,906,044)	(530,289)	(1,528,143)	(464,154)	(863,123)	-	(14,412,332)
Charge for the year	(931,978)	(4,298)	(156,431)	-	(1,231,407)	(52,601)	(303,025)	(143,387)	(134,593)	-	(2,957,720)
Disposal	-	-	-	-	-	43,775	21,569	8,950	16,122	-	90,416
<b>At 31 December 2023</b>	<b>(5,216,132)</b>	<b>(17,550)</b>	<b>(964,960)</b>	<b>(14,643)</b>	<b>(7,137,451)</b>	<b>(539,115)</b>	<b>(1,809,600)</b>	<b>(598,591)</b>	<b>(981,594)</b>	<b>-</b>	<b>(17,279,635)</b>

##### Cost

<b>At 1 January 2022</b>	22,314,864	129,062	3,658,142	5,722,592	23,730,759	688,924	2,122,495	804,837	1,518,938	4,965,821	65,656,434
Additions	-	-	209,315	-	2,367,537	188,541	412,435	80,403	75,815	6,107,934	9,441,979
Reclassification	-	-	639,336	900,337	1,150,960	-	-	63,898	12,934	(2,767,465)	-
Write-off	-	-	-	-	-	-	-	-	-	(274,235)	(274,235)
Disposal	-	-	-	-	(553,046)	-	(68,710)	(30,337)	-	-	(652,093)
<b>At 31 December 2022</b>	<b>22,314,864</b>	<b>129,062</b>	<b>4,506,793</b>	<b>6,622,929</b>	<b>26,696,211</b>	<b>877,465</b>	<b>2,466,220</b>	<b>918,801</b>	<b>1,607,687</b>	<b>8,032,055</b>	<b>74,172,086</b>

##### Accumulated depreciation

<b>At 1 January 2022</b>	(3,448,418)	(8,955)	(689,400)	(14,643)	(4,760,868)	(489,888)	(1,369,623)	(396,015)	(774,245)	-	(11,952,055)
Charge for the year	(835,736)	(4,297)	(119,129)	-	(1,632,120)	(40,401)	(223,113)	(95,668)	(88,878)	-	(3,039,343)
Disposal/Reclass.	-	-	-	-	486,944	-	64,593	27,529	-	-	579,066
<b>At 31 December 2022</b>	<b>(4,284,154)</b>	<b>(13,252)</b>	<b>(808,529)</b>	<b>(14,643)</b>	<b>(5,906,044)</b>	<b>(530,289)</b>	<b>(1,528,143)</b>	<b>(464,154)</b>	<b>(863,123)</b>	<b>-</b>	<b>(14,412,332)</b>

##### Carrying amount

<b>31 December 2023</b>	19,344,114	111,512	3,859,558	6,608,286	19,734,407	395,690	1,611,228	469,344	959,695	10,057,478	63,151,311
<b>31 December 2022</b>	18,030,710	115,810	3,698,263	6,608,286	20,790,167	347,175	938,076	454,647	744,565	8,032,055	59,759,754





## Notes to the Financial Statements

### 18.2 Commitments for Development or Acquisition of Biological Assets (cont'd)

During the financial year, the group did not dispose any of its capital work in progress items (2022: 0.274 billion), and the company did not dispose any of its capital work in progress during the year under review (2022:0.274 billion).

Construction work in progress as at 31 December 2023 mainly comprises of new palm oil refinery and fractionating plant, immature plantations and nursery as well as land acquired with the intention of constructing a new factory on the site.

### 18.3 Reclassification

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

### 18.4 Assets Pledged as Security

As at 31 December 2023, some borrowings were secured by negative pledge on all the assets of the company. See Note 27 for details.

## 19 Right-of-use Assets

	Group		Company	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N'000	N'000	N'000	N'000
<b>Cost</b>				
At 1 January	5,485,632	5,485,632	1,671,236	1,671,236
Impact of Modification	277,577	-	277,577	-
At 31 December	<b>5,763,209</b>	<b>5,485,632</b>	<b>1,948,813</b>	<b>1,671,236</b>
<b>Accumulated Depreciation</b>				
At January	(1,595,515)	(1,475,773)	(93,560)	(70,170)
Charge for the year	(183,421)	(119,742)	(87,069)	(23,390)
At 31 December	<b>(1,778,936)</b>	<b>(1,595,515)</b>	<b>(180,629)</b>	<b>(93,560)</b>
<b>Carrying amount</b>				
At 31 December	<b>3,984,273</b>	<b>3,890,117</b>	<b>1,768,184</b>	<b>1,577,676</b>

The group leases lands at Ologbo, Obaretin, Cowan, and Sakpoba in both Edo & Delta States, and Ubima and Elele in Rivers State.

The Company leases land at Ologbo, Obaretin, Cowan and Sakpoba. The leases typically run for a period of 99 years, with no extension options, since these leases run the maximum lease life allowable by the government (i.e. 99 years). Lease payments are renegotiated every five years to reflect market rentals. However, Edo state government reviews the lease period downward to 25 years. This resulted in the modification of the lease calculation.

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

The subsidiary has an Oil Palm Estate in Ubima and Elele under a finance lease arrangement from Risonpalm Limited. The lease term is 35 years and the implicit rate on the lease is 3.17%/annum.



## Notes to the Financial Statements

### 19 Right-of-Use Assets (cont'd)

The amounts recognised in profit/(loss) in relation to leases has been presented in note 8 and the extension options for the leases has been presented in note 20.

The maturity analysis of lease liabilities is presented in Note 30.4.

### 20 Extension Options for Leases

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

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

### 21 Investment in Subsidiary

#### 21.1 Composition of the Group

The Parent company acquired a subsidiary in 2021. There was no new acquisition in 2023.

Set out below are the details of the subsidiary held directly by the Company from 2021:

Name of the Subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Company at period-end 31 December 2021
Siat Nigeria Limited	Nigeria	SIAT (NIGERIA) LIMITED specializes in the cultivation of oil palms and in the extraction of crude palm oil. The Company supplies oil of high quality specifications to its customers and assures reliability of supply of its products all year round. The Company operates from two estates in Rivers State, Ubima and Elele Estates.	100%

#### 21.2 Acquisition Reserves

In 2021, the excess of acquisition cost to net assets of NGN18 billion is primarily from growth expectations, and expected future profitability, group and expected cost synergies. The excess was booked as reserves since the acquired entity and the company are under the same control of Siat NV. This treatment is not covered by IFRS 3, hence the management uses predecessor value method.



## Notes to the Financial Statements

Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023

### Notes to the Financial Statements

#### 21.3 Summary of the Subsidiary Financial Statements for the Year Ended 31 December:

	31-Dec-23 N '000	31-Dec-22 N '000
<b>Non -Current Asset:</b>		
Intangible asset	74,877	104,205
Property, plant and equipment	34,564,678	31,360,466
Right to use assets	2,216,090	2,312,443
<b>Total non-current assets</b>	<b>36,855,645</b>	<b>33,777,113</b>
<b>Current asset</b>		
Inventory	4,339,792	2,228,316
Trade and other receivables	4,559,457	2,076,708
Biological assets	5,710,337	3,238,695
Cash & cash equivalents	931,548	1,371,228
<b>Total current assets</b>	<b>15,541,134</b>	<b>8,914,947</b>
<b>Total Assets</b>	<b>52,396,779</b>	<b>42,692,060</b>
Equity	4,925,044	5,018,047
<b>Non-current liabilities</b>		
Borrowings	16,954,287	15,966,860
Employee benefit obligation	741,917	264,762
Lease liability	2,293,635	775,642
<b>Total non-current liabilities</b>	<b>19,989,839</b>	<b>17,007,264</b>
	<b>31-Dec-23 N '000</b>	<b>31-Dec-22 N '000</b>
<b>Current liabilities:</b>		
Trade & Other payables	18,890,773	15,086,436
Borrowings	6,590,909	1,783,084
Overdraft	1,980,259	2,206,610
Company Income Tax	-	36,865
Lease liability	19,955	1,553,755
<b>Total current liabilities</b>	<b>27,481,896</b>	<b>20,666,750</b>
<b>Total Liabilities and Equity</b>	<b>52,396,779</b>	<b>42,692,060</b>
Revenue	22,458,901	17,458,634
Cost of sales	(11,883,138)	(8,753,698)
<b>Gross Profit</b>	<b>10,575,763</b>	<b>8,585,924</b>
Other Income	1,322,886	433,698
Admin & Selling Expenses	(7,220,195)	(5,500,903)
Finance Cost	(4,230,227)	(3,301,623)
<b>Net operating profit</b>	<b>448,227</b>	<b>206,358</b>
Tax expense	-	(36,875)
<b>After tax profit</b>	<b>448,227</b>	<b>169,493</b>



## Notes to the Financial Statements

### 22 Inventories

	Group		Company	
	31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
Supplies (Spares)	9,364,992	3,592,096	6,087,853	3,023,868
Finished Goods	1,454,469	414,639	793,291	319,470
Goods in Transit	5,404,764	418,124	5,003,289	385,553
Allowance for obsolete spares	(347,136)	(297,123)	(347,136)	(297,123)
	<b>15,877,089</b>	<b>4,127,736</b>	<b>11,537,297</b>	<b>3,431,768</b>

The cost of inventories reversed during the year as a result of previous write-downs is N0.26 million (2022: N2.46 billion).

There were no inventories pledged as securities during the financial year (2022: Nil)

### 23 Trade and other Receivables

	Group		Company	
	31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>Financial instruments</b>				
Trade receivables	3,332,031	2,190,630	3,288,961	2,299,830
Allowance for expected credit losses (Note 23.2)	(84,444)	(53,643)	(84,444)	(174,943)
	<b>3,247,587</b>	<b>2,136,987</b>	<b>3,204,517</b>	<b>2,124,887</b>
<b>Other receivables</b>				
Intercompany receivables (Note 35)	7,832,388	3,392,197	21,432,592	9,421,476
Allowance for expected credit losses	(31,764)	(83,682)	(32,452)	-
	<b>11,048,211</b>	<b>5,445,502</b>	<b>24,604,657</b>	<b>11,546,363</b>
Unclaimed dividend	419,557	882,436	419,556	882,436
<b>Non-Financial Instruments</b>				
Sundry receivables	4,476,681	404,647	2,779,616	209,766
Payment in advance	330,390	401,578	330,390	155,413
	<b>4,807,071</b>	<b>806,225</b>	<b>3,110,006</b>	<b>365,179</b>
<b>Total trade and other receivables</b>	<b>16,274,839</b>	<b>7,134,163</b>	<b>28,134,219</b>	<b>12,793,978</b>

#### 23.1 Trade Receivables

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

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





## Notes to the Financial Statements

### 23.1 Trade Receivables (cont'd)

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

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

### 23.2 Allowance for Expected Credit Loss

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

#### 31-Dec-23

#### Trade receivables and intercompany accounts days past due

	1-30 days 1% N'000	31-60 days 44% N'000	61-90 days 0% N'000	91-180 days 0% N'000	>180 days 10% N'000	Total N' 000
<b>The Group</b>						
Expected credit loss rate						
Estimated total gross carrying amount at default (N'000)	11,225,326	35,176	9,013	72,164	4,046	11,345,724
Expected credit loss (N'000)	(281,476)	(15,649)	-	-	(388)	(297,513)
	<b>10,943,850</b>	<b>19,527</b>	<b>9,013</b>	<b>72,164</b>	<b>3,658</b>	<b>11,048,211</b>
<b>31-Dec-22</b>						
Expected credit loss rate	2%	8%	8%	8%	8%	
Estimated total gross carrying amount at default (N'000)	5,462,429	35,176	9,013	72,164	4,046	5,582,827
Expected credit loss (N'000)	(128,273)	(2,645)	677.62	(5,425)	(305)	(137,325)
	<b>5,334,156</b>	<b>32,531</b>	<b>8,335</b>	<b>66,739</b>	<b>3,741</b>	<b>5,445,502</b>
<b>The Company</b>						
		Trade receivables days past due				
	1-30 days 0% N'000	31-60 days -44% N'000	61-90 days 0% N'000	91-180 days 0% N'000	>180 days -10% N'000	Total N' 000
<b>31-Dec-23</b>						
Expected credit loss rate						
Estimated total gross carrying amount at default (N'000)	24,618,926	35,176	9,013	72,163	4,045	24,739,324
Expected credit loss (N'000)	(118,630)	(15,649)	-	-	(388)	(134,667)
	<b>24,500,297</b>	<b>19,527</b>	<b>9,013</b>	<b>72,163</b>	<b>3,657</b>	<b>24,604,657</b>
<b>31-Dec-22</b>						
Expected credit loss rate	1.4%	8%	8%	8%	8%	
Estimated total gross carrying amount at default (N'000)	11,600,909	35,176	9,013	72,163	4,045	11,721,306
Expected credit loss (N'000)	(165,891)	(2,645)	(678)	(5,425)	(305)	(174,943)
	<b>11,435,018</b>	<b>32,531</b>	<b>8,335</b>	<b>66,738</b>	<b>3,740</b>	<b>11,546,363</b>



## Notes to the Financial Statements

### 23.2 Allowance for

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

Scalar factors are based on actual and forecast gross domestic product (agriculture industry specific), inflation rate and forex rates. These scalar factors are as follows: 1.94 (2022: 1.23) for downside, 1.60 (2022: 2.54) for baseline and 1.42 (2022:2.50) for upside.

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

	Collectively assessed N'000	Individually assessed N'000	Total N'000
<b>The Group</b>			
<b>Balance as at 1 January 2023</b>	134,277	3,048	137,325
Net remeasurement of loss allowance	-	-	-
	<b>134,277</b>	<b>3,048</b>	<b>137,325</b>
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	160,188	-	160,188
<b>Balance as at 31 December 2023</b>	<b>294,465</b>	<b>3,048</b>	<b>297,513</b>
<b>Balance as at 1 January 2022</b>	131,877	3,048	134,925
Net remeasurement of loss allowance	(8,714)	-	(8,714)
	<b>123,163</b>	<b>3,048</b>	<b>126,211</b>
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	11,114	-	11,114
<b>Balance as at 31 December 2022</b>	<b>134,277</b>	<b>3,048</b>	<b>137,325</b>
	<b>Collectively assessed N'000</b>	<b>Individually assessed N'000</b>	<b>Total N'000</b>
<b>The Company</b>			
<b>Balance as at 1 January 2023</b>	198,964	3,048	202,012
Net remeasurement of loss allowance	-	-	-
	<b>198,964</b>	<b>3,048</b>	<b>202,012</b>
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	(67,345)	-	(67,345)
<b>Balance as at 31 December 2023</b>	<b>131,619</b>	<b>3,048</b>	<b>(134,667)</b>
<b>Balance as at 1 January 2022</b>	24,021	3,048	27,069
Net remeasurement of loss allowance	-	-	-
	<b>24,021</b>	<b>3,048</b>	<b>27,069</b>
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	174,943	-	174,943
<b>Balance as at 31 December 2022</b>	<b>198,964</b>	<b>3,048</b>	<b>202,012</b>



## Notes to the Financial Statements

### 23.2 Allowance for Expected Credit Loss (cont'd)

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

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

The impairment loss as at 31 December 2023 relates to several customers that are not expected to be able to pay their outstanding balances, mainly due to economic circumstances. The Company believes that the unimpaired amounts that are past due are still collectible, based on historical payment behaviour and extensive analysis of the underlying customers' credit ratings. The impairment loss is included in administrative expenses.

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

All trade receivables are denominated in Nigerian Naira.

	The Group		The Company	
	31-Dec-23 N '000	31-Dec-22 N '000	31-Dec-23 N '000	31-Dec-22 N '000
<b>24 Cash and cash equivalents</b>				
Cash and bank balances	9,391,594	9,366,746	8,460,046	8,011,747
Cash deposits	401,501	444,531	401,501	428,302
Short term deposits	-	293,401	-	293,401
<b>Cash and cash equivalents in the statement of financial position</b>	<b>9,793,095</b>	<b>10,104,678</b>	<b>8,861,547</b>	<b>8,733,450</b>
Bank overdrafts	(7,282,983)	(2,235,756)	(5,302,724)	(29,145)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>2,510,112</b>	<b>7,868,922</b>	<b>3,558,823</b>	<b>8,704,305</b>

Short term deposits represents Presco workers gratuity investment.

### 25 Share Capital and Share Premium

#### 25.1 Share Capital

	The Group		The Company	
	31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>Issued and fully paid up capital</b>				
1,000,000,000 Ordinary shares at 50kobo each	500,000	500,000	500,000	500,000
<b>25.2 Share Premium</b>	<b>1,173,528</b>	<b>1,173,528</b>	<b>1,173,528</b>	<b>1,173,528</b>



## Notes to the Financial Statements

### 26 Defined Benefit Obligation

#### 26.1 Defined Contribution Plans

The employees of the group are members of a state-managed retirement benefit plan operated by the government of Nigeria (Pension Reform Act 2014). 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.

#### 26.2 Defined Benefit Plans

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

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

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

The group recognises provision for post-employment benefits for 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 group amounted to approximately N2.851billion as at December 2023 (2022: N1.4 billion) while that of the company amounted to N2.1 billion as at 31 December 2023 (2022: N1.1 billion)

#### Amount Recognised in the Statement of Financial Position

	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
Retirement Benefit	2,469,963	1,166,273	1,797,092	925,854
Gratuity	186,837	94,482	186,837	94,482
Long service award	194,986	90,516	125,940	66,173
Present value of funded obligations "fair value assets	2,851,786	1,351,271	2,109,869	1,086,509
Reconciliation of the net retirement benefit obligation in the statement of financial position:				
Present value of defined benefit obligations	2,851,786	1,351,271	2,109,869	1,086,509
Fair value of plan assets	(308,863)	-	(308,863)	-
<b>Net liability arising from defined benefit obligation</b>	<b>2,542,923</b>	<b>1,351,271</b>	<b>1,801,006</b>	<b>1,086,509</b>





## Notes to the Financial Statements

### 26.2 Defined Benefit Plans (cont'd)

The amounts recognise in the statements of comprehensive income in respect of these defined benefits scheme and plan are as follows:

	The Group		The Company	
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
Service Cost	123,603	103,207	123,603	59,601
Interest Cost	162,075	114,335	162,075	110,294
	<u>285,678</u>	<u>217,542</u>	<u>285,678</u>	<u>169,895</u>
<b>The actuarial gain or loss from long service award settlement are as follows:</b>				
Long service award settlement gain /(loss)	58,766	12,955	58,766	12,955

#### Remeasurements through the Other Comprehensive Income (OCI)

	The Group		The Company	
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
Actuarial loss - obligation from experience adjustment	484,309	48,649	(23,691)	34,840
Actuarial (gain)/loss - obligation from economics assumptions	843,262	40,547	810,033	93,052
Remeasurements of the net defined benefit liability	-	(4,406)	-	-
<b>Amount recognised in OCI</b>	<u><b>1,327,571</b></u>	<u><b>84,790</b></u>	<u><b>786,342</b></u>	<u><b>127,892</b></u>

#### Reconciliation of Benefit Obligations

	The Group		The Company	
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
As 1 January 2023	1,351,271	1,077,797	1,086,509	826,284
Current service cost (employer)	123,603	103,207	123,603	59,601
Interest cost	162,075	145,994	162,075	110,294
Actuarial (gain)/Loss in experience	484,309	48,649	(23,691)	34,840
Remeasurements of the net defined benefit liability	39,979	(4,406)	27	-
Actuarial Loss in assumptions	889,490	40,547	751,267	93,052
Actuarial Losses on long service award	58,766	12,955	58,766	12,955
Benefits paid	(257,707)	(73,472)	(107,453)	(50,517)
<b>Benefit obligation as at 31 December</b>	<u><b>2,851,786</b></u>	<u><b>1,351,271</b></u>	<u><b>2,051,103</b></u>	<u><b>1,086,509</b></u>



## Notes to the Financial Statements

### 26.2 Defined Benefit Plans (cont'd)

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

#### The Group

##### Employee benefit type

##### As at 31 December 2023

		Main result N'000	+1% N'000	-1% N'000
	<b>Discount rate</b>			
Retirement		(2,469,963)	(1,478,071)	(1,649,275)
<b>Change</b>			<b>40.2%</b>	<b>-33.2%</b>
Long Service Awards		(125,940)	(119,017)	(133,605)
<b>Change</b>			<b>-5.5%</b>	<b>-6.1%</b>
Gratuity		(174,619)	(168,343)	(181,481)
<b>Change</b>			<b>-3.6%</b>	<b>3.9%</b>
<b>Total</b>	<b>Discount rate</b>	<b>(2,770,522)</b>	<b>(1,765,431)</b>	<b>(1,964,361)</b>
			<b>-36.3%</b>	<b>-29.1%</b>
	<b>Salary increase rate</b>			
Retirement		(2,469,963)	(1,643,440)	(1,482,220)
<b>Change</b>			<b>5.5%</b>	<b>-4.9%</b>
Long Service Awards		(125,940)	(133,673)	(118,861)
<b>Change</b>			<b>6.1%</b>	<b>-5.6%</b>
Gratuity		(174,619)	(180,797)	(168,891)
<b>Change</b>			<b>3.5%</b>	<b>-3.3%</b>
<b>Total</b>	<b>Salary increase rate</b>	<b>(2,770,522)</b>	<b>(1,957,910)</b>	<b>(1,769,972)</b>
			<b>-29.3%</b>	<b>-36.1%</b>
<b>As at 31 December 2022</b>				
	<b>Discount rate</b>			
Retirement		(1,166,273)	(1,100,188)	(1,233,195)
<b>Change</b>			<b>5.7%</b>	<b>5.7%</b>
Long Service Awards		(90,516)	(91,830)	(103,848)
<b>Change</b>			<b>1.5%</b>	<b>-14.7%</b>
Gratuity		(94,482)	(91,311)	(97,946)
<b>Change</b>			<b>-3.4%</b>	<b>7.3%</b>
<b>Total</b>	<b>Discount rate</b>	<b>(1,351,271)</b>	<b>(1,283,329)</b>	<b>(1,434,989)</b>
			<b>-5.0%</b>	<b>6.2%</b>
	<b>Salary increase rate</b>			
Retirement		1,166,273	(1,213,321)	(1,086,359)
<b>Change</b>			<b>-204.0%</b>	<b>-193.1%</b>
Long Service Awards		90,516	(103,736)	(91,848)
<b>Change</b>			<b>-214.6%</b>	<b>-201.5%</b>
Gratuity		94,482	(97,405)	(91,772)
<b>Change</b>			<b>-203.1%</b>	<b>-197.1%</b>
<b>Total</b>	<b>Salary increase rate</b>	<b>1,351,271</b>	<b>(1,414,462)</b>	<b>(1,269,979)</b>
			<b>-204.7%</b>	<b>-194.0%</b>



## Notes to the Financial Statements

### 26.2 Defined Benefit Plans (cont'd)

#### The Company

#### Employee benefit type

As at 31 December 2023

		Main result N'000	+1% N'000	-1% N'000
	Discount rate			
Retirement		(1,558,181)	(1,478,071)	(1,649,275)
Change			5.1%	5.8%
Long Service Awards		(125,940)	(119,017)	(133,605)
Change			-6%	6.1%
Gratuity		(174,619)	(168,343)	(181,481)
Change			-3.4%	3.7%
Total	Discount rate	<u>(1,858,740)</u>	<u>(1,765,431)</u>	<u>(1,964,361)</u>
			-5.0%	5.7%
	Salary increase rate			
Retirement		1,558,181	(1,643,440)	(1,482,220)
Change			5.5%	-4.9%
Long Service Awards		(125,940)	(133,673)	(118,861)
Change			6.1%	-5.6%
Gratuity		(174,619)	(180,797)	(168,891)
Change			3.5%	-3.3%
Total	Salary increase rate	<u>1,257,622</u>	<u>(1,957,910)</u>	<u>(1,769,972)</u>
			-255.7%	-240.7%
As at 31 December 2022				
	Discount rate			
Retirement		(925,854)	(881,515)	(976,327)
Change			-4.8%	5.5%
Long Service Awards		(66,173)	(62,481)	(70,284)
Change			-5.6%	6.2%
Gratuity		(94,482)	(91,311)	(97,946)
Change			-3.4%	3.7%
Total	Discount rate	<u>(1,086,509)</u>	<u>(1,035,307)</u>	<u>(1,144,557)</u>
			-4.7%	5.3%
	Salary increase rate			
Retirement		(925,854)	(970,785)	(885,854)
Change			4.9%	-4.3%
Long Service Awards		(66,173)	(70,140)	(62,558)
Change			6.0%	-5.5%
Gratuity		(94,482)	(97,405)	(91,772)
Change			3.1%	-2.9%
Total	Salary increase rate	<u>(1,086,509)</u>	<u>(1,138,330)</u>	<u>(1,040,184)</u>
			4.8%	-4.3%



## Notes to the Financial Statements

### 26.2 Defined Benefit Plans (cont'd)

#### Economic Assumptions

The valuation report assumptions are stated below:

Discount rate used	Long service Award	Gratuity	Retirement Benefit
Presco	16.3%	15.0%	15.3%
Siat Nigeria Limited	14.20%	-	14.20%
Inflation rate used	Long service Award	Gratuity	Retirement Benefit
Presco	17.50%	17.50%	17.50%
Salary increment	Long service Award	Gratuity	Retirement Benefit
Presco : Junior	15%	15%	15%
Presco : Senior Staff	12.5%	12.5%	12.5%
Presco Plc:Management Staff	8.0%	8.0%	8.0%
Siat Nigeria Limited	10%	-	10%

#### Mortality

The valuation report assumed that the rate of mortality for members in service will follow the A1949-1952 for pre-retirement mortality as published by the Institute of Actuaries for Siat Nigeria Limited while the parent company uses the ultimate table of A1967/70.

#### Withdrawals

The withdrawal from service was based on the average experience of other similar companies in the industry.

The actuarial valuation was performed by Alexander Forbes with FRC No FRC/2012/0000000504 and signed by Wayne van Jaarsveld with FRC No FRC/2021/002/00000024507 while that of the subsidiary was prepared by Zamara Consulting Actuaries Nigeria Limited and signed by James I. Olubayi with FRC No. FRC/2019/00000012910

### 27 Borrowings

#### Unsecured borrowing at amortized cost

	The group		The Company	
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
Fidelity BOI Loan	-	121,678	-	121,678
Stanbic IBTC	1,856,061	3,446,970	-	-
Zenith (DCRR) Term Loan	8,201,449	5,952,180	-	-
	<b>10,057,510</b>	<b>9,520,828</b>	<b>-</b>	<b>121,678</b>





## Notes to the Financial Statements

Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023

### Notes to the Financial Statements

#### 27 Borrowings (cont'd)

	The group		The Company	
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
<b>Secured borrowing at amortized cost</b>				
Bond due 2029	35,161,522	35,083,723	35,161,522	35,083,723
First Bank loan	5,965,770	8,333,333	-	-
Zenith (DCRR) Term Loan	4,233,321	2,911,927	4,233,321	2,911,927
GTB RSSF DCRR Loan	4,363,398	4,705,726	4,363,398	4,705,726
Commercial Paper	21,917	17,461	-	-
Letters of credit obligation	622,914	870,241	622,914	870,241
	<b>50,368,841</b>	<b>51,922,411</b>	<b>44,381,154</b>	<b>43,571,617</b>
<b>Total borrowings</b>	<b>60,426,351</b>	<b>61,443,239</b>	<b>44,381,154</b>	<b>43,693,295</b>
<b>Include in the statement of financial position as:</b>				
Current	2,765,113	3,589,924	2,765,113	1,806,840
Non-current	57,661,238	57,853,315	41,616,042	41,886,455
	<b>60,426,351</b>	<b>61,443,239</b>	<b>44,381,154</b>	<b>43,693,295</b>
<b>Below is the loan movement during the year</b>				
At 1 January	61,443,239	51,059,177	43,693,295	31,451,280
Additional loan	4,602,476	4,802,813	1,366,751	3,662,914
Bond issued	-	35,083,723	-	33,987,100
Fair valuation of loan (government grant)	-	(538,782)	-	(538,782)
Accrued interest	8,083,607	(229,928)	5,514,055	36,225
Repayment during the year	(13,702,971)	(28,733,764)	(6,192,947)	(26,002,065)
<b>At 31 December</b>	<b>60,426,351</b>	<b>61,443,239</b>	<b>44,381,154</b>	<b>43,693,295</b>

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

	The Group		The Company	
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
<b>At 1 January</b>	2,735,453	893,030	1,217,734	26,801.00
Interest on loan	3,572,518	4,268,347	971,640	1,624,855
Interest on bond	4,511,089	3,313,248	4,511,089	3,313,248
Interest on overdrafts	580,408	643,818	156,461	70,834
Interest paid during the year	(9,837,826)	(6,382,990)	(5,399,253)	(3,818,004)
<b>At 31 December</b>	<b>1,561,642</b>	<b>2,735,453</b>	<b>1,457,671</b>	<b>1,217,734</b>



## Notes to the Financial Statements

### 27 Borrowings (Cont'd)

Below is the bond movement during the year

	The Group		The Company	
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-23 N ' 000	31-Dec-22 N ' 000
Amount of Issued Bond	35,083,723	34,500,000	35,083,723	34,500,000
Interest Payable	4,511,089	3,313,248	4,511,089	3,316,248
Interest Paid	(4,433,290)	(2,216,625)	(4,433,290)	(2,216,625)
Less Issuing Cost	-	(512,900)	-	(512,900)
Balance as at 31 December	<b>35,161,522</b>	<b>35,083,723</b>	<b>35,161,522</b>	<b>35,083,723</b>

#### 27.1 Summary of Borrowing Arrangements

**BOI/Fidelity Bank loan:** In October 2016, the Company received a 10% N1.230 billion loan under the BOI Fund facilitated by Fidelity Bank for the purpose of financing the procurement of items of plant and machinery towards the expansion of oil palm processing plant in Obaretin, Edo State. The loan has a tenor of six and half years inclusive of 18 months moratorium. Using imputed market interest rates of 14% for an equivalent loan of 10%, the fair value of the loan is estimated at N1.112billion. The difference of N116million between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest rate loan and is recognised as deferred revenue (see note 29.1). The deferred revenue is recognized over the loan tenure. There is a bank guarantee to secure the loan and interest charges on a continuous basis. In April, 2020, a COVID19 relief package was granted on account of this loan. Hence, reducing the interest rate to 8% between April 2020 and September 2021, and to 10% effective October 2021.

**STANBIC IBTC Bank Loan:** In March 2018, Stanbic IBTC bank offered the subsidiary a loan for capital expenditures related to the agro-industrial investments. The total amount offered was NGN 5.3 billion. The interest rate for the loan is 18% and the loan is for a duration of 78 months (inclusive of moratorium). In addition, in May 2018, Stanbic IBTC offered the subsidiary a loan for capital expenditure. The total amount offered was N2.5 billion. The interest rate for the loan is 18% and the loan is for a duration of 78 months (inclusive of moratorium). Finally, in July 2018, Stanbic IBTC offered Siat (Nigeria) Ltd loan for capital expenditure. The total amount offered and disbursed was N950 million. The interest rate for the loan is 18% and the loan is for a duration of 78 months (inclusive of moratorium). Subsequently, in October 2019 all rates were reviewed downward to 16% and further reduced to 12% in March 2020. Security provided includes letter of comfort from Siat Brussels.

**Zenith Bank bridge bond:** The facility of N10 billion drawn in October 2021 is to part-finance the purchase of Siat NV Shares in SNL. The interest rate is 15% with a maturity date of 31st March 2022.

**Zenith bank loan:** In September 2018, Zenith bank offered the company CBN Differentiated Cash Reserve Requirement facility to finance operations. The total amount offered was N5 billion for a tenor of 72 months (inclusive of moratorium) at an interest rate of 9% per annum and later reviewed downward to 5% in May 2020. This was not disbursed until June 2019.

**First bank loan:** In June 2019, First bank offered the Company a bridge loan (To be subsumed under Term Loan - RSSF - DCRR) to part finance the expansion of plantation and mill equipment. The total amount offered and disbursed was N3 billion for a tenor of 36 months at an interest rate of 16% per annum and later increased to N10 billion in 2020.

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

The group has overdraft from Zenith Bank, Fidelity Bank Plc, Union Bank, Stanbic and First Bank Limited. These facilities were used to finance operating expenses, maintenance of equipment and other working capital requirements.

**Bond:** The company in 2022 raised a NGN34,500,000,000.00 7 years 12.85% senior unsecured fixed rate series 1 bond due in 2029 with Stanbic IBTC Capital Ltd as the lead issuing house alongside other the joint issuing houses.



## Notes to the Financial Statements

Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023

### Notes to the Financial Statements

#### 27.2 Breach of loan agreement

There was no breach of loan agreement during the year 2023 (2022: nil).

	Group		Company	
	31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
<b>28 Bank Overdraft</b>				
<b>Unsecured borrowing at amortised cost</b>				
Stanbic IBTC Plc	1,528,777	976,520	1,244,559	-
First Bank Limited	931,186	474,534	931,186	-
Fidelity Bank Plc	1,397,063	180,005	676,945	-
Union Bank Plc	-	-	-	-
United Bank of Africa Plc	441,877	29,145	441,877	29,145
Zenith Bank Plc	2,984,080	575,552	2,008,157	-
<b>Total bank overdrafts</b>	<b>7,282,983</b>	<b>2,235,756</b>	<b>5,302,724</b>	<b>29,145</b>
<b>29 Deferred Income</b>				
Arising from government grant (Note 29.1)	599,599	545,153	599,599	533,503
Arising from customers' advance	624,096	237,037	624,096	233,406
	<b>1,223,695</b>	<b>782,190</b>	<b>1,223,695</b>	<b>766,909</b>
<b>29.1 Government grant</b>				
<b>At 1 January</b>	545,153	403,048	533,503	403,048
Additions	271,599	366,412	283,249	354,762
Recognised in profit or loss	(217,153)	(224,307)	(217,153)	(224,307)
<b>At 31 December</b>	<b>599,599</b>	<b>545,153</b>	<b>599,599</b>	<b>533,503</b>
<b>Included in the statement of financial position as:</b>				
Current	776,327	369,936	776,327	354,655
Non-current	447,368	412,254	447,368	412,254
	<b>1,223,695</b>	<b>782,190</b>	<b>1,223,695</b>	<b>766,909</b>



## Notes to the Financial Statements

### 29 Deferred Income (cont'd)

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

Advanced from Customers are payments received for goods not yet delivered.

### 30 Lease Liabilities

#### 30.1 Lease Arrangements

The group leased certain of its landed properties under the finance leases. The average terms of the lease terms ranges from 25 years to 99 years. The group has option to purchase the land for a nominal amount at the end of the lease terms. The leases are secured by the lessors' title to the leased assets.

Interest rates underlying all leases are fixed on the respective contract dates at 3.66% to 23.9% per annum.

#### 30.2 Included in the Statement of Financial Position as:

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	N 000	N 000	N 000	N 000
Current	78,337	61,206	58,382	41,251
Non-Current	2,583,805	2,488,220	290,170	178,778
	<b>2,662,142</b>	<b>2,549,426</b>	<b>348,552</b>	<b>220,029</b>

#### 30.3 Below is the Lease Movement During the Year:

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	N 000	N 000	N 000	N 000
At 1 January	2,549,426	2,565,236	220,029	220,035
Payments made during the year	(511,088)	(133,252)	(195,879)	(38,854)
Lease payments accrued for during the year	-	(3,001)	-	(3,001)
Impact of Lease modification	269,157	-	269,157	-
Accrued lease liabilities for prior year paid during the year	-	600	-	600
Interest on lease liabilities	354,647	119,843	55,245	41,249
<b>At 31 December</b>	<b>2,662,142</b>	<b>2,549,426</b>	<b>348,552</b>	<b>220,029</b>



## Notes to the Financial Statements

### 30.4 Maturity Analysis:

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

	The Group		The Company	
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-21 N'000
Year 1	78,337	61,206	58,382	41,251
Year 2 to 5	314,186	314,186	164,994	164,994
Onwards	3,999,325	4,057,704	1,839,075	1,897,454
	<b>4,391,848</b>	<b>4,433,096</b>	<b>2,062,451</b>	<b>2,103,699</b>
Less: unearned interest	(1,729,706)	(1,883,670)	(1,713,899)	(1,883,670)
<b>Total</b>	<b>2,662,142</b>	<b>2,549,426</b>	<b>348,552</b>	<b>220,029</b>

### 31 Current tax liabilities

At 1 January	10,525,095	5,397,904	10,488,220	5,397,904
Charge for the year	10,228,444	10,388,144	10,228,444	10,351,269
	<b>20,753,539</b>	<b>15,786,048</b>	<b>20,716,664</b>	<b>15,749,173</b>
Payment during the year	(10,312,561)	(5,260,953)	(10,275,695)	(5,260,953)
	<b>10,440,979</b>	<b>10,525,095</b>	<b>10,440,970</b>	<b>10,488,220</b>

#### 31.1 Deferred tax

At 1 January	7,312,881	10,946,165	7,246,792	10,894,084
Charge for the year	6,657,254	(3,633,284)	6,657,254	(3,647,292)
<b>At December</b>	<b>13,970,135</b>	<b>7,312,881</b>	<b>13,904,046</b>	<b>7,246,792</b>

#### 31.2 Reconciliation of the deferred tax The Group

31-Dec-23	At 1 January N '000	Recognised in profit or loss N '000	Recognised in OCI N '000	At 31 December N '000
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	10,926,377	955,373	-	11,881,750
ROU assets @ 30%	71,510	458,945	-	530,455
Other provisions	(2,380,309)	1,552,605	-	(827,704)
Biological assets	1,612,189	6,624,872	-	8,237,062
Provisions for retirement benefits	229,029	-	259,493	488,522
Lease liabilities	-	115,023	-	115,023
Exchange difference	(3,145,914)	(3,309,059)	-	(6,454,973)
	<b>7,312,882</b>	<b>6,397,759</b>	<b>259,493</b>	<b>13,970,135</b>





## Notes to the Financial Statements

### 31.2 Reconciliation of the Deferred Tax (cont'd)

The Group recognises deferred tax assets on carried forward tax losses to the extent that there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group is able to satisfy the continuing ownership test. The subsidiary has a nil deferred tax assets however, it has taxable and unrelieved losses from operation hence it does not recognise the deferred tax assets as the directors believe there is no reasonable assessment of its realisation.

31-Dec-22	At 1 January N '000	Recognised in profit or loss N '000	Recognised in OCI N '000	At 31 December N '000
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	9,969,082	957,295	-	10,926,377
ROU assets @ 30%	-	71,510	-	71,510
Other provisions	(110,036)	(2,270,273)	-	(2,380,309)
Biological assets	1,900,095	(287,906)	-	1,612,189
Provisions for retirement benefits	(206,566)	463,151	(27,557)	229,029
Exchange difference	(606,410)	(2,539,504)	-	(3,145,914)
	<b>10,946,165</b>	<b>(3,605,727)</b>	<b>(27,557)</b>	<b>7,312,882</b>
<b>The Company</b>				
31-Dec-23	At 1 January N '000	Recognised in profit or loss N '000	Recognised in OCI N '000	At 31 December N '000
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	10,926,377	955,373	-	11,881,750
ROU assets @ 30%	71,510	458,945	-	530,455
Other provisions	(370,178)	1,552,605	-	1,182,428
Biological assets	(546,554)	6,624,874	-	6,078,321
Provisions for retirement benefits	311,550	-	259,493	571,043
Lease liabilities		115,023		115,023
Exchange difference	(3,145,914)	(3,309,059)	-	(6,454,973)
	<b>7,246,792</b>	<b>6,397,761</b>	<b>259,493</b>	<b>13,904,046</b>
31-Dec-22	At 1 January N'000	Recognised in profit or loss N'000	Recognised in OCI N'000	At 31 December N'000
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	9,969,082	957,295	-	10,926,377
ROU assets @ 30%	-	71,510	-	71,510
Other provisions	1,900,096	(2,270,273)	-	(370,178)
Biological assets	(258,648)	(287,906)	-	(546,554)
Provisions for retirement benefits	(110,036)	463,151	(41,565)	311,550
Exchange difference	(606,410)	(2,539,504)	-	(3,145,914)
	<b>10,894,084</b>	<b>(3,605,727)</b>	<b>(41,565)</b>	<b>7,246,792</b>



## Notes to the Financial Statements

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### Notes to the Financial Statements

	At 1 January N'000	Recognised in profit or loss N'000	Recognised in OCI N'000	At 31 December N'000
<b>32 Trade and other Payables</b>				
Trade payables	2,015,274	2,025,686	1,422,229	1,754,961
Accruals	4,534,693	2,874,264	891,165	351,247
Sundry creditors	1,067,170	603,468	597,819	473,296
Intercompany payables (See Note 35)	6,496,537	5,632,454	1,230,527	1,221,725
Unclaimed dividend	492,210	873,153	492,210	873,153
	<b>14,605,884</b>	<b>12,009,025</b>	<b>4,633,950</b>	<b>4,674,382</b>
<b>32.1 Financial Instruments:</b>				
Trade Payables	2,015,274	2,025,686	1,422,229	1,754,961
Accruals	4,534,693	2,874,264	891,165	351,247
Intercompany payables (See Note 35)	6,496,537	5,632,454	1,230,527	1,221,725
Unclaimed dividend	492,210	873,153	492,210	873,153
	<b>13,538,714</b>	<b>11,405,557</b>	<b>4,036,131</b>	<b>4,201,086</b>
<b>32.2 Non-Financial Instruments</b>				
Sundry creditors:				
Other statutory taxes	855,783	200,796	386,431	134,738
Withholding tax payable	174,024	334,955	174,025	305,998
Value added tax (VAT)	37,363	67,717	37,363	32,560
	<b>1,067,170</b>	<b>603,468</b>	<b>597,819</b>	<b>473,296</b>
Financial instrument and non-financial instrument components of trade and other payables:				
At amortised cost	13,538,714	11,405,557	4,036,131	4,201,086
Non-financial instruments	1,067,170	603,468	597,819	473,296
	<b>14,605,884</b>	<b>12,009,025</b>	<b>4,633,950</b>	<b>4,674,382</b>

### 32.3 Intercompany payables

The details of intercompany balances are disclosed under related party transactions on note 35.

### 32.4 Unclaimed dividend

The list of the unclaimed dividend is attached to the annual report and Accounts 2023 and can be found in the company's website [www.presco-plc.com](http://www.presco-plc.com)



## Notes to the Financial Statements

### 32.4b Paid Dividends in the Last 2 Years

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

	The Group		The Company	
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
<b>Balance at 1 January</b>	873,153	654,557	873,153	654,557
Dividend declared with respect to prior year	8,800,000	8,600,000	8,800,000	8,600,000
Payments during the year to Registrars	(8,800,000)	(8,600,000)	(8,800,000)	(8,600,000)
Unclaimed dividend received from Registrars (see (ii) below)	-	58,590	-	58,590
Dividend below 15 (fifteen) months receivable from the registrar if unclaimed (see (iii) below)	-	684,485	-	684,485
Statute barred dividend transferred to retained earnings (see (i) below)	(9,231)	(4,093)	(9,231)	(4,093)
Unclaimed dividend invested	325,382	(520,386)	325,382	(520,386)
<b>Balance at 31 December</b>	<b>1,189,303</b>	<b>873,153</b>	<b>1,189,303</b>	<b>873,153</b>

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

- i Unclaimed dividends received and transferred to retained earnings (statute barred dividends) represent dividends which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with section 432 of the Companies and Allied Matters Act, Cap. C2020. It was Nil at December 2023 (2022:Nil)
- ii In accordance with the Securities and Exchange Commission (SEC) circular published in 2015, all Capital Market Registrars are to return unclaimed dividends which have been in their custody for fifteen (15) months and above to the paying companies. The Company received N50.26 million (2022: N58.59 million) from First Registrars Limited during the year.
- iii As at 31 December 2023 no dividend payable was held with the Company's registrar, First Registrars and Investor Services Limited (31 December 2022, Nil).
- iv The list of unclaimed dividend is attached to the notice of the annual general meeting/annual report and accounts 2023 and can be found in the company's website [www.presco-plc.com](http://www.presco-plc.com).

### 32.4c Proposed Dividend

In respect of 2023, the Directors proposed that a dividend of N24.3 for every 50k share will be paid to shareholders. This dividend is subject to approval by shareholders at the Annual General meeting and has not been included as a liability in these financial statements until approved and declared by shareholder. So, the proposed dividend is subject to withholding appropriate rate and is payable to shareholders whose names appear in the register of members at closure date.

In 2022, the directors declared and paid dividends of N8.8 billion (N6.80 per share)

### 33 Contract Liabilities (Arising from Customers' Advance)

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

The amount as at 31 December 2023 was N624 million (2022: N237 million). See Note 29.



## Notes to the Financial Statements

### 34 Earnings Per Share from Continuing Operations

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

	The Group		The Company	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
Net profit attributable to equity holders of the company	32,861,334	13,032,424	32,413,107	12,867,381
<b>Earnings per share excluding discontinued operations</b>	<b>32,861,334</b>	<b>13,032,424</b>	<b>32,413,107</b>	<b>12,867,381</b>

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

	The Group		The Company	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
Weighted average number of shares ('000)	1,000,000	1,000,000	1,000,000	1,000,000
<b>Basic (Kobo/share)</b>	<b>3,286</b>	<b>1,303</b>	<b>3,241</b>	<b>1,287</b>
<b>Diluted (Kobo/share)</b>	<b>3,286</b>	<b>1,303</b>	<b>3,241</b>	<b>1,287</b>

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

### 35 Related Party Transactions

#### 35.1 Trading Transactions

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

The Group	Sales of goods and services		Purchases of goods and services	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N'000	N'000	N'000	N'000
NV SIAT SA	4,319,224	5,120,122	(1,001,842)	332,772
SIAT Gabon		82,441		-
Ghana oil Palm Development Company (GOPDC) Limited	870,383	242,613	-	69,817
Deroose	12,011			
	<b>5,201,618</b>	<b>5,445,176</b>	<b>- 1,001,842</b>	<b>262,954</b>

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

	Due from related parties		Due to related parties	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	N'000	N'000	N'000	N'000
NV SIAT SA	<b>7,963,470</b>	<b>3,308,515</b>	<b>6,496,537</b>	<b>5,632,454</b>



## Notes to the Financial Statements

### 35.1 Trading Transactions (cont'd)

The Company	Sales of goods and services		Purchases of goods and services	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N'000	N'000	N'000	N'000
SIAT Nigeria Limited	16,004,431	3,998,365	240,418	692,482
NV SIAT SA	4,319,224	5,120,122	(1,001,842)	332,772
SIAT Gabon	-	82,441	-	-
Ghana oil Palm Development Company (GOPDC) Limited	870,383	242,613	(469,103)	(69,817)
Deroose	12,011	-	-	-
	<b>21,206,049</b>	<b>9,443,541</b>	<b>(1,230,527)</b>	<b>955,437</b>

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

	Due from related parties		Due to related parties	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	N'000	N'000	N'000	N'000
SIAT Nigeria Limited	8,504,431	3,023,611	240,418	-
NV SIAT SA	4,319,224	6,397,865	(1,001,842)	1,221,725
Ghana oil Palm Development Company (GOPDC) Limited	870,383	-	(469,103)	-
Deroose	12,011	-	-	-
	<b>13,706,049</b>	<b>9,421,476</b>	<b>(1,230,527)</b>	<b>1,221,725</b>

The outstanding balances are unsecured and will be settled in cash. No guarantee has been given or received.

The Group did not provided or receive loan from related parties.

#### a NV SIAT SA, Belgium

Presco Plc is a subsidiary of NV SIAT SA, Belgium, with 60% holding. The company had some transactions with NV SIAT SA during the course of the financial year. The seconded staff included in Note 14 relates to the salaries of staff seconded from NV SIAT SA to the company.

#### b Ghana Oil Palm Development Company (GOPDC) Limited

Ghana oil Palm Development Company Limited is a related company to Presco Plc. There was a Nil closing balance in favour of Presco Plc at the end of the year (2022: Nil). NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of Ghana oil Palm Development company limited.

#### c SIAT Gabon

SIAT Gabon is a related company of Presco Plc. There was no transaction between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of SIAT Gabon.

#### d Compagnie Heveicole de Cavally, Ivory Coast

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





## Notes to the Financial Statements

### 35.1 Trading Transactions (cont'd)

#### e Siat Cambodia

Siat Cambodia is a related company to Presco Plc. There was no transaction material transactions between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of Siat Cambodia.

#### f SWIFT Rubber

SWIFT Rubber is a related company to Presco Plc. There was no transactions between the companies during the year. NV SIAT SA, Belgium (the parent company of Presco) is also the parent company of SWIFT Rubber.

	31-Dec-23	31-Dec-22
	N'000	N'000
The remuneration of key management personnel was as follows:		
Short-term benefits	193,008	130,294
Post-employment benefits	27,166	5,776
Other long-term benefits	1,902	1,573
	<u>222,076</u>	<u>137,643</u>

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

### 36 Directors

Directors remuneration and fees  
Others

The Group		The Company	
31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
N'000	N'000	N'000	N'000
105,283	87,425	79,222	64,500
122,000	91,250	122,000	91,250
<u>227,283</u>	<u>178,675</u>	<u>201,222</u>	<u>155,750</u>

Fees and other emoluments disclosed above include amount paid to:

Chairman	16,513	9,000	13,000	6,000
Other directors	210,770	169,675	188,222	149,750
	<u>227,283</u>	<u>178,675</u>	<u>201,222</u>	<u>155,750</u>

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

From	To	Number	Number
600,000	- 610,000		
611,000	- 700,000		
1,320,000	- 1,330,000		
1,450,000	- 1,460,000		
1,500,000	- Above	11	11
		<u>11</u>	<u>11</u>



## Notes to the Financial Statements

### 37 Employees

	The Group		The Company	
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
Salaries in cost of sales	9,286,517	7,197,911	7,026,796	4,935,160
Salaries, wages and other allowances in admin. cost	5,644,935	3,403,165	3,460,420	2,383,037
Pension	64,572	270,760	142,130	79,454
Gratuity	123,630	206,776	123,630	200,448
Long service awards	58,766	12,955	58,766	12,955
	<b>15,178,420</b>	<b>11,091,567</b>	<b>10,811,742</b>	<b>7,611,054</b>
Average number of persons employed during the year:				
Management staff	Number 64	Number 57	Number 44	Number 35
Senior staff	299	285	193	170
Junior staff	1,475	1,560	881	928
	<b>1,838</b>	<b>1,902</b>	<b>1,118</b>	<b>1,133</b>

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

From	To	The Group		The Company	
		Number	Number	Number	Number
-	- 70,000	-	-	-	-
70,001	- 400,000	-	-	-	-
400,001	- 500,000	-	-	-	-
500,001	- 600,000	-	-	-	-
600,001	- 700,000	-	-	-	-
700,001	- 800,000	-	29	-	29
800,001	- 900,000	-	415	-	415
900,001	- 1,000,000	794	1,078	155	394
1,000,001	- 1,100,000	-	83	-	83
1,100,001	- 1,200,000	461	7	401	7
1,200,001	- 1,300,000	224	-	224	-
1,300,001	- 1,400,000	52	87	52	87
1,400,001	- 1,500,000	49	4	49	4
1,500,001	- 1,600,000	32	44	32	44
1,600,001	- 1,700,000	-	9	-	9
1,700,001	- 1,800,000	-	-	-	-
1,800,001	- 1,900,000	-	11	-	11
1,900,001	- 2,000,000	-	75	-	12
2,000,001	- 3,000,000	159	25	138	3
3,000,001	- 4,000,000	26	18	26	18
4,000,001	- 5,000,000	-	17	-	17
5,000,001	- 6,000,000	14	-	14	-
6,000,001	- 7,000,000	15	-	15	-
7,000,001	- 8,000,000	8	-	8	-
8,000,001	- 9,000,000	4	-	4	-
		<b>1,838</b>	<b>1,902</b>	<b>1,118</b>	<b>1,133</b>



## Notes to the Financial Statements

### 38 Contingent Liabilities

The group is the defendant in various lawsuits arising from normal course of business. There were contingent liabilities as at 31 December 2023 in respect of pending litigations estimated at N254 million (2022: estimated N201million). In the opinion of the directors and based on independent legal advice obtained from the company's solicitors, the company is not expected to suffer any material loss arising from these claims. Thus, no provision has been made in these financial statements.

### 39 Financial Commitments

In the normal course of business, the company uses letters of credit to import materials. The total value of open letters of credit as at 31 December was N623 million (2022: N1.14 billion).

### 40 Capital Commitments

Capital expenditure authorised by the Board, but not provided for in the accounts was Nil (2022: Nil).

### 41 Cash Flow Adjustments

#### 41.1 Working Capital Movement in Cash Flows

31-Dec-23

The Group	Inventories N '000	Trade & Other Receivables N '000	Trade & Other payables N '000	Deferred Income- customer N '000
Balance at 31 December 2023	15,877,089	16,274,839	14,605,884	1,223,695
Strategic spears transfer to inventory	3,124,204			
Expected credit loss for the year	-	(21,117)	-	-
Proceed of PPE sales in receivables		(103,361)		
Excess accrued interest & payment in 2023 borrowings			15,723,610	
Increase in in provision			(1,796,000)	
Dividend at 31 December 2023			(492,210)	
Dividend at 1 January 2023			873,153	
Management fee provision write-back			1,195,883	
Foreign exchange gain in operating activities	-	-	(1,394,408)	-
Balance at 1 January 2023	(4,127,736)	(7,134,163)	(12,009,025)	(782,190)
<b>Operating cash flows adjustment</b>	<b>14,873,558</b>	<b>9,016,198</b>	<b>16,706,886</b>	<b>441,505</b>



## Notes to the Financial Statements

### 41.1 Working Capital Movement In Cash Flows (cont'd)

	31-Dec-22			
The Group	Inventories N '000	Trade & Other Receivables N '000	Trade & Other payables N '000	Deferred Income - customer N '000
Balance at 31 December 2022	4,127,736	7,134,163	12,009,025	237,037
Expected credit loss for the year	-	137,325	-	-
Investment in subsidiary paid	-	-	19,991,427	-
Fair valuation of loan (government grant)	-	-	(538,782)	-
Interest on government grant	-	-	(229,928)	-
Unpaid interest in borrowings	-	-	(458,807)	-
Interest on defined benefit obligation (see note 12)	-	-	110,294	-
Fair value adjustment of employee obligation	-	-	(84,790)	-
Accrued lease liabilities	-	-	38,850	-
Dividend at 31 December 2022	-	-	(873,153)	-
Dividend at 1 January 2022	-	-	654,557	-
				-
Balance at 1 January 2022	(4,195,922)	(10,081,412)	(32,840,900)	879,543
<b>Operating cash flows adjustment</b>	<b>(68,186)</b>	<b>(2,809,924)</b>	<b>(2,222,207)</b>	<b>(642,506)</b>

	31-Dec-23			
The Company	Inventories N '000	Trade & Other Receivables N '000	Trade & Other payables N '000	Deferred Income- customer N '000
Balance at 31 December 2023	11,537,297	28,134,219	4,633,950	1,223,695
Strategic spears transfer to inventory	1,545,659			
Expected credit loss for the year	-	58,047		-
Proceed from PPE sales in receivables		(103,361)		
Excess accrued interest & payment in 2023 borrowings	-		12,667,619	-
Increase in provision			(890,000)	-
Dividend at 31 December 2023			(492,210)	
Dividend at 1 January 2023			873,153	
Accrued interest - paid in the current year			12,268	-
Foreign exchange gain in operating activities			(3,070,397)	
Excess provision write- back	-		1,195,883	-
Balance at 1 January 2023	(3,431,768)	(12,793,978)	(4,674,382)	(766,909)
<b>Operating cash flows adjustment</b>	<b>9,651,188</b>	<b>15,294,927</b>	<b>10,255,883</b>	<b>456,786</b>



## Notes to the Financial Statements

### 41.1 Working Capital Movement in Cash Flows(cont'd)

	31-Dec-22			
	Inventories N '000	Trade & Other Receivables N '000	Trade & Other payables N '000	Deferred Income- customer N '000
Balance at 31 December 2022	3,431,768	12,793,978	4,674,382	233,406
Expected credit loss for the year	-	174,943	-	-
Addition to government grant				354,762
Investment in subsidiary paid			19,991,427	
Interest on defined benefit obligation (see note 12)	-	-	110,294	-
Dividend at 31 December 2022	-	-	(873,153)	-
Dividend at 1 January 2022	-	-	654,557	-
Accrued interest - unpaid			(282,079)	
Accrued lease liabilities	-	-	38,850	-
Fair valuation of loan (government grant)	-	-	(538,782)	-
Interest on government grant	-	-	36,225	-
Balance at 1 January 2022	(3,919,619)	(9,509,148)	(26,747,965)	(879,543)
<b>Operating cash flows adjustment</b>	<b>(487,851)</b>	<b>3,459,773</b>	<b>(2,936,243)</b>	<b>(291,375)</b>

### 42 Events after the Reporting Period

On 4 March, 2024, Oak and Saffron Limited concluded a transaction with Fimave N.V to acquire 86.7% of its shareholding in SIAT N.V which hold 60% of the shares in Presco Plc.

There are no other events after the reporting date which would have had any material effect on the statement of financial position as at 31 December 2023 and on the profit for the year then ended.

### 43 Approval of the Financial Statements

The financial statements have been approved for issue in accordance with the resolution of the Board of Directors on 30 April, 2024





Statement of Value Added  
Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023

Statement of Value Added

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	N ' 000	N ' 000	N ' 000	N ' 000
	%	%	%	%
Revenue	102,419,187	81,029,846	84,998,472	69,368,480
Other operating income	3,668,787	1,319,226	2,279,165	1,026,464
	<b>106,087,974</b>	<b>82,349,072</b>	<b>87,277,637</b>	<b>70,394,944</b>
Bought in goods and services:				
- Imported	(8,350,999)	(9,161,314)	(8,350,999)	(9,161,314)
- Local	(26,515,624)	(34,938,273)	(14,739,182)	(28,916,924)
<b>Value added</b>	<b>71,221,351</b>	<b>38,249,486</b>	<b>64,187,456</b>	<b>32,316,706</b>
<b>Applied as follows:</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>To pay employees:</b>				
Salaries, wages and other benefit	5,833,137	3,752,809	3,726,180	2,442,638
	8.2	10%	5.8	7.6
<b>To pay Government:</b>				
Income and education taxes	10,228,444	10,388,144	10,228,444	10,351,269
	14.4	27%	15.9	32.0
<b>To pay providers of capital:</b>				
Interest expenses	9,180,737	8,491,775	5,856,510	5,196,705
Interim dividend paid	2,000,000	2,000,000	2,000,000	2,000,000
	2.8	5%	3.1	6.2
<b>To provide for asset replacement and expansion:</b>				
Depreciation of PPE	3,986,523	4,039,470	2,957,720	3,039,343
Depreciation of Right-to-use assets	183,421	119,742	87,069	23,390
Amortization of Intangible assets	31,008	30,848	1,680	1,707
Deferred tax	6,916,747	(3,605,727)	6,916,747	(3,605,727)
Profit or loss account	32,861,334	13,032,424	32,413,107	12,867,381
	46.1	34%	50.5	39.8
	<b>71,221,351</b>	<b>38,249,486</b>	<b>64,187,456</b>	<b>32,316,706</b>
	<b>100</b>	<b>100%</b>	<b>100</b>	<b>100</b>



### Three-Year Financial Summary

	The Group		
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-21 N ' 000
<b>Assets / (Liabilities)</b>			
Intangible assets	87,900	118,907	149,755
Property, plant and equipment	97,715,971	92,652,564	84,568,443
Right-of-use assets	3,984,273	3,890,117	4,009,859
Biological assets (BA)	26,584,978	14,341,283	15,236,322
Net Current Assets (excluding BA)	5,995,400	(7,424,364)	(36,818,159)
Non-current Liabilities	(77,205,469)	(69,417,941)	(37,364,939)
<b>Total</b>	<b>57,163,053</b>	<b>34,160,565</b>	<b>29,781,281</b>
<b>Capital Employed:</b>			
Share capital	500,000	500,000	500,000
Share premium	1,173,528	1,173,528	1,173,528
Other reserves	(1,011,767)	56,311	113,544
Retained earnings	56,501,292	32,430,726	27,994,209
<b>Total</b>	<b>57,163,053</b>	<b>34,160,565</b>	<b>29,781,281</b>
<b>Statement of Comprehensive Income</b>			
Revenue	102,419,187	81,029,846	47,426,435
Profit before taxation	50,006,525	19,814,841	26,378,268
Other Comprehensive Profit	(1,068,078)	(57,233)	253,632
Taxation	(17,145,191)	(6,782,417)	(7,058,317)
<b>Profit after taxation</b>	<b>32,861,334</b>	<b>13,032,424</b>	<b>19,319,951</b>
Declared dividend			
Per share data (Kobo):			
Basic and Diluted earnings per share	3,286	1,303	1,932
Net assets per share	5,716	3,416	2,978

#### Note

Earnings per share are based on profit after tax and the weighted average number of ordinary shares outstanding at the end of each financial year.

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



## Five-Year Financial Summary

	The Company				
	31-Dec-23 N ' 000	31-Dec-22 N ' 000	31-Dec-21 N ' 000	31-Dec-20 N ' 000	31-Dec-19 N ' 000
<b>Assets / (Liabilities)</b>					
Intangible assets	13,022	14,702	16,407	74	121
Property, plant and equipment	63,151,311	59,759,754	53,704,380	52,109,564	48,211,859
Right-of-use assets	1,768,184	1,577,676	1,601,066	1,624,456	1,647,846
Biological assets (BA)	20,874,641	11,102,588	12,784,291	6,937,844	5,092,477
Investment in subsidiaries	23,000,000	23,000,000	23,000,000	-	-
Net Current Assets (excluding BA)	24,555,598	7,564,704	(25,261,508)	(12,162,880)	(10,228,757)
Non-current Liabilities	(58,058,632)	(50,810,788)	(17,821,152)	(17,457,604)	(16,835,670)
<b>Total</b>	<b>75,304,124</b>	<b>52,208,636</b>	<b>48,023,484</b>	<b>31,051,454</b>	<b>27,887,876</b>
<b>Capital Employed:</b>					
Share capital	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
Other reserves	(607,801)	(80,952)	5,375	(140,088)	(41,737)
Retained earnings	74,238,397	50,616,060	46,344,581	29,518,014	26,256,085
<b>Total</b>	<b>75,304,124</b>	<b>52,208,636</b>	<b>48,023,484</b>	<b>31,051,454</b>	<b>27,887,876</b>
<b>Statement of Comprehensive Income</b>					
Revenue	84,998,472	69,368,480	47,112,445	23,891,766	19,723,641
Profit before taxation	49,558,298	19,612,923	26,879,814	8,690,351	6,059,683
Other Comprehensive Profit	(526,849)	(86,327)	145,463	(98,351)	(146,225)
Taxation	(17,145,191)	(6,745,542)	(7,058,317)	(3,428,422)	(2,220,937)
<b>Profit after taxation</b>	<b>32,413,107</b>	<b>12,867,381</b>	<b>19,821,497</b>	<b>5,261,929</b>	<b>3,736,388</b>
Declared dividend	8,800,000	8,600,000	3,000,000	2,000,000	2,000,000
Per share data (Kobo):					
Basic and Diluted earnings per share	3,241	1,287	1,982	526	374
Net assets per share	7,530	5,221	4,802	3,105	2,789

### Note

Earnings per share are based on profit after tax and the weighted average number of ordinary shares outstanding at the end of each financial year.

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



### Share Capital History

Year	Values (Naira)		Fully Paid Number of Shares	Values (Naira)	Description
1991	50,000,000	50,000,000	50,000,000	50,000,000	Cash
1992	50,000,000	50,000,000	50,000,000	50,000,000	
1993	50,000,000	50,000,000	50,000,000	50,000,000	
1994	100,000,000	100,000,000	100,000,000	100,000,000	Cash
1995	100,000,000	100,000,000	100,000,000	100,000,000	
1996	130,000,000	130,000,000	100,000,000	100,000,000	
1997	130,000,000	130,000,000	100,000,000	100,000,000	Conversion of debt to equity
1998	130,000,000	130,000,000	130,000,000	130,000,000	
1999	260,000,000	130,000,000	260,000,000	130,000,000	
					Conversion of share N1 to 50K
2000	260,000,000	130,000,000	260,000,000	130,000,000	Conversion of debt to equity
2001	500,000,000	250,000,000	300,000,000	150,000,000	
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	Bonus 1:1
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	
2009	1,000,000,000	500,000,000	1,000,000,000	500,000,000	
2014	1,100,000,000	550,000,000	1,100,000,000	550,000,000	
2022	1,000,000,000	500,000,000	1,000,000,000	500,000,000	

### Bonus HistoRY

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



*Shared Capital History*

*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

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





## PROXYFORM

# PRESCO PLC<sup>RC 174370</sup>

PROXY FORM FOR THE 31<sup>ST</sup> ANNUAL GENERAL MEETING OF PRESCO PLC (THE COMPANY) TO BE HELD AT THE JEWEL AEIDA EVENT CENTRE, PLOT 105B HAKEEM DICKSON LINK ROAD, LEKKI PHASE I, LAGOS, NIGERIA ON THURSDAY, 6 JUNE, 2024, AT 12:00 NOON

I/We \_\_\_\_\_ the undersigned being member/members of PRESCO PLC hereby appoint \_\_\_\_\_ as my/our proxy to vote for me/us and my/our behalf at the 31<sup>st</sup> Annual General Meeting of the company to be held at The Jewel Aeida Event Centre, Plot 105B Hakeem Dickson Link Road, Lekki, Phase 1, Lagos, Nigeria on Thursday, June 6<sup>th</sup> 2024 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

**Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.**

**Signature \_\_\_\_\_**

**Notes:**

1. This form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy thereof must reach the Registrars First Registrars & Investor Service Limited, Plot 2 Abebe Village Road, Iganmu, Lagos, not later than 48 hours before the time of the meeting.
2. Where the appointee is a corporation, this form may be under seal or under hand of an officer or attorney duly authorized.
3. This proxy will be used only in the event of a poll being directly demanded.
4. In the case of joint holder, the signature of any of them will suffice, but the name of all joint holders should be
5. known.

**THE PROXY WILL VOTE (OR ABSTAIN FROM VOTING) AS HE/SHE THINKS FIT IN RESPECT OF ANY OTHER BUSINESS PROPOSED AT THE MEETING OF PRESCO PLC (31<sup>st</sup> ANNUAL GENERAL MEETING) TO BE HELD AT THE JEWEL AEIDA EVENT CENTRE, PLOT 105B, HAKEEM DICKSON LINK ROAD, LEKKI PHASE I, LAGOS, NIGERIA.**

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

ORDINARY BUSINESS		
RESOLUTIONS	FOR	AGAINST
To declare a dividend		
To re-elect Chief (Engr.) James B. Erhuero JP mni OON (Notwithstanding that he is over 70 years)		
To re-elect Mrs. Ingrid Vandewiele		
To elect Mr. Olakanmi Rasheed Sarumi		
To elect Mrs. Grace Titilayo Osuntoki		
To elect Mr. Abdul Akhor Bello		
To re-appoint Deloitte & Touche as Independent Auditors		
To authorize the Directors to fix the remuneration of the Independent Auditors		
To elect shareholder's representatives on the Audit Committee		



*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*



SPECIAL BUSINESS		
RESOLUTIONS	FOR	AGAINST
To approve the remuneration of Directors		
To grant a General Mandate in respect of recurring transactions with related parties		
To authorize physical, virtual and hybrid Extra-Ordinary & Annual General Meetings		
To authorise Notice of EGM & AGM by post, e-mail, newspaper publication & electronic means		
To authorise the convening of meetings of the Directors upon notice shorter than 14 days as the Directors may deem fit		
To authorise the determination of directorship of Executive Directors upon cessation of their Executive service		
To empower the Directors to delegate powers to Executive Directors and revoke or vary such delegated powers as they deem fit		
To authorize the Directors to invest in directly or through its subsidiary, acquire assets or all or majority of the shares of a company/companies and entities in the same line of business with Presco Plc.		
To authorise the Company to raise additional capital through Debt Finance or Equity raising or a combination as determined by the Directors		
To authorize the Directors to take such steps and actions as may be necessary to carry the resolutions into effect		

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

✂ ***Before posting the above form, please tear off this part and retain it.***

#### PRESCOPLC: ADMISSION CARD

Number of Shares held \_\_\_\_\_

Please admit the duly appointed proxy to the Company's 31st Annual General Meeting to be held at TheJewel Aeida Event Centre, Plot 105B Hakeem Dickson Link Road, Lekki Phase 1, Lagos, Nigeria on Thursday, June6, 2024, at 12:00 noon

Shareholder: \* \_\_\_\_\_ Signature: \_\_\_\_\_

Name of Proxy: \*\* \_\_\_\_\_ Signature: \_\_\_\_\_

*A member (Shareholder) entitled to attend, and vote is entitled to appoint a proxy to attend and vote in his stead. The Proxy Card has been prepared to enable you to exercise your right to vote.*

**IMPORTANT:** Please insert your name in block capitals on this proxy form (marked\*). Insert the name of any one of the above stated persons who will attend the meeting and vote on your behalf in the blank space (Marked\*\*).



*Proxy Form*

*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

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



**Presco**

# PRESCO PLC

## SHAREHOLDERS DATA UPDATE

This is to inform shareholders of PRESCO PLC in our stable to update their personal details on their shares account(s) as detailed below

Surname:.....

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

E-mail Address:.....

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

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

Preferred Stockbroker's Name.....

Date of Birth.....

Bank Name.....BankAccount No.....

Old Address.....

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

.....

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

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

.....

Individual Shareholder Signature

.....

Joint Shareholder Signature

.....

Corporate Shareholder

.....

Company Seal

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





*Shareholder Data Update*

*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

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



**Affix  
Current  
Passport**

(To be stamped by Bankers)

Write your name at the back of  
your passport photograph

## E-DIVIDEND

## PRESCO PLC

E-DIVIDEND ACTIVATION FORM

Only Clearing Banks are acceptable

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

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

I/We hereby request that henceforth, all my/our dividend Payment(s) due to me/us from my/our Shares in Cadbury Nigeria Plc. be credited directly to my/our bank details below:

**Bank Verification Number**

**Bank Name**

**Bank Branch**

**Bank Address**

**Bank Account Number**

**Account Opening Date**

**Account Type (Tick)**    Current ☐    Savings ☐

**Shareholder Account information**

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

**Address**

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

**Previous Address (if any)**

**CHN (if any)**     **Email Address**

**Mobile Telephone 1**     **Mobile Telephone 2**

<b>Signature(s)</b>	<b>Joint/Company's Signatures</b>	<b>Company's Seal</b>
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<div style="border: 1px solid black; height: 60px; width: 100%;"></div>

<b>Authorized Signature of Banker</b>	<b>Authorized Stamp of Banker</b>
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>

**First Registrars & Investor Services Limited**  
*...connecting you to your wealth.*  
 Website: [www.firstregistrarsnigeria.com](http://www.firstregistrarsnigeria.com); Email: [info@firstregistrarsnigeria.com](mailto:info@firstregistrarsnigeria.com)



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



**Affix  
Current  
Passport**

(To be stamped by Bankers)

Write your name at the back of  
your passport photograph

**E-DMMS**



**EDMMS**

**Instruction**

Please complete all sections of this form to make it eligible for processing. Thereafter, return it to the address below:

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

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) ☐ Current ☐ Savings

**Shareholder Account Information**

Surname  First Name  Other Names

Address :

City  State  Country

Previous Address (If any)

CHN (If any)  Email Address

Mobile Telephone 1  Mobile Telephone 2

Signature(s) <input style="width: 150px; height: 50px;" type="text"/>	Joint/Company's Signatories <input style="width: 150px; height: 50px;" type="text"/>	Company's Seal <input style="width: 150px; height: 50px;" type="text"/>
Authorised Signature of Banker <input style="width: 150px; height: 30px;" type="text"/>	Authorised Stamp of Banker <input style="width: 150px; height: 30px;" type="text"/>	





E-DMMS

Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023

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





1. Complete, sign and date the form
2. Fill out all compulsory (\*) fields
3. Fill in CAPITAL LETTER

## E-PRODUCTS



### E-PRODUCTS ACTIVATION FORM

You need not worry about the safety of your shares anymore, simply stay aboard with our e-Product and services.

<b>E-SHARE NOTIFIER</b>	SMS alerts on transactions that occur on your share account (AGM & EGM, Dividend Payments, Bonuses, Debits/Credits etc.)
<b>ONLINE-ACCESS</b>	Online access to your share account statements. You can view and print your account statement, make change of address and access dividend info etc.
<b>M-ACCESS</b>	Smart way to access your stock balance, dividend amount etc. via. SMS on your mobile phone. Simply send your assigned PIN to 8591. The service is available only in Nigeria and attracts IN20/SMS by network operator

#### Instruction

Please fill the form and return to the address below:

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

#### Shareholder Account Information

<b>Surname*</b>	<b>First Name*</b>	<b>Other Names</b>
<b>Address Line 1*</b>		
<b>Address Line 2*</b>		
<b>City</b>	<b>State*</b>	<b>Country</b>
<b>GSM No (Mobile)*</b>	<b>GSM No (Telephone)*</b>	
<b>Email Address *</b>		
<b>Signature(s)*</b>	<b>Corporate stamp/Seal*</b>	

#### Charges:

Individuals:            **₦1000 per annum/product**  
Corporate Bodies:    **₦2000 per annum/product**

#### Please tick() the product(s) you are activating

All payments should be made into the First Bank account number designated for each product below:

E-Share Notifier activation Account No. **2013302579**  
Online access activation Account No. **2013798370**  
M-access activation Account No.    **2011760908**

Thereafter, a copy of the payment slip should be attached to this form upon submission

**First Registrars & Investor Services**

...connecting you to your wealth

website: [www.firstregistrarsnigeria.com](http://www.firstregistrarsnigeria.com); E-mail: [ebusiness@firstregistrarsnigeria.com](mailto:ebusiness@firstregistrarsnigeria.com)



*E-Products*

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First Registrars & Investor Services Limited,  
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Lagos,  
Nigeria



This form is to be completed typewritten excluding signatures only

No. \_\_\_\_\_

### STOCK/SKARE TRANSFER

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the transferee(s) named the shares or stock specified below subject to the several conditions on which the said shares or stock are or is now

Full Name of Company or Undertaking	
Amount or Number and full details of Stock or Shares	<div style="display: inline-block; border: 1px solid black; width: 60px; height: 20px; position: relative;"> <div style="position: absolute; top: -5px; left: 50%; transform: translateX(-50%);">▲</div> </div> <div style="display: inline-block; vertical-align: middle;">WORDS ▶</div> <div style="display: inline-block; border: 1px solid black; width: 60px; height: 20px; position: relative;"> <div style="position: absolute; top: -5px; left: 50%; transform: translateX(-50%);">▲</div> </div> <div style="display: inline-block; vertical-align: middle;">FIGURE</div>
TRANSFER FROM TRANSFEROR(S) name(s) and address(es) in full (preferably type-written or in Block Capitals)	SELLER
Consideration	
TRANSFER TO TRANSFEE(S) name(s) and address(es) in full (preferable type-written or in Block Capitals)	BUYER

Certificate to cover the within-mentioned share/stock lodge with

SIGNED, SEALED AND DELIVERED by the parties to this transfer

In the presence of \_\_\_\_\_  
Signature

Date \_\_\_\_\_

\_\_\_\_\_  
Name & Address

\_\_\_\_\_  
Description/Occupation

In the presence of \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Address

\_\_\_\_\_  
Description/Occupation

In the presence of \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Address

\_\_\_\_\_  
Description/Occupation

In the presence of \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Address

\_\_\_\_\_  
Description/Occupation

\_\_\_\_\_  
signature

\_\_\_\_\_  
signature

\_\_\_\_\_  
signature

\_\_\_\_\_  
signature



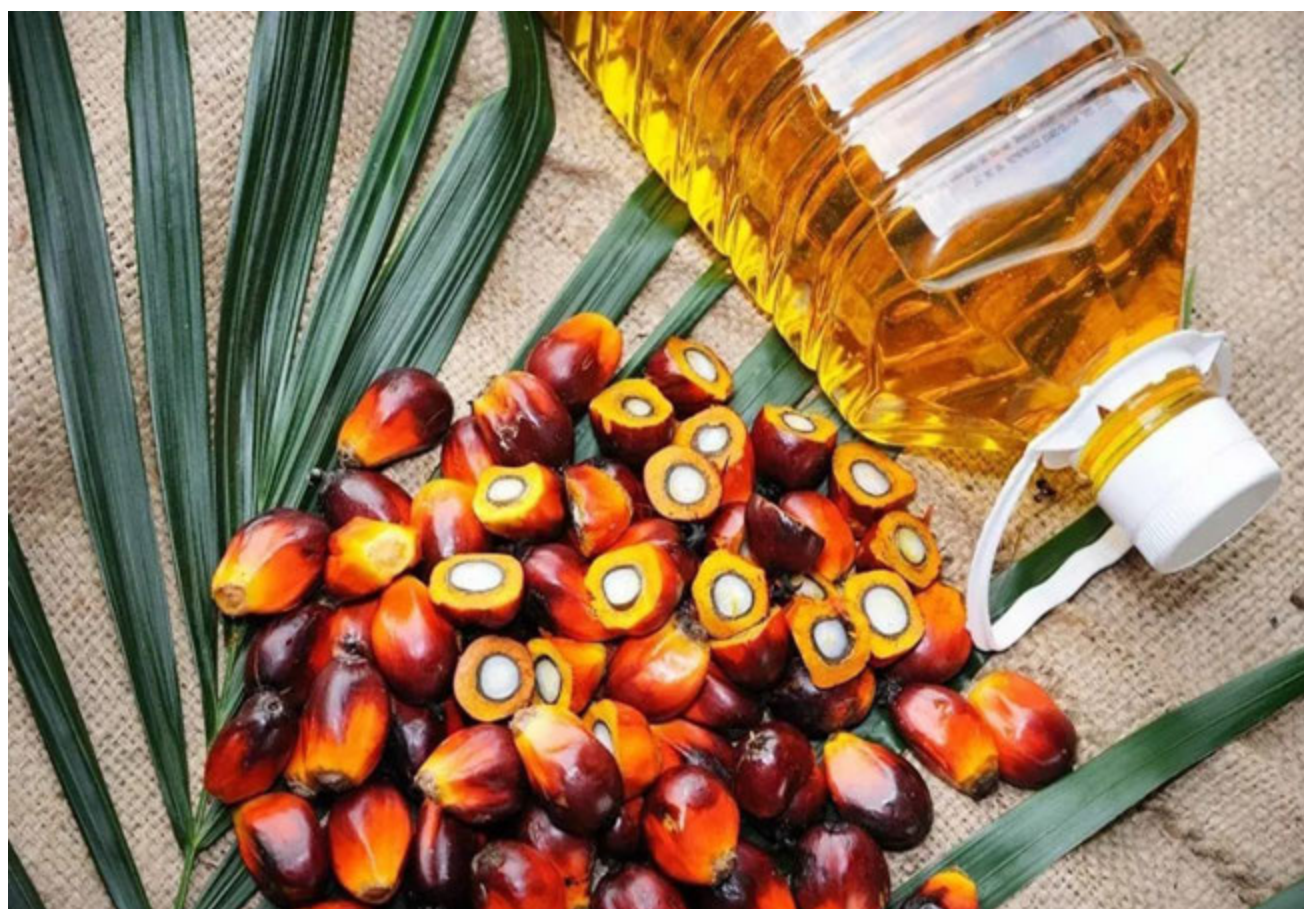


*Stock/Share Transfer*

*Annual Report, Consolidated and Separate Financial Statements, 31 December, 2023*

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







# PRESCO PLC

Producers Of Speciality Fats And Oil

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



📍 Obaretin Estate, Km 22, Benin Sapele Road,  
P.O. Box 7061, Benin City, Edo State, Nigeria.  
☎ +234 803 413 4444  
✉ [info.presco@siat-group.com](mailto:info.presco@siat-group.com)  
🌐 [www.presco-plc.com](http://www.presco-plc.com)