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PRESS RELEASE

PR. No 129/2022

BENSO OIL PALM PLANTATION LIMITED (BOPP)-

2021 ANNUAL REPORT AND FINANCIAL STATEMENTS

BOPP has released its Annual Report and Financial Statements for the year ended December 31, 2021 as per the attached.

Issued in Accra, this 28th
day of April, 2022

\- E N D –

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, BOPP
4. NTHC Registrars, (Registrars for BOPP shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:
Head Listing, GSE on 0302 669908, 669914, 669935
**XA*

BENSO OIL PALM PLANTATION PLC

2021 ANNUAL REPORT AND FINANCIAL STATEMENTS

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NOTICE OF VIRTUAL ANNUAL GENERAL MEETING OF BENSO OIL PALM PLANTATION PLC

NOTICE IS HEREBY GIVEN that a **VIRTUAL** Annual General Meeting of the Company will be held on Friday, 20 May 2022 at 11 a.m., for the following purposes:

AGENDA

1. Opening
2. To receive and consider the report of the directors, the audited financial statements for the year ended 31st December 2021 and the report of the auditors thereon.
3. To declare a dividend.
4. To re-elect directors.
5. To approve the appointments of independent new directors.
6. To fix directors' fees.
7. To authorize the Board to fix the fees of the Auditor.
8. To pass the following special resolution:
   "That the amended and restated constitution of the company be and is hereby approved and adopted by the shareholders of the company in compliance with the provisions of the Companies Act, 2019 (Act 992) and the Governance Code issued by the Securities and Exchange Commission (SEC) on 8th October 2020".

This notice is effective the 19th day of April 2022

BY ORDER OF THE BOARD

Sgd.

DEHANDS SERVICES LIMITED
COMPANY SECRETARY

Note:

i. *In compliance with the current restrictions on public gatherings in force pursuant to the Imposition of Restrictions Act, 2020 (Act 1012) and consequent regulatory directives, attendance and participation by all members and/or their proxies in this year's AGM shall be by online participation.*

ii. *A member entitled to attend and vote at the AGM may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company.*

iii. *The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (i.e. participates online), the proxy appointment shall be deemed to be revoked.*

iv. *A copy of the proxy form can be downloaded from* **https://www.boppltd.com** *and may be completed and sent via email to:* **registrars@nthc.com.gh** *or deposited at the registered office of the Registrar of the Company,* **NTHC Limited, Martco House, D542/4, Okai-Mensah Link, Adabraka, P. O. Box Kia 9563, Airport - Accra** *to arrive not less than 48 hours before the meeting.*

v. *The 2021 audited financial statements of the Company can be viewed by visiting the website:* **https://www.boppltd.com.**

Accessing and voting at the virtual AGM

vi. *A unique token number will be sent to you by email or SMS from* **10th May 2022** *to give you access to the meeting. Shareholders who do not receive this token can contact the Registrars* *on:* ***registrars@nthc.com.gh*** *or call* ***0593105735*** *any time after* ***10 May 2022*** *but before the date of the AGM to be sent the unique token.*

vii. *To gain access to the virtual AGM, shareholders must visit* **https://www.boppltd.com** *and input their unique token number on* ***Friday, 20 May 2022****. Shareholders, who do not submit proxy forms to the Registrar of the Company prior to the meeting, may vote electronically during the virtual AGM using their unique token number. Further assistance on accessing the meeting and voting electronically can be found on* **https://www.boppltd.com**

CORPORATE INFORMATION

Registered office

Adum Banso Estate, P.O. Box 470, Takoradi.

Dividend

If the payment of dividend recommended is approved, the warrants will be posted on the 23 July 2022 to the holders of shares whose names are registered in the Register of members at the close of day on the 25 June 2022.

Board of Directors

I. E. Yamson - Chairman, Santosh Pillai - Managing Director, N. A. Mate-Kole, Pierre Billon, Samuel Avaala Awonnea, Benjamin Appiah-Manuh, Viganeswaran Ponnudurai, Esine Okudzeto.

Company secretary

Dehands Services Limited.

Board Audit committee

Neneyo Mate-Kole, Viganeswaran Ponnudurai and Esine Okudzeto.

Auditor

Ernst & Young Chartered Accountants
60 Rangoon Lane, Cantonments City,
Accra.
P.O. Box KA 16009, Airport, Accra, Ghana
Email: Ebenezer.dziekpor@gh.ey.com

Registrar's office

NTHC Limited, Martco House, D542/4, Okai-Mensah Link, Adabraka P.O. Box KIA 9563, Accra.

CORPORATE GOVERNANCE

Introduction

Benso Oil Palm Plantation Limited (BOPP), the "Company", recognises the importance of good corporate governance as a means of sustaining long term viability of the business and therefore always seeks to align the attainment of the business objectives with good corporate behaviour. In line with this, the Company strives to meet the expectations of the community in which it operates as well as its responsibility to its shareholders and other stakeholders.

In the conduct of its business, BOPP seeks to comply with all statutory requirements, adopt best practices to protect the environment and its employees, invest in the community in which it operates, and enhances shareholders' value through cost effective means of doing business. BOPP adopts medium and long term growth strategies and resource allocations that guarantee the creation of wealth. It utilizes current technology and continuously innovates in order to stay ahead of the competition. BOPP promotes and recognizes excellence through its employee development programmes.

As indicated in the statement of director's responsibilities and notes to the financial statements, the business adopts standard accounting practices and ensures sound internal controls to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

Board of Directors

The responsibility of good corporate governance is placed with the Board of directors and the management team. The Board comprises three (3) full time executive and five (5) non-executive directors. To ensure effective control and monitoring of the Company's business, the Board has two main committees; the management committee and the audit committee which in turn work through other sub-committees to oversee specific important functions.

Management Committee

The management committee meets monthly to review the performance of the Company and assesses progress against the annual plan. It reviews programmes, strategies, key issues and assigns responsibilities for achievement of goals. The committee has oversight responsibility for world class agronomic practices, financing strategies and human resource development programmes to ensure excellence in performance. The committee also identifies, assesses the risk profile of the Company and assigns responsibilities to various functions to put in measures to mitigate possible adverse impact on the business.

Audit Committee

The Audit committee is made up of two non-executive directors, one of whom chairs the committee. The committee meets to review the financial performance of the Company, the adequacy of the plan of internal audit, current audit reports, the adequacy of systems of internal controls and the degree of compliance to laid down policies, laws, code of ethics and business practices of the Company.

Internal Controls

The Company has a well-established internal control and risk management system, which is well documented and regularly reviewed. This incorporates internal control procedures, which are designed to provide reasonable assurance that the assets are safeguarded and that the risks facing the business are being controlled. The Company's Board of Directors have also established a clear organisational structure, including delegation of appropriate authorities. The internal audit function of the parent company, Wilmar International, plays a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems in the business.

CORPORATE GOVERNANCE (CONTINUED)

Code of business principles and Anti-fraud Policy

The Company has a documented code of business principles to guide all employees in the discharge of their duties. This code sets the professionalism and integrity required for business operations which among other things cover the following areas: compliance with the law, conflicts of interest, public activities, product assurance, environmental issues, reliability of financial reporting, bribery and strict adherence to the principles.

The Board has in place a corporate anti-fraud policy which is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the company. It is the intent of the Board to promote consistent organizational behavior by providing guidelines and assigning responsibilities for the implementation of controls and the conduct of investigations.

FINANCIAL HIGHLIGHTS

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	Year ended 31 December		
	2021	2020	% Change
Revenue	214,175	123,817	73.0
Profit before income tax	104,778	29,389	256.5
Operating profit	102,154	28,501	258.4
Income tax expense	12,355	4,692	163.3
Profit for the year	92,414	24,697	274.2
Proposed dividend	36,969	7,409	274.2
Retained earnings	182,639	97,634	87.1
Capital expenditure	13,016	13,173	(1.2)
Depreciation and amortization	5,570	4,757	39.4
Total equity	184,639	99,634	85.5
Earnings per share (GH¢)	2.6558	0.7097	274.2
Total assets per share (GH¢)	6.7366	3.4228	96.8
Proposed dividend per share (GH¢)	1.0623	0.2129	399.0

CHAIRMAN'S REPORT

Political Environment

Despite the havoc caused by the COVID-19 pandemic, Ghana enjoyed both political and economic stability in the period under review and offers a relatively stable and predictable political environment for investors. The country has a solid democratic tradition, having organized seven successful general elections since returning to democratic governance in 1992. Political stability is underpinned by Ghana's strong democratic credentials. In the past two decades, it has taken major strides toward democracy under a multi-party system, with its independent judiciary winning public trust. Ghana consistently ranks in the top three countries in Africa for freedom of speech and press freedom, with strong broadcast media, with radio being the medium with the greatest reach. Factors such as these provide Ghana with solid social capital.

Economic Environment

The global growth momentum moderated somewhat in the last quarter of 2021, owing to continued supply chain bottlenecks and renewed concerns about the economic impact of the more transmissible Omicron COVID-19 variant. The latest release of the World Economic Outlook Update by the International Monetary Fund shows a downward revision of global growth projections for 2022 from 4.9 percent to 4.4 percent, due to growth downgrades for the United States and China. The forecast is contingent on supportive financing conditions and evolution of the COVID-19 pandemic amid new waves of infection and mutations of the virus.

The global environment has changed dramatically since the January 2022 MPC meeting, reflecting new geopolitical events that have further heightened uncertainties. In particular, the Russia–Ukraine war has further challenged global growth recovery efforts. Global growth currently faces downside risks including the effect of the Russia-Ukraine war on commodity prices, addition of more strain to supply chain bottlenecks on manufacturing output, withdrawal of monetary policy stimulus in some major advanced economies, and vulnerabilities associated with rising debt stocks especially in emerging market and developing economies. The updated World Economic Outlook report by the IMF projects a decline in global growth from 5.9 percent in 2021 to 4.4 percent in 2022. This growth downgrade excludes recent developments of the Russia-Ukraine war hence, further moderation of projected global growth estimates is likely, under prolonged conditions of the war.

In 2021, the Ghanaian economy continued its strong recovery from the COVID-related economic downturn. The Ghana Statistical Service update in January 2022 showed that Real GDP growth for the first three quarters of 2021 averaged 5.3 percent, compared with an average contraction of 0.6 percent recorded in the same period of 2020. Similarly, non-oil GDP growth averaged 6.9 percent against a contraction of 0.3 percent over the same comparative period. Overall, GDP growth for 2021 is projected to exceed the target of 4.4 percent.

The rebound in economic activity continued, as reflected in some improvements in the Bank's updated Composite Index of Economic Activity (CIEA), although at a slower pace than in 2021. The index recorded an annual growth of 4.2 percent in January 2022 compared to 13.9 and 3.4 percent in the corresponding periods of 2021 and 2020. The key drivers of the index during the period were industrial production, exports, credit to the private sector and air-passenger arrivals. Consumption of goods and services, and construction activity, however, slowed down, acting as a drag on the index.

CHAIRMAN'S REPORT (CONTINUED)

Headline inflation has remained above the upper band of the medium-term target of 8±2 percent since September 2021. Additionally, all the core inflation measures, and inflation expectations have increased, which point to heightened underlying inflation pressures. The latest forecast shows that inflation would likely remain above target in the near-term, driven by both external and domestic factors, and only return to target in about four-quarters ahead. The key risks to the inflation outlook include: rising crude oil prices and its transmission to ex-pump petroleum prices and transportation costs, rising global inflation, food price uncertainties, and the fiscal outlook.

In 2021, the Ghana cedi depreciated against the major currencies recording a cumulative depreciation of 9.3 percent against the US dollar, compared with 3.9 percent in prior year, 2020. The Ghana cedi rate to the US dollar depreciated from GH¢5.8995:$1 in December 2020 to close at GH¢6.4500:$1 in December 2021.

Interest rates on the money market broadly showed downward trends across the yield curve. The 91-day declined to 12.51 percent in December 2021 from 14.1 percent last year, and the 182-day Treasury bill rate fell to 13.20 percent from 14.10 percent over the same comparative period.

Global Commodity Prices

International commodity prices remained highly volatile during 2021, broadly reflecting the interplay of market forces. On a year-on-year basis, the average price of crude oil rose by 48.9 percent to US$74.8 per barrel in December 2021, due to moderated production levels by OPEC+ and sustained global demand, despite the spread of the Omicron variant. However, the average price of cocoa declined by 3.8 percent in year-on-year terms to trade at US$2,482.0 per tonne due to production shortfalls for the 2021/22 season. Gold prices also declined by 3.6 percent to average US$1,790.5 per fine ounce in December 2021.

CPO and PKO Price

During the year under review, world market price of crude palm oil (CPO) increased from an average of US$683 in 2020 to US$1,103 in 2021, representing a 63 percent increase in dollar terms. The palm kernel oil (PKO) price also declined from an average of US$782 in 2020 to US$1,321 in 2021, representing 71%.

The performance of the business improved compared to prior year largely as a result of stable oil palm production amidst relatively higher palm oil prices on the international market.

Overall business performance

Your company delivered profit after tax of GH¢92.41 million compared with GH¢20.69 million the previous year, representing an improvement of 274 percent of last year's profit. The level of profitability was impacted by the 63 percent growth in the trading prices of crude palm oil, 71 percent growth in crude palm kernel oil and 9 percent growth crop production from the Nucleus, Smallholder and Out-grower. There was also improvement in operating efficiencies to contain the growing cost of business amid the Covid-19 pandemic.

CHAIRMAN'S REPORT (CONTINUED)

Production Volume

Total palm fruits processed during the year under review was 146,326 metric tonnes, representing a 109 percent of 2020 production. The increase in the volumes was mainly from the nucleus and the out-grower. There was a slight reduction of crop from the smallhoder plantings as 500ha of the total concession of 1,650ha was undergoing replanting. Effectively, your company purchased 61,753 metric tonnes of fresh fruit bunches at a total cost of GH¢37million from smallholders and out-grower farmers in the catchment areas in particular and the Western and Central Regions of Ghana in general. Your company recorded a growth in turnover of 73 percent for the financial year 2021 on account of the relatively stable crop production volumes, good prices and the effect of depreciation of the Ghana Cedi against the United States Dollar.

Operating Profit

Your company in 2021 also witnessed a rise in operating profit by 258 percent on account of growth in crop production of 9 percent. The improved operating efficiencies and the general rise of 63 percent and 71 percent of trading CPO and CPKO prices respectively compared to the prior period resulted also in the improved operating profit. Turnover expanded approximately by 73 percent from GH¢123.82million in prior period to GH¢214.18million. The combined effect of economies of scales in production and the cumulative Ghana Cedi depreciation of 4 percent had a constructive impact on revenue and on the cost of sales. In compliance with IFRS, gains arising from changes in the fair value of Biological assets contributed GH¢2,684,000 to the operating profit delivered this year.

Dividend

In 2021 your Company paid a total dividend of GH¢7.41million (Basic and Diluted EPS GH¢0.7097) out of a total profit of GH¢24.69million for the year ended 31 December 2020. The directors of your Company propose to pay a total dividend of GH¢36.97million (Basic and Diluted EPS GH¢2.6558) out of a total profit of GH¢92.41million for the 2021 financial year.

Board Changes

Since the last AGM, there has not been any changes to the board.

Safety, Health, Environment and Quality Issues

Your company conducted its business in a safe and environmentally friendly manner by providing safety facilities and conditions for employees, dependents and the communities in its catchment areas. The company observed a week-long Safety, Health and Environment (SHE) awareness during the year to reiterate the need for all employees, contractors, school children, dependents at home and the catchment communities to stay safe in their endeavours at all times. SHE messages were issued weekly to the entire workforce on developments in safety, health and environment arena. Structured SHE training programmes were also organised highlighting on Behaviour-based safety, Fire prevention and fire-fighting, Lock-Out and Tag-Out, Boiler operations safety, Environmental awareness, among others and the required full compliance from the workforce was ensured. To ensure operational safety compliance, SHE audits were carried out within the year and all concerns raised during the audit have been closed up. With the tone set by the board and senior management your company demonstrated a clear commitment for the implementation of the safety protocols of the company. There was no consumer safety incident involving our products that were supplied to any of our customers in the year under review.

CHAIRMAN'S REPORT (CONTINUED)

Social Responsibility

BOPP continues to support brilliant but needy students within the communities through educational scholarships. As a result of the Government's Free SHS policy, management migrated the Senior High School (SHS) Scholarship awarded to brilliant but needy students in the catchment communities to Tertiary Scholarship with effect from 2018 academic year. Beneficiary Communities are; Adum Banso, two (2) students, Benso, one (1) student, Manso, one (1) student and Dominase one (1) student. As at 2021, Seventeen (17) students from the four (4) communities have benefited.

During the year under review BOPP company paid out GH¢38.9million to smallholder and outgrower farmers for the purchase of fruits in the catchment area thus contributing to the socio-economic enhancement of the livelihood of these farmers. About GH¢1,065,477.69 was spent on Corporate Social Responsibility projects, notable among them were construction of 4-bed capacity male ward for Benso community clinic, 20-Seater WC toilet for Adum Banso community, rehabilitation of 5 Unit Classroom Block for Adum Banso Roman School, road maintenance and rehabilitation in Dominase, Amantin, Trebuom, Ayiem Benso and Adum Banso communities, Donation of clinical laboratory equipment to Adum Banso community clinic, donation towards National and Regional Farmers Day Celebration.

Awards

The Company went through the first Annual Surveillance Audit of the Roundtable on Sustainable Palm Oil (RSPO) in July 2020 without any major issues and has since been issued with a new certificate and thus retains the enviable RSPO certification status for the next five years subject to annual surveillance audits. Without doubt BOPP has become the model of Best Management Practice (BMP) in the oil palm plantation industry in Africa. The Adum Smallholder project initiated in 2019 has also met all the environmental and social requirements under the New Planting Procedure, a key standard under the RSPO. A total of GH¢6.5million has been spend in developing over 800 hectors of oil palm for the Project.

Outlook 2021

The global economy has entered a period of profound uncertainty and fragility. The Russia-Ukraine war has introduced new uncertainties which have complicated the outlook and aggravated the Covid-related supply bottlenecks, elevated inflation expectations, and triggered higher crude oil prices, compounding the already high global inflationary pressures. Global financing conditions have tightened as key central banks raised policy rates to counter rising inflation. The combined effect of these developments could lead to further downgrades in global growth projections, increase investor uncertainty, and lead to capital outflows from emerging and frontier economies with weak fundamentals and could have severe exchange rate implications.

Domestic growth conditions are fairly strong despite signs of weakening consumer and business sentiments. The steady increase in private sector credit growth has continued with positive growth implications. Banking sector performance remains strong, with sustained growth in total assets, investments and deposits. Key financial soundness indicators such as profitability, liquidity and solvency remain healthy. Asset quality improved slightly, although there are upside risks to the outlook, requiring continued monitoring to address early signs of stress within the sector.

CHAIRMAN'S REPORT (CONTINUED)

The Sovereign credit rating downgrades of Ghana by Fitch and Moody's led to widened yield spreads on both cedi-denominated Government of Ghana bonds and the country's Eurobonds. These downgrades reflect market and investor concerns about fiscal and debt sustainability. Consequently, the Ghana Cedi has come under severe pressure as offshore investors exited positions in domestic securities at a time when domestic demand for forex has increased, reflecting both real and speculative demand. This has caused the exchange rate to overshoot its long-term trend. The strengthening of the US dollar, liquidity pressures, uncertainties regarding budget implementation, portfolio reversals by non-residents and some speculative pressures are key contributory factors

2021 financial year experienced growth in performance on account of increase in world market prices and volume production. Your company continues to leverage on good agronomic practices, processing efficiencies, impact of good rainfall and its risk mitigation plan. Barring the significant impact of the above global impact on our operations, your company is expected to register stable results.

REPORT OF DIRECTORS TO THE MEMBERS OF BENSO OIL PALM PLANTATION PLC

In accordance with the Companies Act, 2019 (Act 992), the directors have the pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 December 2021.

Parent company

The Company is a subsidiary of Wilmar Africa Limited, a company incorporated in Ghana. The ultimate controlling party is Wilmar International Limited, a company incorporated in Singapore.

Principal activities

The Company is engaged in the business of growing oil palm and the processing of palm fruits to produce palm oil and palm kernel oil. There was no change in the nature of the Company's business during the year under review.

Board changes

The Directors wish to inform members that there were no changes in the Board for 2021.

Financial results

The Company's profit for the year is GH¢92.41million.

Dividend

The directors recommend the payment of dividend per share of GH¢1.0623 for the year ended 31 December 2021 amounting to GH¢36.97million.

Directors

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

Ishmael Yamson	Chairman, Non-executive
Santosh Pillai	Managing Director
Samuel Avaala Awonnea	Executive director (General Manager)
Esine Okudzeto	Non-executive director
Pierre Billon	Non-executive director
Neneyo Mate-Kole	Non-executive director
Benjamin Appiah-Manuh	Executive Director (Financial Controller)
Viganeswaran Ponnudurai	Non-executive director

The directors to retire by rotation in accordance with the regulations of the Company Pierre Billon and Neneyo Mate-Kole who being eligible, offer themselves for re-election.

Corporate Social Responsibility (CSR)

BOPP continues to support brilliant but needy students within the community through educational scholarships. As a result of the Government's Free SHS policy, management migrated the Senior High School (SHS) Scholarship awarded to brilliant but needy students in the catchments communities to Tertiary Scholarship with effect from 2018 academic year. Beneficiary Communities are; Adum Banso, two (2) students, Benso, one (1) student, Manso, one (1) student and Dominase one (1) student. As at 2020, Ten (15) students from the four (4) communities have benefited.

REPORT OF DIRECTORS (CONTINUED)
TO THE MEMBERS OF
BENSO OIL PALM PLANTATION PLC

During the year under review your company paid out GH¢37million to smallholder and outgrower farmers for the purchase of fruits in the catchment area thus contributing to the socio-economic enhancement of the livelihood of these farmers. More than GH¢781,617.33 was spent on corporate social responsibility projects, including road maintenance and rehabilitation, donation of items such as Jamal Soaps, Infrared Thermometer, Nose mask, Veronica buckets and handwashing bowls to the surrounding communities towards COVID 19 prevention. Donation towards National and Regional Farmers' Day Celebrations, National Ambulance, Mpohor District and Renovation of 2BN 1-Unit Bungalow.

Directors' interests in contracts

The Directors have no interest in contracts entered into by the Company.

Auditor

The Company's auditor, Ernst & Young, Chartered Accountants has express willingness continue to act in office as per Section 139(1) of the Companies Act, 2019 (Act 992). Audit fee for the year ended 31 December 2021 is GH¢250,000.

BY ORDER OF THE BOARD

Neneyo Mate-Kole
Director
Date: 22 April 2022

Santosh Pillai
Managing Director
Date: 22 April 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 2019 (Act 992).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment at the company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern.

Neneyo Mate-Kole	Santosh Pillai
Director	**Managing Director**
Date: 22 April 2022	**Date: 22 April 2022**

REPORT OF THE AUDIT COMMITTEE

Membership of the audit committee of the Board

The Benso Oil Palm Plantation Plcaudit committee comprises three non-executive directors. The committee is chaired by Neneyo Mate-Kole, a non-executive Director. The Financial Controller sits in attendance at meetings of the committee and periodically, the internal and external auditors may be invited to make presentations to the committee.

Role of the audit committee

The audit committee meets to review:

* The financial performance of the Company;

* The adequacy of the plan of internal audit;

* Current statutory and internal audit reports;

* The adequacy of internal controls; and

* The degree of compliance to laid down policies, laws, code of ethics and business practices of the Company.

Summary of the Audit Committee's activities in 2021

In 2021, Benso Oil Palm Plantation Limited's audit committee met five (5) times on 21 January, 16 February, 13 April, 13 July and 14 October 2021.

Review of the financial performance of the Company

At the 21 January 2021 meeting, the committee reviewed the financial performance of the Company for the financial year ended 31 December 2020. On 13th July 2021, the committee also reviewed the final internal audit report submitted by Wilmar International Limited (Africa Audit Team), which disclosed no major issues. The committee was updated on the Company's 2020 performance during its quarterly meetings held during the year and reviewed the target implementation dates from the internal audit.

External audit

At the 14 October 2021 meeting, the Committee considered a presentation by the external auditor, Messrs Ernst & Young, Chartered Accountants on the audit plan for the Company for the 2021 financial year ended 31 December 2021.

Building a better working world

Ernst & Young Chartered Accountants
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Cantonments City, Accra, Ghana
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Airport Accra, Ghana

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+233 302 772091
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENSO OIL PALM PLANTATION PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Benso Oil Palm Plantation PLC (the "company") set out on pages 21 to 61 which comprise the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Benso Oil Palm Plantation Plc as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2019 (Act 992).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

The Key Audit Matters applies to the audit of the financial statements

Key Audit Matter	How the matter was addressed in the audit
Biological asset valuation The company uses a fair value model to determine the valuation of its biological assets. The valuation of the biological assets involves complex and subjective judgements about the expected palm oil yield, long term crude palm oil price and discount rate. At 31 December 2021, biological assets were valued at GH¢7.905million. The expected palm oil yield, long term crude palm oil price, inflation rate and discount rate have been identified as a source of estimation uncertainty. The significant accounting policy and critical judgments relating to the valuation are outlined in Note 2.12 and Note 3. The fair value disclosures of biological assets are outlined in Note 25.	We reviewed the Model used by management to ensure it was in accordance with the requirements of IAS 41 "Agriculture". We tested management's ability to forecast by comparing the palm oil yield used in the prior year valuation to the actual yields in the current year. We checked that the Model used was consistent with prior year. We tested the underlying assumptions applied in determining the discount rate and long-term crude palm oil price used in the cash flow model taking into consideration available data from independent sources. We tested the mathematical accuracy of the Model and inspected the data inputs into the model relating to plantation size, number of trees and actual yield. We checked the presentation and disclosure of Management's valuation in the financial statements to assess their reasonableness.
Employee benefit obligation Management uses the Projected Unit Credit Model in the determination of employee benefit obligation. Measurement of the Company's liabilities relating to post employment and other long-term employee benefits, requires judgement in determining appropriate assumptions including those relating to discount rates, inflation and turnover rates. At 31 December 2021 the defined benefit liability was GH¢3.85 million. The discount rate, inflation rate and turnover rate which have been identified as a source of estimation uncertainty and the significant accounting policy are outlined in Note 3 and Note 2.15 respectively. The disclosures relating to the obligation are outlined in Note 31.	We reviewed the Model used by management to ensure it was in accordance with the requirements of IAS 19 "Employee benefits". We checked that the Model used was consistent with prior year. We assessed the reasonableness of the method applied by management in determining the discount rate, inflation and turnover rate. We assessed the design and implementation of controls relating to the payroll process. We tested the assumptions used in arriving at the discount rate and inflation rate by comparing them to independent benchmarks and observable sources. We re-performed Management's calculation of the turnover rate and tested the payroll data used in arriving at the turnover rate by agreeing them to the payroll records. We assessed the competence of management in performing the valuation by checking their qualifications. We checked the presentation and disclosure of the benefit obligation in the financial statements to assess their reasonableness.

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Other information

The Directors are responsible for the other information. The other information comprises the information included in 63-page document titled Benso Oil Palm Plantation Plc Annual Report and Financial Statements for the year ended 31 December 2021". Other report does not include the financial statements and our Auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2019 (Act 992), and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing Benso Oil Palm Plantation Plc 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 Benso Oil Palm Plantation Plc or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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- 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 Benso Oil Palm Plantation Plc ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause Benso Oil Palm Plantation Plc to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii. In our opinion, proper books of account have been kept by Benso Oil Palm Plantation Plc, so far as appears from our examination of those books;
iii. The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of Benso Oil Palm Plantation Plc are in agreement with the underlying books of account;
iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of Benso Oil Palm Plantation Plc at the end of the financial year and of the profit or loss for the financial year then ended;
v. We are independent of Benso Oil Palm Plantation Plc pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Engagement Partner on the audit resulting in this independent Auditor's report is Kwadwo Mpeani Brantuo (ICAG/P/1152).

Ernst + Young

Ernst & Young (ICAG/F/2022/126)
Chartered Accountants
Accra, Ghana

Date: 22 April 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(All amounts are in thousands of Ghana Cedis)

	Note	Year ended 31 December 2021	2020
Revenue	4	214,174	123,817
Cost of sales	5	(101,397)	(84,940)
Net gains from changes in fair value of biological assets	25	2,685	84
Gross profit		**115,462**	38,961
Administrative expenses	6	(14,943)	(11,727)
Other income	8	1,635	1,267
Operating profit		**102,154**	28,501
Finance income	9	2,624	888
Profit before income tax		**104,778**	29,389
Income tax expense	10	(12,355)	(4,692)
Profit for the year		**92,423**	24,697
Other comprehensive income		(9)	-
Total comprehensive income for the year		**92,414**	24,69
Basic and diluted earnings per share (GHC)	27	2.6553	0.7097

The notes on pages 25 to 61 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana Cedis)

	Note	At 31 December 2021	2020
Assets			
Non-current assets		**84,019**	**69,684**
Property, plant and equipment	15	64,417	57,909
Biological assets	25	7,906	5,221
Long term receivables	18	11,696	6,554
Current assets		**139,104**	**49,431**
Inventories	17	13,248	8,490
Other financial assets at amortized costs	20	92,860	18,109
Cash and cash equivalents	23	32,996	22,832
Total assets		**223,123**	**119,115**
Liabilities			
Current liabilities		**30,368**	**10,087**
Trade and other payable	21	17,155	5,726
Employee benefit obligations	31	1,009	207
Current income tax liabilities	10(a)	8,475	2,653
Amounts due to related companies	24	2,363	286
Lease liability	19	133	270
Dividend payable	12	1,233	945
Non-current liabilities		**8,116**	**9,394**
Deferred income tax liabilities	11	3,034	4,530
Lease liability	19	2,238	1,652
Employee benefit obligations	31	2,844	3,212
Equity		**184,639**	**99,634**
Stated capital	13	2,000	2,000
Retained earnings		182,639	97,634
Total liabilities and equity		**223,123**	**119,115**

The financial statements on pages 21 to 61 were approved and authorised for issue by the Board of Directors on 24 February 2022 and were signed on its behalf by:

Neneyo Mate-Kole
Director

Santosh Pillai
Managing Director

STATEMENT OF CHANGES IN EQUITY
(All amounts are in thousands of Ghana Cedis)

Year ended 31 December 2021	Stated capital	Retained earnings	Total
At 1 January 2021	2,000	97,634	99,634
Profit for the year	-	92,423	92,414
Other comprehensive income	-	(9)	-
Total comprehensive income	-	92,414	-
Total	**2,000**	**190,048**	**192,048**
Transactions with owners			
Dividend declared for 2020	-	(7,409)	(7,409)
At 31 December 2021	**2,000**	**182,639**	**184,639**
Year ended 31 December 2020			
At 1 January, 2020	2,000	74,851	76,851
Profit for the year	-	24,697	24,697
Dividend declared for 2019	-	(1,914)	(1,914)
At 31 December 2020	2,000	97,634	99,634

The notes on pages 25 to 61 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana Cedis)

	Note	Year ended 31 December 2021	2020
Operating activities			
Cash generated from operations	22	40,680	32,139
Interest received		2,605	888
Tax paid	10	(8,029)	(1,680)
Net cashflows from operating activities		**35,256**	**31,347**
Investing activities			
Purchase of property, plant and equipment	15	(13,016)	(13,173)
Payment in respect of long-term receivable		(5,142)	(5,595)
Proceeds from sale of property, plant and equipment	15	87	124
Net cashflows used in investing activities		**(18,071)**	**(18,644)**
Financing activities			
Payment of employee benefit obligation		(559)	(625)
Additions to lease liability		364	1,922
Lease payment		(320)	-
Dividend paid to shareholders	12	(7,121)	(1,786)
Net cashflows used in financing activities		(7,636)	(489)
Net increase in cash and cash equivalents	23	9,549	12,214
Cash and cash equivalents at 1 January	23	22,832	10,618
Effect of exchange rate changes on cash and cash equivalents		615	-
Cash and cash equivalents at 31 December		**32,996**	**22,832**

The notes on pages 25 to 61 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Benso Oil Palm Plantation Limited is incorporated and domiciled in Ghana under the Companies Act, 2019. (Act 992) as a public limited liability company and listed on the Ghana Stock Exchange. The address of its registered office is Adum Banso Estate, P. O. Box 470, Takoradi. The principal activities of the Company is to grow oil palm and produce palm oil and palm kernel oil.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except for biological assets that have been measured at fair value.

The financial statements are presented in Ghanaian Cedis and all values are rounded to the nearest thousand (GH₵'000), except when otherwise indicated.

The company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in Note 3.

2.1.1 New and amended standards adopted by the Company

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 4, IFRS 16, IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1.1 New and amended standards adopted by the Company (continued)

Amendments to IFRS 4, IFRS 16, IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform (continued)

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the company. The company intends to use the practical expedients in future periods if they become applicable.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Company is currently assessing the impact of the amendments to determine the impact they will have on the company's accounting policy disclosures.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1.1 New and amended standards adopted by the Company (continued)

Amendments to IFRS 16 Covid-19 Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16 (continued)

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

2.1.2 New and amended standards and interpretations issued but not yet effective by the Company

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 - Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 introduces new accounting requirement for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract: Issuers of such loans - e.g. a loan with waiver on death - have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable. IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company is currently in the process of assessing the impact of adopting IFRS 17 on its financial statements.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual period in which it will first apply the amendment and does not expect this will result in a material impact on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1.2 New and amended standards and interpretations issued but not yet effective by the Company (continued)

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

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

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1.2 New and amended standards and interpretations issued but not yet effective by the Company (continued)

Property, Plant and Equipment: Proceeds before Intended Use-Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

Reference to the Conceptual Framework - Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. 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 of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The right of use of leasehold land is amortized over the shorter of the useful life of the asset and the lease term, unless the title to the lease land transfers at the end of the lease term, in which case amortization is over the useful life. Depreciation on property, plant and equipment is calculated to write off the value of assets on a straight-line basis over the expected useful lives of the assets concerned. Depreciation commences when assets are available for use. The principal annual rates used are:

Roads, bridges, buildings and houses.	2.5%
Vehicles - light passenger and lorries	25.0%
Vehicles - heavy roadmaking equipment, tractors and trailers.	16.7%
Plant and machinery.	7.0%
Mature Oil Palm Trees.	4.5%
Computers.	20.0%
Furniture, fittings and office equipment.	25.0%

Oil palm trees are classified as immature until the produce can be commercially harvested. At that point they are reclassified and depreciation commences. Immature palm oil trees are measured at accumulated cost.

2.3 Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets if; there is the technical feasibility to complete the software product for use; there is an ability to use the product; the software product will generate probable future economic benefits; and the expenditure attributable to the software development costs can be measured reliably.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software development costs recognised as intangible assets are amortised over their estimated useful life not exceeding three years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

The cost of finished goods and work in progress comprises the fair value less estimated point-of-sale costs of agricultural produce at the point of harvest, the cost of raw materials and direct labour, and other direct costs and related production overheads. It excludes borrowing cost.

Net realizable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

The fair value less estimated point-of-sale costs of harvested fresh palm fruits is determined based on the market prices of the final product, taking into account conversion costs.

2.5 Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. They are generally due to settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.6 Other financial assets at amortised cost

The company classifies its financial assets at amoritised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Non-trade receivables from related parties have been assessed for impairment under the general approach. Impairment under this approach is assessed based on changes in credit risk since initial recognition using the past due criterion. Financial assets classified as stage 1 have their Expected Credit Loss measured as a proportion of their lifetime Expected Credit Loss that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their Expected Credit Loss measured on a lifetime basis.

2.7 Trade payable

Trade payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.8 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. At initial recognition, the company classifies its financial instruments in the following categories:

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. At the initial recognition, the company classifies its financial instruments in the following categories:

Financial assets at amortised cost:

Financial assets at amortised cost include trade accounts receivable and other financial assets at amortised cost.

Impairment of financial assets:

The company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the accounts receivable. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

The company's expected loss rates used in calculating impairment losses are based on the payment profiles of sales customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the accounts receivable.

At 31 December 2021, there were no material losses expected.

2.9 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.9 Income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.10 Cash and cash equivalents

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

2.11 Revenue recognition

The company derives revenue from the transfer of goods at a point in time

The company processes and sells crude palm oil and crude palm kernel oil. Tonnage to be sold for the year are agreed in a contract for the main customer Wilmar International Limited. Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customer. Delivering occurs with the products have been shipped to the specific location, the risks of loss have been transferred to the customer and the customer has accepted the products in accordance with the sales contract. Oil produced for sale but held at the request of the customer is invoiced in the month the oil is ready for dispatch. The customer accepts liability for oil held at the company's premises at their request.

Revenue is recognised based on the price terms in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.12 Biological assets

Biological assets are measured at fair values less estimated costs to sell. Palm oil trees are bearer plants and are therefore presented and accounted for as property, plant and equipment. However, the fresh fruit bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Harvested FFB are transferred to inventory at fair value less costs to sell when harvested. Any gains or losses arising on subsequent changes in fair values less estimated cost to sell are recognised in profit or loss in the year in which they arise.

All costs of upkeep and maintenance of biological assets are recognised in profit or loss under cost of production in the period in which they are incurred.

2.13 Stated capital

Ordinary shares are classified as "stated capital" in equity. All shares were issued at no par value.

2.14 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ghana cedis, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Ghana Cedis using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income.

2.15 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included as part of trade and other accounts payable in the balance financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.15 Employee benefits (continued)

(b) Post employment obligations

The Company operates both defined benefit and defined contribution plans for its employees. The Company contributes to a national pension scheme (Social Security Fund) as well as a provident fund scheme.

A defined contribution plan is a pension scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The fixed rate contribution by employer is 13% and employee is 5.5% both calculated on the employees' basic salaries.

The Company's contributions to the defined contribution schemes are recognised as an employee benefit expense when they fall due. The Company has no further payment obligations once the contributions have been paid.

Defined benefit obligation

The company operates a defined benefit plan for employees under a collective bargaining agreement and conditions of service. The level of benefits provided under the defined agreement and conditions depends on the employees' length of services and their salary at the time of retirement.
With the exception of inflationary risk, the company's legal or constructive obligation is limited to the amount due when the employee is on retirement or at the next level of long service award.

(c) Bonus

(i) The Company recognises a liability and an expense for bonuses taking into consideration the profit attributable to the Company's shareholders. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Other long-term employee benefit obligations

Retirement benefits

The Company pays superannuation awards to members on retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for Defined Benefit Pension Plans.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.15 Employee benefits (continued)

Long service awards

To recognise and reward members of staff for continuous and dedicated service, the Company makes awards to all employees. Employees are rewarded for 10, 15, 20, 25, 30, 35 and 40 years of service. Liabilities for long service awards are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

2.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.16 Leases (continued)

The Company's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to consider to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of economic resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Segment reporting

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 Management Committee that makes strategic decisions.

2.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.20 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company,
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares."

2.21 Long term accounts receivable

The company entered into an agreement with the Chiefs and people of Trebuom for the development of a 800 hectares of land. The company will fund the development of the plantation and the costs will be recovered from the fruits to be supplied from the plantation once developed. The agreement is for a period of 25 years.

It has been determined that the lease component relating to the land for no consideration will not have an accounting impact. The costs of developing the external plantations akin to lease developments will be reimbursed by the community by off-setting proceeds from the sale of the fruits to the company at market value.

2.22 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Ghana cedis unless otherwise stated.

3. Critical accounting estimates and judgements

The preparation of the Company's financial statements requires Directors to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. **Critical accounting estimates and judgements continued)**

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

(i) Accounting and measuring of biological assets

The fair value of growing oil palm fresh fruit bunches (FFB) is determined using a discounted cash flow model based on the expected palm oil yield, the market price for crude palm oil and palm kernel oil. The selling price of the oil can only be estimated and the actual yield will not be known until it is completely processed and sold. Estimates and judgements in determining the fair value of the FFB growing on palm trees include the volume and stages of maturity of FFB at balance sheet date, palm oil yield, the long term crude palm oil price, palm kernel oil price and the discount rates after allowing for harvesting costs, contributory asset changes for the land and palm trees owned by the entity and other costs yet to be incurred in getting the fruit bunches to maturity. Assumptions impacting biological assets are given in more detail in Note 25.

(ii) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost include the discount rate, future salary increases, and mortality rates. Any changes in these assumptions will impact the carrying amount of employee benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 31.

(iii) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

4. Revenue

The company derives revenue from the transfer of goods at a point in time in the following major product lines and customers. Sales are shown at net of value added taxes.

	2021	2020
By Type:		
Sale of crude palm oil	196,302	107,173
Sale of palm kernel oil	17,872	16,644
	214,174	123,817
By Customer:		
Related parties (Note 24)		
Wilmar Africa Limited	196,292	107,046
Wilmar Trading PTE	8,550	5,375
African Consumer Products Limited	9,162	1,650
Total related parties	**214,004**	**114,071**
Third parties		
Capex GS	-	227
Delta Agro	-	963
Francisca Danso Enterprise	-	124
Estate shop and Others	170	721
Golden Agri International PTE Ltd	-	2,888
Lipdos Santiga SA	-	4,823
Total third parties	170	9,746
Total revenue	**214,174**	**123,817**

5. Cost of sales

	2021	2020
Cost of sales include:		
Small holder/out-grower material purchase costs	36,806	31,231
Fertilizer costs	8,548	6,983
Depreciation (Note 15)	5,386	4,674
Staff Costs (Note 7)	17,830	15,357
Harvesting costs	9,352	6,665
Power energy	733	673
Spares and inventory consumed	4,960	3,684
Factory servicing and overheads	2899	2,852
Freight and transport	876	486
Palm oil processing	557	531
Palm kernel and tolling costs	6,172	3,448
Plantation upkeep and overhead	7,278	8,356
	101,397	84,940

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in thousands of Ghana Cedis)

		2021	2020
6.	**Administrative expenses**		
	Registrar and related expenses	96	143
	Depreciation (Note 15)	133	83
	Amortization (Note 16)	51	-
	Staff costs (Note 7)	5,865	5,200
	Listing fees	20	53
	Directors' remuneration	1,229	657
	Auditor's remuneration	272	193
	Service fees	2,085	1,289
	Insurance cost	363	299
	Fees to Lands Commission	25	-
	Bank charges	92	63
	Professional expenses	657	386
	Cleaning expenses	-	82
	Community Development expenses	828	354
	Donations	180	359
	Food and entertainment	393	426
	Foreign exchange (gains) and losses	(654)	41
	Medical expenses	981	827
	Repairs and maintenance	157	115
	Security	221	162
	IT and communication	712	348
	Transport expenses	747	549
	Stationery, Utilities, training and sundries	85	98
	Interest expenses on lease liabilities	405	-
		14,943	11,727

		2021	2020
7.	**Staff costs**		
	Salaries, wages, bonuses and other allowances	20,237	16,861
	service and interest cost - defined benefit (Note 31)	1,002	1,569
	Contribution to pension schemes	2,456	2,127
		23,695	20,557

Staff costs are charged to cost of sales and administrative expenses as shown below:

	2021	2020
Cost of sales	17,830	15,357
Administrative expenses	5,865	5,200
	23,695	20,557

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in thousands of Ghana Cedis)

		2021	2020
8.	**Other Income**		
	Gain/(loss) on disposal of property, plant and equipment	87	124
	Sludge oil sales	1,472	1,057
	Sundry income	76	86
		1,635	1,267
9.	**Finance Income**		
	Interest income on current account	1,189	137
	Interest income on intercompany receivables	1,435	751
		2,624	888
10.	**Income tax expense**		
	Current income tax change	13,605	3,996
	Adjustments for current tax of prior periods	245	(347)
	Deferred income tax charge relating to origination and reversal of temporal differences (Note 11)	(1,495)	1,043
		12,355	4,692

The tax on the company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2021	2020
Profit before income tax	104,778	29,389
Tax calculated at the statutory income tax of 12.5%	13,097	3,673
Tax effects of:		
Adjustment in respect of prior years	245	(347)
Interest income subject to final tax - 25%	320	394
Income not deductible for tax purposes	(540)	-
Expenses items not deductible items for tax purposes	728	972
	----------	-------
Income tax expense	13,850	4,692
	======	=====

The current income tax charge is in respect of provision for the year's corporate tax and returns from monies held in fixed deposits. The Company is taxed at 12.5%, being an agro processing business operating outside a regional capital.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

10a. Current Income tax expense

	At start of year	Charge/credit for the year	Payments	At end of year
Year ended 31 December 2021				
Up to 2020	2,653	245	(171)	2,727
2021	-	13,605	(7,858)	5,748
	2,653	**13,850**	**(8,029)**	**8,475**
Year ended 31 December 2020				
2020	684	3,649	(1,680)	2,653
	684	**3,649**	**(1,680)**	**2,653**

11. Deferred Income Tax

Deferred income tax assets and liabilities and deferred income tax charge in the income statement, are attributable to the following items:

	Balance at start of year	Charge to profit or loss	Balance at end of year
Year ended 31 December 2021			
Deferred income tax purposes	2,541	302	2,843
Revaluation of Biological Assets to fair value	460	528	988
Employee benefits and bonuses	765	(1,562)	(797)
Other temporal differences	764	(764)	-
	4,530	**(1,495)**	**3,034**
Year ended 31 December 2020			
Deferred income tax purposes	1,863	678	2,541
Revaluation of Biological Assets to fair value	449	11	460
Employee benefits and bonuses	514	251	765
Other temporal differences	661	103	764
	3,487	**1,043**	**4,530**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

12. Dividend payable

	2021	2020
At 1 January	945	817
Dividend declared in 2020 for 2019 financial year	-	1,914
Dividend declared in 2021 for 2020 financial year	7,409	-
Payment during the year	(7,121)	(1,786)
At 31 December	**1,233**	**945**

Payment of dividend is subject to the deduction of withholding taxes at the rate of 8%. At the next Annual General Meeting, the directors will propose a dividend for the year ended 31 December 2021 of GH¢ 0.79658 per share (2020: GH¢0.2129) amounting to GH¢27,721,000 (2020: GH¢7,049,000)

13. Stated Capital

	2021 No. of ordinary shares of no par value	2021 Proceeds	2020 No. of ordinary shares of no par value	2020 Proceeds
Authorized shares issued	50,000,000		50,000,000	
For cash consideration	322,000	3	322,000	3
Transfer from income surplus account in accordance with Section 70 and 71 of the Companies Act, 2019 (Act 992) by a special resolution.	34,478,000	1,997	34,478,000	1,997
Issued ordinary shares at 31 December	34,800,000	2,000	34,800,000	2,000

There is no unpaid liability on any shares and there are no calls or instalments unpaid. There are no treasury shares. There was no movement in stated capital during the year.

14. Actuarial gains/losses

This relates to gains / losses arising from employee's defined benefits scheme of GH¢8,974 (2020: Nil)

15. Property, plant and equipment

Year ended December 2021

	Mature Oil Palm Trees	Immature Oil Palm Trees	Capital work-in-progress	Right-of-use Leasehold Land (Note 16)	Roads and Bridges	Buildings and Housing	Motor Vehicles Plant and Machinery	Computers, Furniture and Fittings and Equipment	Total
Cost									
At 1 January 2021	26,219	1,921	248	9,288	1,213	8,487	35,924	2,670	85,970
Additions	-	1,903	8,612	2,285	-	-	14	202	13,016
Disposals	-	-	-	-	-	(8)	(2,445)	(569)	(3,022)
Transfers	-	(938)	(4,839)	-	-	134	3,997	708	(938)
At 31 December, 2021	**26,219**	**2,886**	**4,021**	**11,573**	**1,213**	**8,613**	**37,490**	**3,011**	**95,026**
Accumulated depreciation and amortization									
At 1 January 2021	7,170	-	-	19	18	2,755	16,879	1,220	28,061
Charge for the year	1,192	-	-	242	246	3,382	-	508	5,570
Disposals	-	-	-	-	(8)	(2,445)	-	(569)	(3,022)
At 31 December 2021	**8,362**	-	-	**261**	**256**	**3,692**	**16,879**	**1,159**	**30,609**
Carrying amount									
At 31 December, 2021	**17,857**	**2,886**	**4,021**	**11,312**	**957**	**4,921**	**20,611**	**1,852**	**64,417**
Cost									
At 1 January 2020	26,219	1,382	1,114	-	1,213	7,506	34,968	1,306	73,708
Additions	-	539	12,312			-	183	139	13,173
Disposals	-	-	-	-	-	-	(911)	-	(911)
Transfers	-	-	(13,178)	9,288	-	981	1,684	1,225	-
At 31 December, 2020	26,219	1,921	248	9,288	1,213	8,487	35,924	2,670	85,97
Accumulated depreciation and amortization									
At 1 January 2020	5,978	-	-	-	18	2,528	14,720	993	24,237
Charge for the year	1,192	-	-	19	-	227	3,070	227	4,735
Disposals	-	-	-	-	-	-	(911)	-	(911)
At 31 December 2020	7,170	-	-	19	18	2,755	16,879	1,220	28,061
Carrying amount									
At 31 December, 2020	19,049	1,921	248	9,269	1,195	5,732	19,045	1,450	57,90

The Right Of Use (ROU) assets have been separately presented with comparative information in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in thousands of Ghana Cedis)

15. Property, plant and equipment (continued)

There are no restrictions on any title, or property, plant and equipment pledged as security for liability. There were no borrowing costs during the year (2020: Nil).

Gain/Loss on disposal of property, plant and equipment	2021	2020
Gross book value	3,022	911
Accumulated depreciation	(3,022)	(911)
Net book amount	-	-
Sales proceeds	87	(124)
Gain/Loss on disposal of plant and equipment	87	124

16. Right of Use Assets - Leasehold land

	2021	2020
Cost		
At 1 January	9,288	-
Additions	2,285	9,288
At 31 December	**11,573**	9,288
Amortization		
At 1 January	19	-
Charge for the year	242	19
At 31 December	261	-
Carrying amount		
At 31 December	**11,312**	9,269

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

17. Inventories

Palm oil	24	9
Palm kernel	438	81
Palm kernel oil	4,429	-
Non-trade stock	8,357	8,400
	13,248	8,490

Non- trade items relate to engineering spares, fertilizers and agro-chemicals, and other stock items used on the plantation.

No reversal of any written down inventory was made in the year. There were also no inventories pledged as security for liabilities as at 31 December 2021 (2020: Nil).

18. Long term receivables

	2021	2020
Balance at start	6,554	959
Additions	5,142	5,595
Repayments	-	-
Balance at close	11,696	6,554

The significant increase in long term accounts receivable is attributable to additional costs incurred on the development of external plantations during the year.

19. Lease liability

	2021		2020	
	Non-current	Current	Non-current	Current
Opening liability	1,652	270	-	-
Additions	364	-	1,652	270
Payment for the year	-	(320)	-	
Interest accrued	222	183	-	-
Closing Liability	2,238	133	1,652	270

The lease liability is as a result of a right of use of land for a period of 50 years for its oil palm plantation. The weighted average remaining lease in 2021 is 47 years (2020: 48) with a cost of capital of 18.5% (2020: 18.5%)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

20. Other financial assets at amortized costs

	2021	2020
Amount due from officers	431	138
Amounts due from smallholder farmers	238	492
Other receivables	8,971	161
Amount due from related companies (Note 24)	83,220	17,318
	92,860	18,109

All receivables existing as at reporting date 31st December 2021 have been recovered at the time the financials were signed (2020: Nil). As a result of this, No ECL was computed.

Other receivables relate to receivables from non-trade debtors.

21. Trade and other accounts payables

Accounts payable	3,553	163
VAT payable	3,291	1,324
Audit fees payable	250	205
Accrued salaries and bonuses	4,554	2,863
Sundry payables and accrued liabilities	5,507	1,171
	17,155	5,726

Accounts payable are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

22. Cash generated from operations

	2021	2020
Reconciliation of profit before income tax to cash generated from operations		
Profit before income tax	104,778	29,389
Adjustments for:		
Depreciation and amortization (Note 15 and 16)	5,571	4,735
Changes in fair value of biological asset (Note 27)	-2,685	-84
Transfer of immature plants to cost of sales (Note 15)	938	-
Exchange gain on cash and cash equivalent	-615	-
Accrued interest on lease liability	405	-
Employee benefits obligations (Note 7 and 31)	1,002	1,569
(Gain)/Loss on disposal of property, plant and equipment (Note 15)	-87	-124
Interest income (Note 9)	-2,624	-888
Changes in working capital		
(decrease)/increase in inventories	-4,758	880
Increase in other financial assets at amortized cost	-74,751	-764
Increase/(decrease) in accounts payable	11,429	-1,284
Increase /(decrease) in amount due to related companies	2,077	-1,290
Cash generated from operations	**40,680**	**32,139**

23. Cash and cash cquivalents

Cash in hand	12	6
Cash at bank	32,984	22,826
Cash at bank includes short-term fixed deposits of GH¢	**32,996**	**22,832**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

24. Related party transactions

Wilmar Africa Limited, incorporated in Ghana owns 76.63% of the Company's issued ordinary shares. The ultimate parent company is Wilmar International, incorporated in Singapore. There are other companies that are related to the Company through common control. There is a cash pooling agreement between the Company and Wilmar Africa Limited where sales made to Wilmar are paid within thirty days, after which interest is accrued. Sales to Wilmar Africa Limited during the year was based on world market prices. All other transactions were made on normal commercial terms and conditions.

The following transactions were carried out with related parties:

Sales and purchases of goods and services	**2021**	**2020**
Sales of goods to related parties (Note 4)	196,292	114,071
Purchases of management services from Wilmar Africa Limited	394	-
Purchases of management services from Wilmar Global Services	364	455
Purchases of goods from Minsec	2,542	876
Purchase of goods from African Consumer Product (Ghana) Limited	9,163	720
Purchases of services from Wilmar International Limited	519	422
Reimbursements to Ghana Spatiality Ltd	-	3
Reimbursements to Wilmar Africa Ltd	-	150
Purchases of services from Alam Palm Plantation	321	412
Purchases of goods and services from PGEO Oil Palm Berhad	1,701	1,157
Purchases of goods and services from PPB Oil Palm Berhad	341	200
Wilmar Africa Limited	1,435	751

(i) Purchases of services from entities controlled by key management personnel

The company acquired the following goods and services from entities that are controlled by members of the company's key management personnel:

Outstanding balances arising from sale/purchase of goods/services:

Amounts due from related parties	2021	2020
Wilmar Africa Limited	78,194	15,514
Wilmar Africa Limited	56	-
African Consumer Product (Ghana) Limited	4,970	1,659
Minsec	-	145
	83,220	17,318

All local accounts receivable and payable are due in 30 days after sales. Interest at the Bank of Ghana rate is charged on all aging accounts receivable. As at the reporting date, all outstanding amounts have been received hence no ECL is computed on the outstanding amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

24. Related party transactions (continued)

As at 31 December 2021, there were no provision for bad debts related to these outstanding amounts (2020: Nil)

Amounts due to related parties	2021	2020
Wilmar Africa Limited	1,044	6
Wilmar PGEO Edible Oil SDN BHD	909	-
PPB Oil Palms Berhad	13	94
African Consumer Product (Ghana) Limited	-	70
Wilmar Global Business Services		-
Wilmar International Limited	397	116
	2,363	286

Key management personnel compensation		
Short term employee benefits	1,229	657
Of which:		
Executive Directors	1,092	588
Non-executive Directors	137	69
	1,229	657

Short term employee benefits include pension contribution for Executive Directors amounting to GHC178,000 (2019: GHC113,000).

Notes to the financial statements (Continued)

(All amounts are in thousands of Ghana Cedis)

25. Biological Assets

(a) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its biological assets into the three levels below. An explanation of each level is provided below.

	2021	2020
At 1 January	5,221	5,137
Change in fair value due to biological transformation	277	71
Changes in fair value due to price changes	2,408	13
At 31 December	7,906	5,221

The following table presents the Company's biological assets that are measured at fair value at 31 December 2021 and 31 December 2020.

	Level 1	Level 2	Level 3	Total
Oil Palm FFB on trees				
At 31 December 2021	-	-	7,906	7,906
At 31 December 2020	-	-	5,211	5,221

The Company's biological assets are measured at fair value and are all classified under level 3 of the fair value hierarchy (valuation not based on observable market data). There are no items in level 1 (valuation based on quoted prices) or level 2 (valuation based on observable market data) and there were no transfers between levels.

(b) Analysis of oil palm production

The Company harvested 84,573 tonnes (2020: 72,320 tonnes) of fresh fruit bunches (FFB) and sold 30,040 metric tonnes of palm oil (2020 - 27,289 metric tonnes) during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

25. Biological Assets (continued)

(c) Valuation of inputs and relationships to fair value

The fair value of biological assets has been determined based on valuations by the directors using discounted cash flows of the underlying biological assets.

The fair value of the biological assets at year-end was GH¢7,906,000 (2020: GH¢5,221,000).

The following table summarizes the quantitative information about the key unobservable inputs used in the fair value measurements of the palm fruit bunches on the trees:

Unobservable inputs	Range of inputs (Probability - Weighted average)		Relationship of unobservable inputs to fair value
	2021	2020	
Palm oil fruit yield - Tonnes per hectare	Range -14.28-18.82 The average yield per hectare used for the valuation was 17.87 tonnes per hectare	Range -14.28-16.86 The average yield per hectare used for the valuation was 15.26 tonnes per hectare.	The higher the palm oil yield, the higher the fair value.
Fresh fruit bunches (FFB) Price	Range - GH¢599 - GH¢753 The average price of FFB used for the valuation was GH¢650 per tonne.	Range - GH¢499 - GH¢571 The average price of FFB used for the valuation was GH¢537 per tonne.	The higher the market price, the higher the fair value.
Discount rate	Range - 15.38% - 21.19% The discount rate used for the valuation was 17.49%.	Range - 20.73% - 25.33% The discount rate used for the valuation was 21.19%.	The higher the discount rate, the lower the fair value.

The main level 3 inputs used by the company are derived and evaluated as follows:

* Palm plantation covers a total of 4,738 hectares with an average of 131 palm trees per hectare.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

25. Biological Assets (continued)

(c) Valuation of inputs and relationships to fair value (continued)

* Palm oil yield is determined based on the age of the plantation, historical yields, climate-induced variations such as severe weather events, plant losses and new areas coming into production.

* Crude palm oil prices and palm kernel oil prices are quoted prices from the world market.

* Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(d) Financial risk management strategies for biological assets:

The company is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The company has in place relevant agricultural practices to mitigate against diseases. The company has environmental policies and procedures in place to comply with environmental and other laws.

The company is exposed to risks arising from fluctuations in the price and volume of palm oil. The company has contracts in place for supply of palm oil to its main customer. The company actively manages the working capital requirements to meet the cash flow requirements.

There are no restrictions on any title, or biological assets pledged as security for liability. Details of commitments for the development and acquisition of biological assets have been disclosed in Note 29.

26. Financial instruments and treasury risk management

Financial risk management

The Company's activities expose it to financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rates risk, credit risk.

Market risk

Foreign exchange risk may arise from future commercial transactions, recognised assets and liabilities. All sales are denominated in the Company's functional currency.

Foreign exchange risk

As at 31 December 2021, if the Cedi had weakened/strengthened by 10% against the US dollar and all other variables held constant. The recalculated post tax profit for the year will have been GH¢1,575,000 (2020: GH¢1,451,243) lower/higher as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents. The company has environmental policies and procedures in place to comply with environmental and other Laws.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in thousands of Ghana Cedis)

26. Financial instruments and treasury risk management (continued)

Price risk

The Company is not exposed to equity securities price risk because it has no investments in equity securities. The Company is not exposed to commodity price risk. This is because the Company does not have commodity purchase contracts that meet the definition of a financial instrument under IFRS 9.

Interest rate risk

Interest rate risk arises from borrowings. The Company does not hold any loan subject to cash flow and fair value interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk are primarily bank balances and trade receivables. Trade accounts receivable are mainly derived from sales to customers.

(i) Risk management

Credit risk is managed by the finance manager. For banks and financial institutions, the company does business with only reputable parties registered with bank of Ghana.

Risk control assesses the credit quality of the customer, taking into account its financial position and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The compliance with credit limits is regularly monitored by line management. The Company has significant concentrations of credit risk with its main customer, however there has been defaults in the past and no future credit losses are expected.

The company has three types of financial asset that are subject to the expected credit loss model;trade receivables for sales of inventory, and other financial assets at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade accounts receivable.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

26. Financial instruments and treasury risk management (continued)

Due to the nature of the commodities sold by the Company and its trading partners, macroeconomic indicators are not expected to significantly affect the ability of the customers to settle the receivables. The company sells 92% of major customer, Wilmar Africa Ltd on credit and within a 30 days repayment period.

The aging profile of this customer indicates that there are no impaired receivables over a period of 90 days and all receivables paid as at the time of signing the financials. All other trade customers have paid for their outstanding and shows a zero balance as at 31st December 2021. (2020: Nil).

The table below shows the company's maximum exposure to credit risk by class of financial instrument:

	2021	2020
Cash and cash equivalents	32,996	22,832
Other financial assets at amortized cost	83,597	18,109
	116,593	40,941

Other financial assets and liabilities at amortised cost

	2021	2020
Financial liabilities		
Trade and other payables	17,155	5,726
Employee benefit obligations	3,853	3,419
Amounts due to related companies	2,363	286
Lease liability	133	1,922
	23,504	11,353

Other financial assets and liabilities at amortised cost include amounts due from officers, amounts due from smallholder farmers, other accounts receivable and receivables from related parties, trade and other accounts payable.

The carrying amounts of these assets and liabilities are a reasonable approximation of their fair value, because of their short term nature. The carrying amount of all financial assets and liabilities equals their fair value amount, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

26. Financial instruments and treasury risk management (continued)

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves and calling on short term borrowing and funding from related parties. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below analyses the Company's financial liabilities that will be settled on a net basis based on the remaining period at the reporting date to the contractual maturity. The amounts disclosed in the table below are the contractual undiscounted cash flows, all amounts will be settled by the end of the year.

	Carrying amount	6 months or less	6 to 12 months	After 12 months	Total contractual cashflows
Year ended 31 December 2021					
Accounts payable	17,155	17,155	-	-	17,155
Employee benefit obligations	3,853	1,009	-	2,844	3,853
Amount due to related companies	2,363	2,363	-	-	2,363
Lease liability	2,371	133	-	2,238	2,371
	25,742	20,660	-	5,082	25,742
Year ended 31 December, 2020				-	
Accounts payable	5,726	5,726	-	-	5,726
Employee benefit obligations	3,419	3,419	-	-	3,419
Amount due to related companies	286	286	-	-	286
Lease liability	1,922	1,922	-	-	1,922
	11,353	11,353	-	-	11,353

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

26. Financial instruments and treasury risk management (continued)

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividend paid to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as the net debt divided by the total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

At year end the Company had no borrowings. (2020: Nil).

Dividends

	2021	2020
Final dividend for the year ended 31 December 2020 of GH¢0.21290 (2019: GH¢0.05550) per fully paid share	7,409	1,914
In addition to the above dividend, since year end, the Directors have proposed the payment of a final dividend of GH¢0.7966 per fully paid ordinary share (2020: GH¢0.21290).	27,721	7,409

27. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2021	2020
Profit for the year attributable to ordinary equity holders (GH¢000)	92,423	24,697
Weighted average number of ordinary shares ('000)	34,800	34,800
Basic earnings per share (Ghana pesewas)	**2.6558**	**0.7097**

There were no potentially dilutive shares outstanding at 31 December 2021 or at 31 December 2020. Diluted earnings per share are therefore the same as basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in thousands of Ghana Cedis)

28. Segment reporting

The directors consider that there is only one business segment and that all its trading is conducted in Ghana. The main product of the Company is crude palm oil. The company sold 94% of its goods to its related parties - Wilmar Africa Limited, the parent company, Wilmar Trading PTE and African Consumer Products Limited.

29. Commitment and contingent liabilities

The company entered into an agreement with the Chiefs and people of Trebuom for the d evelopment of a 800 hectares of land. The company will fund the development of the plantation and the costs will be recovered from the fruits to be supplied from the plantation once developed. The agreement is for a period of 25 years within which proceeds from the sale of the fruits to the company would be used to off-set the development costs incurred. The costs incurred at year end was GHC11,696,300 (2020: GHC6,553,903).

30. Provisions

As at 31 December 2021, there was no pending legal suit for which a provision has to be made.

31. Employee benefit obligation

The company operates an unfunded annualised employee benefit plan for its employees based on the length of service and at the time of retirement. With the exception of inflationary risk, the company's legal or constructive obligation is limited to the amount due when the employee is on retirement or at the next level of long service award. Under the annualised defined benefit plan, the obligation for each year is determined using the projected unit credit method. The most recent valuation was performed at year end and the expense recognised in the current period in relation to these obligations was GH¢1,002,000 (2020: GH¢1,569,000).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(a) Present value of defined benefit obligation	2021	2020
Obligation as start of year	3,419	2,475
Interest cost charge to profit and loss	501	408
Service cost charge to profit and loss	501	1,161
Benefits paid	(559)	(625)
Actuarial gains/losses	(9)	-
Obligation at close of year	3,853	3,419

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in thousands of Ghana Cedis)

31. Employee benefit obligation (continued)

The weighted average duration of the defined benefit obligation is 14.92 years (2020: 14.96 years). There were no remeasurement gains or losses as there were no plan assets during the year. (2020: Nil). There was also no change in demographic assumptions during the year. (2020: Nil).

(b) Present value of long service awards	2021	2020
Obligation as start of year	295	585
Service cost charged to profit and loss	276	55
Benefits paid	(229)	(345)
Obligation at close of year	342	295

(c) Significant estimates with actuarial assumptions and sensitivity	2021	2020
Discount rate	17.49%	21.19%
Inflation	12.20%	9.80%

(d) Sensitivity analysis

Below is the sensitivity analysis of the significant actuarial assumptions adopted in determining the employee benefit obligations at year end

		Defined benefit obligation	Long service awards
Discount rate	+1%	3,705	342
	-1%	4,019	342
	+1%	3,865	342
Inflation	-1%	3,841	339

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in thousands of Ghana Cedis)

31. Employee benefit obligation (continued)

(e) Classification	2021	2020
The charge to statement of profit and loss has been split as follows:		
Cost of sales	353	744
Operating expenses	83	199
Other comprehensive income	(9)	-
	436	944
The obligation in the statement of financial posistion has been classified as follows:		
Current	1,009	207
Non-current	2,844	3,212
	3,853	3,419

(f) Risk exposure

The most significant risk faced by the company is inflationary risk. A significant proportion of the company's employee benefit obligations are linked to salary inflation and higher inflation will lead to higher liabilities.

SHAREHOLDERS' INFORMATION

Shareholding distribution as at 31 December 2021

Holding	No. of shareholders	Holders %	No. of shares	% of Holding
1-1,000	8,057	94.12	2,156,260	6.20
1,001-5,000	400	4.67	750,015	2.16
5,001-10,000	46	0.54	325,806	0.94
Over 10,000	57	0.67	31,567,919	90.71
	8,560	100.00	34,800,000	100.00

Directors' shareholding

The Directors named below held the following number of shares in the Company as at 31 December 2021:

	Number of shares
Mr. Neneyo Asare Mate-Kole	1,110
Mr. Ishmael Yamson	23,000
Mr. Samuel Avaala Awonnea	740
Total	24,850

Mr. Ishmael Yamson owns the shares jointly with others.

20 Largest shareholders at 31 December 2021

Shareholders		Number of shares	% Holding
1	WILMAR AFRICA LIMITED	26,665,507	76.63
2	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	1,500,000	4.31
3	SCGN/EPACK INVESTMENT FUND LIMITED TRANSACTION E I F L	676,000	1.94
4	ADUM BANSO STOOL	419,746	1.21
5	SCGN/ENTERPRISE LIFE ASS. CO. POLICY HOLDERS	212,110	0.61
6	SCGN/GHANA MEDICAL ASS. PENSION FUND	191,920	0.55
7	METLIFE CLASSIC A/C. STD NOMS TVL PTY/METLIFE GOLD PLAN FUND MICA	183,200	0.53
8	NTHC LTD ITF - GOVERNMENT OF GHANA	149,254	0.43
9	DAMSEL/OTENG GYASI, ANTHONY	139,120	0.40
10	SCGN/DATABANK BALANCED FUND LIMITED	123,400	0.35
11	HFCN/EDC GHANA BALANCED FUND LIMITED	111,600	0.32
12	MIHL/GOLD FUND UNIT TRUST	109,353	0.31
13	GLICO GENERAL INSURANCE CO. LTD	101,400	0.29
14	STATE INSURANCE COMPANY PROVIDENT FUND ACCOUNT	86,096	0.25
15	STAR ASSURANCE COMPANY	70,180	0.20
16	STD NOMS/ENTERPRISE TIER 3 PROVIDENT FUND 2	59,200	0.17
17	NTHC SECURITIES LIMITED, NTHC SECURITIES LIMITED	50,000	0.14
18	ANIM-ADDO, KOJO	48,500	0.14
19	STD NOMS TVL PTY/DATA BANK ARK-FUND	47,027	0.14
20	HFC EQUITY TRUST	45,779	0.13
		30,989,392	89.05
	Others	3,810,608	10.95
		34,800,000	100

(All amounts are in thousands of Ghana Cedis)

Five-year financial summary

	2021	2021	2020	2019	2018
Results					
Revenue	214,175	123,817	95,620	79,091	89,973
Profit before income tax	104,778	29,389	13,075	6,638	12,803
Income tax expense	(12,355)	(4,692)	(3,422)	(725)	(1,882)
Profit after tax	92,414	24,697	9,653	5,913	10,921
Financial position					
Intangible Assets / Right of use assets	-	-	-	7	15
Property, plant and equipment	64,417	57,909	49,471	47,309	47,501
Biological assets	7,906	5,221	5,137	4,383	3,961
Long term accounts receivable	11,696	6,554	-	-	-
Cash and cash equivalents	32,996	22,832	10,618	8,223	2,550
Other current assets	106,108	26,599	27,674	21,513	21,480
Total assets	223,123	119,115	92,900	81,435	75,507
Total liabilities	38,484	19,481	16,049	13,054	10,858
Stated capital	2,000	2,000	2,000	2,000	2,000
Capital surplus account	-	-	7,629	7,629	7,629
Retained account	182,639	97,634	67,222	58,752	55,020
Total equity and liabilities	223,123	119,115	92,900	81,435	75,507