



**Benso Oil Palm
Plantation Limited**

2019

Annual Report & Financial Statements

RSPO ROUNDTABLE ON SUSTAINABLE
PALM OIL CERTIFIED



BOARD OF DIRECTORS



 **Ishmael Yamson**
(Chairman, Non-Executive Director)



 **Santosh Pillai**
(Managing Director)



 **Samuel Avaala Awonnea**
(GM-Executive Director)



 **Neneyo Mate-Kole**
(Non-Executive Director)



 **Kwame Agyarkoh Boitey Wiafe**
(Non-Executive Director)



 **Pierre Billon**
(Non-Executive Director)



 **Benjamin Appiah-Manuh**
(FC - Executive Director)



 **Viganeswaran Ponnudurai**
(Non - Executive Director)

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

NOTICE IS HEREBY GIVEN that the VIRTUAL Annual General Meeting of the Company will be held online via a video link on Friday, 14th August 2020 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 31 December, 2019 and the report of the auditors thereon
3. To declare a dividend
4. To re-elect directors
5. To fix directors' fees
6. To approve appointments of Messrs. Benjamin Appiah-Manuh and Viganeswaran Ponnudurai as directors of the Company
7. To approve the appointment of Ernst & Young as Auditor of the Company
8. *Special Business:*
 - To approve the change in the Company's name to "Benso Oil Palm Plantation Plc"

This notice is effective the 22nd day of July 2020

BY ORDER OF THE BOARD

DEHANDS SERVICES LTD



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 (participates online), the proxy 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.

Accessing and Voting at the Virtual AGM

- v. A unique token number will be sent to you by email, SMS or by post from August 7, 2020 to give you access to the meeting. Shareholders who do not receive this token can contact the Share Registry on: registrars@nthc.com.gh or call **059 3105735** any time after August 7, 2020 but before the date of the AGM to be sent the unique token.
- vi. To gain access to the Virtual AGM, shareholders must visit <https://www.boppltd.com> and input their unique token number on Friday, August 14, 2020. For shareholders who do not submit proxy forms to the Registrar of the Company prior to the meeting, they may vote electronically during the Virtual AGM again 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 Bansa Estate, P.O. Box 470, Takoradi.

Dividend Warrants

If the payment of dividend recommended is approved, the warrants will be posted on the 23th day of June 2020 to the holders of shares whose names are registered in the Register of members at the close of day on the 20th day of May 2020.

Board of Directors

I. E. Yamson - Chairman, Santosh Pillai - Managing Director, N. A. Mate-Kole, Pierre Billon, Samuel Avaala Awonnea, Benjamin Appiah-Manuh, Kwame Agyarko Boaitey Wiafe.

Company secretary

Dehands Services Limited

Board Audit committee

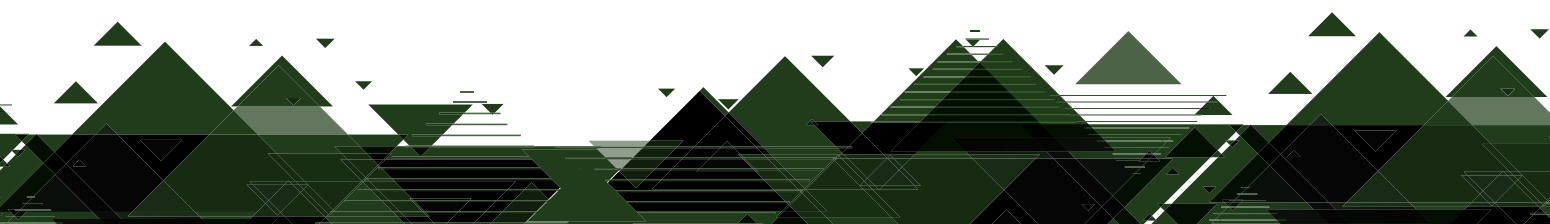
N. A. Mate-Kole and Kwame Agyarko Boitey Wiafe

Auditor

PricewaterhouseCoopers, Chartered Accountants, PwC Tower, A4 Rangoon Lane, Cantonments City, PMB CT 42, Cantonments, Accra, Ghana.

Registrars 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 utilises current technology and continuously innovates in order to stay ahead of the competition. BOPP promotes and recognises excellence through its employee development programmes.

As indicated in the statement of responsibility of directors 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.

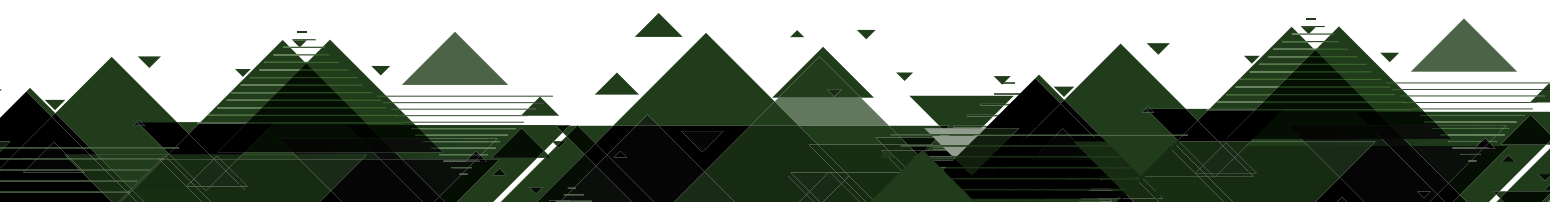
Board of Directors

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 four (4) 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, milling and sustainable 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.

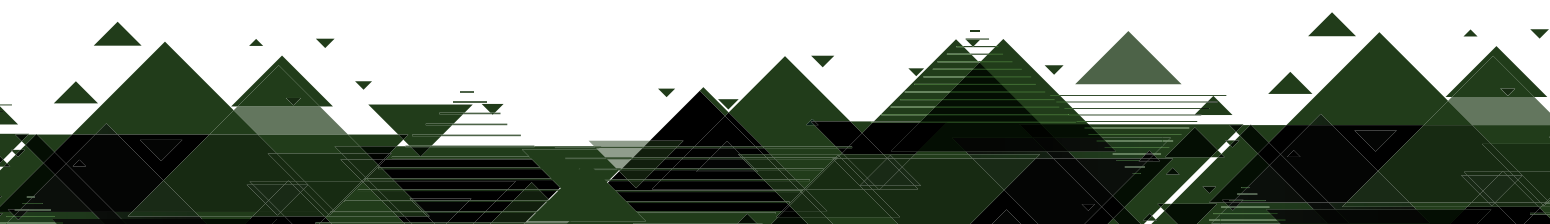
Internal controls

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.

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.

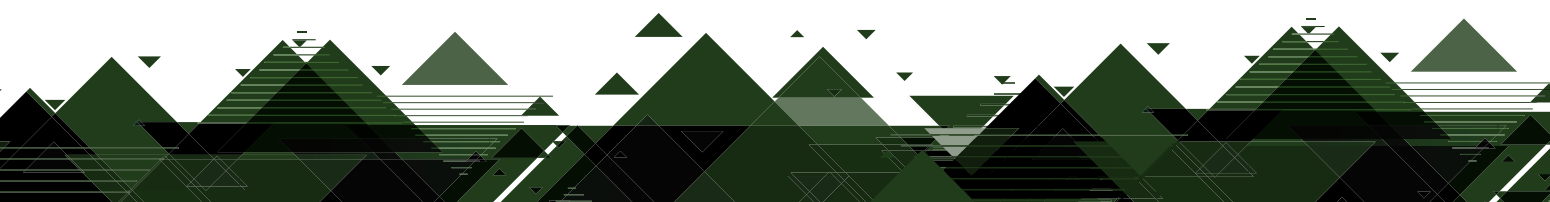
The Board has in place a corporate anti-fraud policy which is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the company. It is the intent of the Board to promote consistent organizational behavior by providing guidelines and assigning 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		
	2019	2018	% Change
Revenue	95,620	79,091	20.9
Profit before income tax	13,075	6,638	97.0
Operating profit	12,567	6,305	99.3
Income tax expense	(3,422)	(725)	372.0
Profit for the year	9,653	5,913	63.3
Proposed dividend	1,931	1,183	63.3
Retained earnings	67,222	58,752	14.4
Capital expenditure	6,236	3,505	77.9
Depreciation and amortisation	3,995	3,644	9.6
Total equity	76,851	68,381	12.4
Earnings per share (GH¢)	0.2774	0.1699	63.3
Total assets per share (GH¢)	2.6695	2.3401	14.1
Proposed dividend per share (GH¢)	0.0555	0.0340	63.2



CHAIRMAN'S REPORT

Political Environment

The Political landscape of Ghana remains stable, underpinned by strong democratic credentials of multi-party system, with its independent judiciary winning public trust. The country is 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. There were a number of significant developments in 2019 including the creation of new Regions and Districts with all the political and financial implications, and the beginning of preparations for the 2020 elections with the NDC Primaries and the Electoral Commission (EC) decision to prepare a new Voters' Register which is raising the political temperature of the country. All these have implications for political and social stability.

Economic Environment

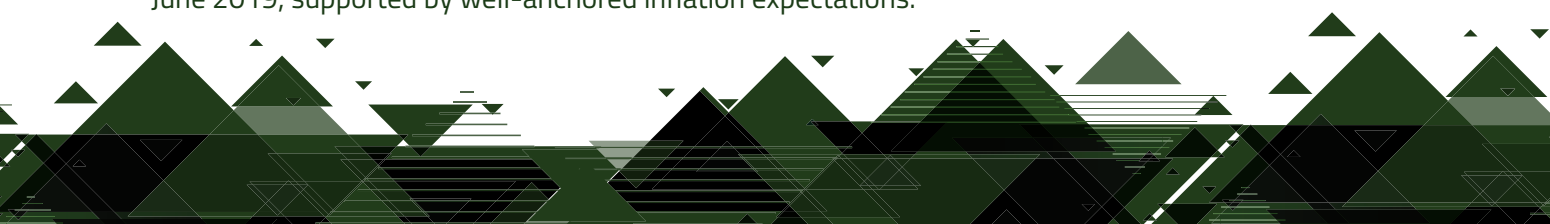
Global macroeconomic outlook has seen a fragile and entrenched cyclical downturn during the year. There were signs of recovery in global growth, following an assessment by the IMF of a synchronised slowdown in global growth in the last quarter of 2019. Global growth is now projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020, and 3.4 percent in 2021. The key risks to the global growth outlook are geopolitical tensions between the United States and Iran, and worsening of relations between the US and its trading partners with the rising threat of protectionism and vulnerabilities in emerging markets. The outbreak of the Coronavirus poses a new risk to the global economy and its impact is yet to be assessed. The Brexit finally took effect and is not expected to adversely affect the global economic outlook.

In Sub-Saharan Africa, GDP growth is projected to remain at 3.2 percent in 2019 and rise to 3.6 percent in 2020. Growth is forecast to be slower for about two-thirds of the countries in the region due to a more challenging external environment, continued output disruptions in oil-exporting countries, and weaker-than-anticipated growth in South Africa. Growth prospects vary considerably across countries in the region in 2019 and beyond. However, growth is projected to remain strong in non-resource-intensive countries, averaging about 6 percent.

Ghana's economic environment happens to be one of the fastest growing economies globally. Macroeconomic parameters remain favorable with strong growth and low inflation and although public debt pile continue to grow. According to the IMF, the country is expected to grow at an average 5 percent over the next few years, supported by new potential oil discoveries and mining.

The Ghana Statistical Service points to firmer growth during 2019, although at a relatively slower pace than was recorded in 2018. GDP growth outturn for the first three quarters of 2019 averaged 6.0 percent, almost unchanged from the 6.1 percent recorded in the same period of 2018. Similarly, non-oil GDP growth averaged 5.0 percent against 5.9 percent over the same comparative periods. Overall, GDP growth for 2019 is projected to be close to the target of 7.0 percent.

Ghana's headline inflation, though within the BoG band, has remained in single digits and in the upper end of the band. Reports from the Bank of Ghana (BoG) showed that inflation increased to 8.2 percent in November from 7.7 percent in October 2019 due to upward adjustment in some administrative prices. However, it declined to 7.9 percent in December 2019 on the back of lower food prices amidst stable non-food prices. Alongside these trends, the various measures of underlying inflation remained well-contained and the BoG's core inflation (defined to exclude energy and utility) has declined since June 2019, supported by well-anchored inflation expectations.



CHAIRMAN'S REPORT (continued)

The Ghanaian cedi continued to depreciate faster than the previous year, driven by weaker revenue growth, high expenditures and high and growing debt service obligations. The rate of depreciation against the US dollar was 12.9 percent, compared with 8.4 percent depreciation in 2018. Consequently, the Ghana cedi closed at GH¢4.9872:\$1 in December 2018 against GH¢5.7300:\$1 in December 2019.

Interest rates on the domestic money market increased slightly across the various maturities of the yield curve. The 91-day Treasury bill rate inched up to 14.7 percent in December 2019 compared with 14.6 percent a year ago. Interest rates on the 182-day instrument also moved up to 15.2 percent, from 15.0 percent over the same period a year ago. In contrast, rates on the secondary bond market broadly declined. Yields on the 7 and 15-year bonds marginally declined to 21.0 and 19.9 percent in December 2019, from respective 21.0 and 21.4 percent in December 2018. The yield on the 10-year bond, however edged up slightly to 21.3 percent from 21.2 percent over the same review period.

The international commodities market remained buoyant, despite intermittent volatilities in the course of the year. Crude oil prices increased by 13.0 percent year-on-year, driven by OPEC production cuts and other geopolitical factors. Crude oil closed the year at an average of US\$65.2 per barrel. Gold prices averaged US\$1,481.3 per fine ounce, recording a year-on-year growth of 18.4 percent. The surge in gold prices was attributed mainly to the global economic slowdown and the low interest rate environment in major advanced countries. Cocoa prices averaged US\$2,215.4 per tonne in 2019, an increase of 11.6 percent, due to the dry weather conditions which posed some threat to the quality of the bean.

Overall business performance

The performance of the business improved compared to prior year largely on leveraging on best management practices, production efficiencies and improvement in yields. Turnover consequently grew 21 percent from in the prior year Ghs79million to Ghs96million in the reporting year on account of increase in crude palm oil production amidst relatively lower palm oil prices on the international market.

Your company delivered profit after tax of GH¢9.65 million compared with GH¢5.91 million the previous year, representing an improvement of 63 percent of last year's profit. The level of profitability was impacted by the growth in production and improved efficiency. Total production volumes from the Nucleus, Smallholder and Out-grower fruits were comparatively better than the prior year.

CPO and PKO Price

During the year under review, world market price of crude palm oil (CPO) declined from an average of US\$613 in 2018 to US\$574 in 2019, representing a 6 percent fall in dollar terms. The palm kernel oil (PKO) price also declined from an average of US\$956 in 2018 to US\$655 in 2019, representing 31%.

Production volumes

Your company produced a total of 29,216 metric tonnes of Crude Palm Oil from a prior period of 24,085 metric tonnes, a growth of 21 percent. This was as a result of processing fresh fruits bunches of 140,463 metric tonnes in the current year compared to 115,567 metric tonnes in 2018, representing a 22 percent growth. The growth in the volumes was from all sources (including the nucleus, smallholder and the out-grower) was as a result of good agronomic practices and improved efficiencies in crop-taking activities. To this end, your company purchased 67,331 metric tonnes of fresh fruit bunches at a total cost of GH¢30.02million from smallholders and out-grower farmers in the catchment areas in particular and the Western and Central Regions of Ghana in general.

CHAIRMAN'S REPORT (continued)

Consequently turnover recorded an increase of 21 percent for the financial year 2019 on account of the rise in crop production volumes and the effect of depreciation of the Ghana Cedi against the United States Dollar.

Operating profit

Your company in 2019 also witnessed a rise in operating profit by 99 per cent as a result of as a result of the increased production of Fresh Fruit Bunch (FFB) from all sources and improved operating efficiencies in spite of the relative decline in CPO prices and increased cost of Fresh Fruit Bunches (FFB) from third party sources (Smallholders and Outgrowers). Turnover expanded approximately by 21 percent from GH¢79.09 million in prior period to GH¢95.62 million. The combined effect of economies of scales in production and the cumulative Ghana Cedi depreciation of 15 percent had a constructive impact on revenue on the cost of sales. In compliance with IFRS, gains arising from changes in the fair value of Biological assets contributed GH¢754,200 to the operating profit delivered this year.

Dividend

In 2019 your Company paid a total dividend of GH¢1.183 million (Basic and Diluted EPS GH¢0.1699) out of total profit of GH¢5.91 million. The directors of your Company propose to pay a total dividend of GH¢1,931 million (Basic and Diluted EPS GH¢0.2774) out of a total profit of GH¢9.65 million for the 2019 financial year.

Board changes

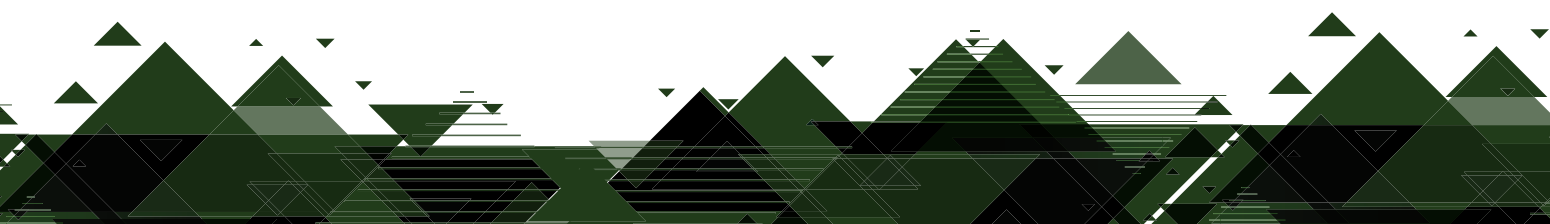
Since the last AGM, Mr Bini Kouaku Kossonu resigned from the board on 8th November 2019 while Mr Benjamin Appiah-Manuh and Mr Viganeswaran Ponnudurai were also appointed to the board on the 8th November 2019 and 6th June 2020 respectively.

Profile of New Director

Benjamin is a dynamic and transformational leader in Finance and Taxation with over 19 years of solid track record of building strong finance fundamentals that have driven sustainable value across the entire business and value chains in Corporate Institutions. He has over the years developed strong professional competences, capabilities and the needed soft skills.

Benjamin has good business insights and experience in managing and driving business growth in the Agri-business arena having worked with the following Corporate Institutions: Benso Oil Palm Plantation Ltd as the Chief Finance Officer for 5 years to date, a member of the BOPP management team reporting to the Board / Board Audit committee; Herakles Farms (SG Sustainable Oils Ghana Ltd) – a venture capital Agri-Project funded by Sithe Global Group as Finance Manager from 2011 to 2014; Golden Exotics Limited, a subsidiary of the Compagnie Fruitiere Group of Companies – Accounts Officer from 2004 to 2008; Paradise Farms Ltd, a company incorporated in Ghana in the exotic fruits industry as the Accountant from 2002 to 2004

Benjamin holds a BA Administration (Accounting) degree from the University of Ghana (1998 – 2001) as well as an MBA in Finance from the Methodist University College (2007 to 2009). He is also a member of the Chartered Institute of Taxation (Ghana) and the Institute of Chartered Accountants Ghana (ICAG), having passed all the required courses. Benjamin has recently also passed and completed the Chartered Institute of Management Accountant (CIMA) programme and waiting for his membership.



CHAIRMAN'S REPORT (continued)

Viganeswaran Ponnudurai 70, who is the Plantation Head for Africa, Wilmar International comes with more than four decades of dedicated hands-on plantations experience in key management, functions of human capital, asset utilization and preservation, operational performance, environment, health and safety and corporate social responsibility. He is very familiar with Oil Palm, Rubber, Cocoa and Coconuts commercial plantations

He started of his career in the plantation industry as Assistant Manager in 1970 with the Seafield Amalgamated Rubber Company in 1970 and later joined the Oil Palm Research Station in the Department of Agriculture in Sandakan doing work on Oil Palm, Cocoa and Coconut agronomic trials. In 1978 he left research and joined Sime Darby Plantations as an Estate Assistant rose up the position of Operations Manager for Sandakan Region in Sabah. After 23 years in Sime Darby plantations he left to join P T Hindoli (a Cargill Company) in South Sumatra, Indonesia and later became the President Director in 2006. In 2007 was actively involved in the feasibility study and acquisition of the Commonwealth Development Corporation (CDC) properties in Papua New Guinea for the Cargill Company and was later made the General Manager. In 2010 when Cargill sold the properties to New Britain Palm Oil Limited he resigned and headed the Green Field Oil Palm Project Development for PT Smart in Liberia, West Africa as Senior Vice President operation. In 2018 he was the Executive Vice President and after the expiry of his contract he left and joined Wilmar International as a Plantation Head for Africa in August 2019, based in the plantations in Nigeria and responsible for the operations in Ghana, Ivory Coast and Uganda.

He graduated from Agricultural Institute with a certificate in Agriculture in 1974 to 1976 and later in 2000 to 2002 did his Post Graduate Diploma in Strategic Management, Agriculture Operations and related Sciences. During this period he did his Senior Management Development Program - Business Administration and General Management.

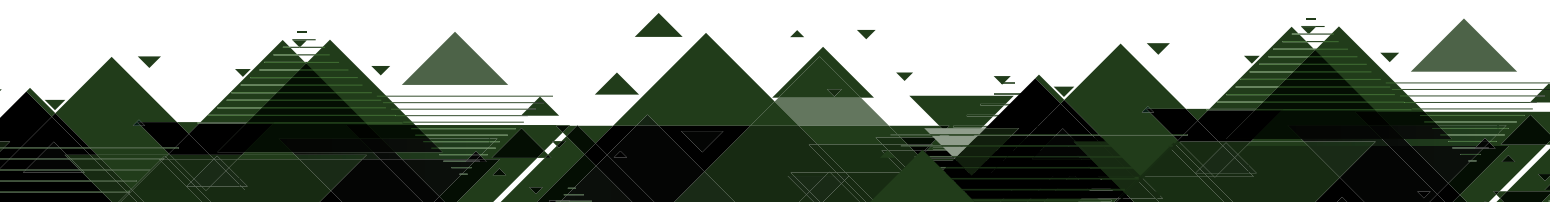
Safety, Health, Environment and Quality Issues

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, etc 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 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 Bansa, two (2) students, Benso, one (1) student, Manso, one (1) student and Dominase one (1) student. As at 2019, Ten (10) students from the four (4) communities have benefited. In addition, 20 pieces of dual desks were donated to K9 Community Basic School.

During the year under review your company paid out GH¢31million 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¢ 245,189.80 was spent on corporate social responsibility projects, including road maintenance and rehabilitation in the surrounding communities.

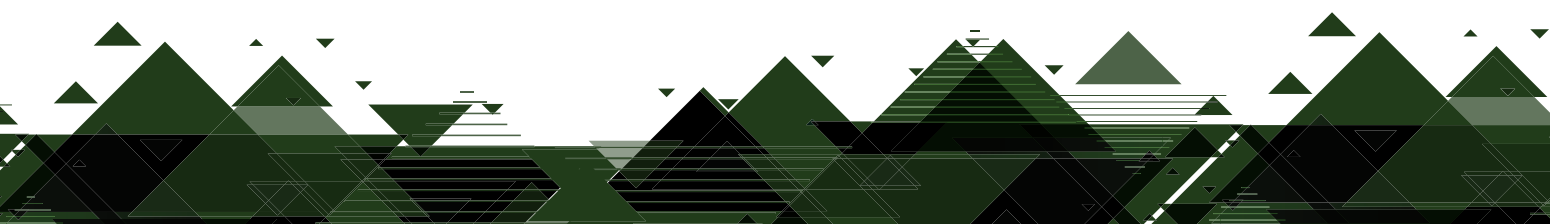
Awards

The Company went through the first Recertification Audit of the Roundtable on Sustainable Palm Oil (RSPO) in July 2019 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.

Outlook 2020

Your company, and in particular management, is not oblivious of the economic impacts of the upcoming 2020 elections and the global issues may have on the business operating environment.

The impact of the COVID-19 pandemic on global aggregate demand for all commodities, goods and services will severely affect the performance of the business. The consequence of these developments on the world market prices for crude palm oil will be significant. However, management is implementing very rigorous measures to ensure business continuity.



REPORT OF THE DIRECTORS

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 2019.

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 of the following changes in the board. Mr Bini Kouaku Kossonou resigned on 8th November 2019 while Mr. Benjamin Appiah-Manuh and Mr Viganeswaran Ponnudurai were appointed as a board member on the 8th November 2019 and 6th June 2020 respectively.

In accordance with regulations of the company and the stock exchange listing regulations, Mr. Benjamin Appiah-Manuh and Mr Viganeswaran Ponnudurai will retire at the forthcoming annual general meeting and be eligible to offer themselves for re-election.

Financial results

The Company's profit for the year is GH¢9.65 million.

Dividend

The directors recommend the payment of dividend per share of GH¢0.055 for the year ended 31 December 2019 amounting to GH¢1.93 million.

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)
Kwame Agyarkoh Boitey Wiafe	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 are Kwame Agyarkoh Boitey Wiafe and Ishmael Yamson. Ishmael Yamson being eligible, offer himself for re-election.

REPORT OF THE DIRECTORS (continued)

Directors' interests in contracts

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

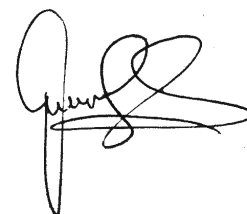
Auditor

The Company's auditor, PricewaterhouseCoopers, has indicated it will not seek reappointment after the issuance of this year's financial statements. Audit fee for the year ended 31 December 2019 is GH¢ 148,400.

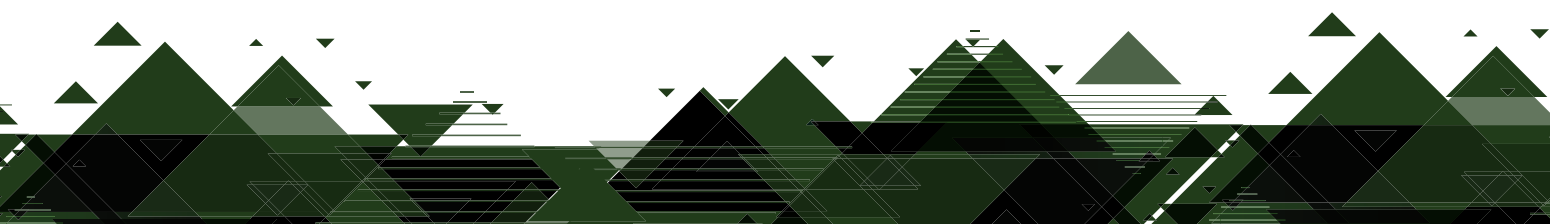
BY ORDER OF THE BOARD



.....
Samuel Avaala Awonnea
Director (General Manager)
Date: 13 February 2020



.....
Benjamin Appiah-Manuh
Director (Financial Controller)
Date: 13 February 2020



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.

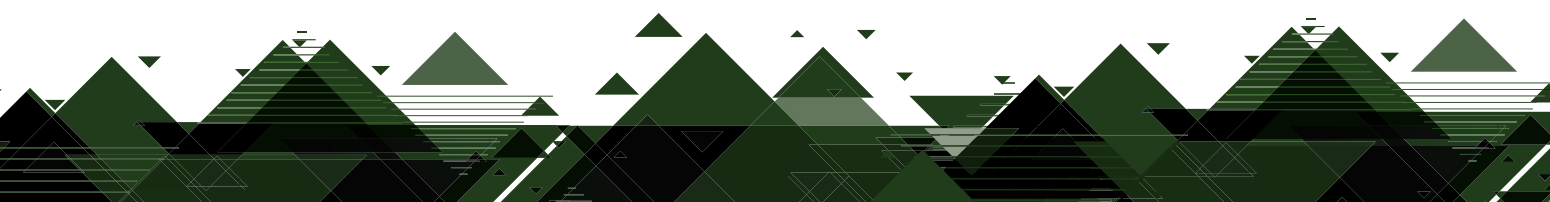
The directors have made an assessment at the company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern.



.....
Samuel Avaala Awonnea
Director (General Manager)
Date: 13 February 2020



.....
Benjamin Appiah-Manuh
Director (Financial Controller)
Date: 13 February 2020



REPORT OF THE AUDIT COMMITTEE

Membership of the audit committee of the Board

The Benso Oil Palm Plantation audit committee comprises two 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 2019

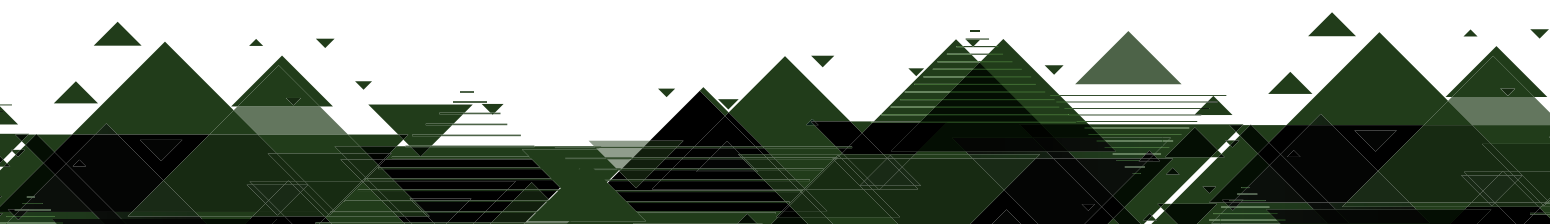
In 2019, Benso Oil Palm Plantation Limited's audit committee met five (5) times on 24 January, 05 February, 11 April, 11 July and 10 October 2019.

Review of the financial performance of the Company

At the 24 January 2019 meeting, the committee reviewed the financial performance of the Company for the financial year ended 31 December 2018. On 10th October 2018, 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 2019 performance during its quarterly meetings held during the year, and reviewed the target implementation dates from the internal audit.

External audit

At the 10 October 2019 meeting, the committee considered a presentation by the external auditor, Messrs PricewaterhouseCoopers Chartered Accountants on the audit plan for the Company for the 2019 financial year ended 31 December 2019.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Benso Oil Palm Plantation Limited (the "Company") as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

What we have audited

We have audited the financial statements of Benso Oil Palm Plantation Limited for the year ended 31 December 2019.

The financial statements comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

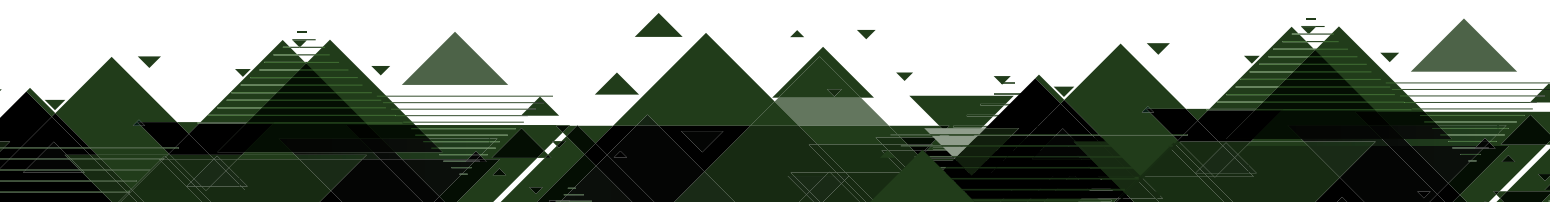
Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.



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 Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Biological asset valuation The company uses a fair value model to determine the valuation of biological assets. The valuation of the biological asset involves complex and subjective judgements about the expected palm oil yield, long term crude palm oil price and discount rate. At 31 December 2019, biological assets were valued at GH¢5.14 million. 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 2.14 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 2019 the defined benefit liability was GH¢2.48 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 2.17 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 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.

Other information

The directors are responsible for the other information. The other information comprises Notice of meeting, Corporate information, Corporate Governance, Financial Highlights, Chairman's review, Report of the Directors, Statement of Directors' Responsibilities, Report of the Audit Committee, Shareholders Information, Five Year Financial Summary and Proxy forms but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

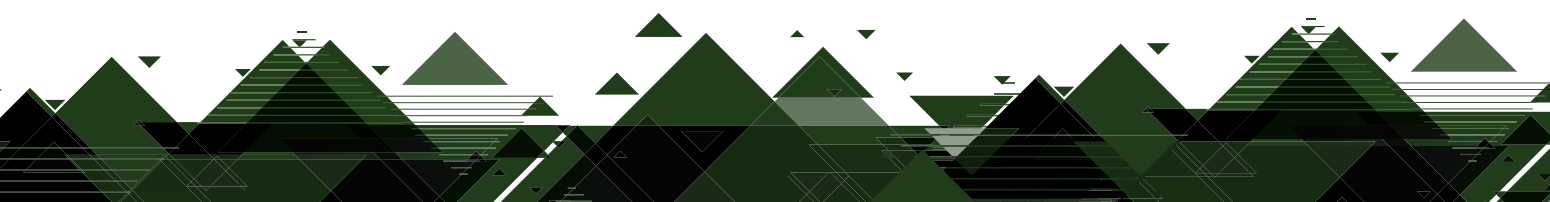
The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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



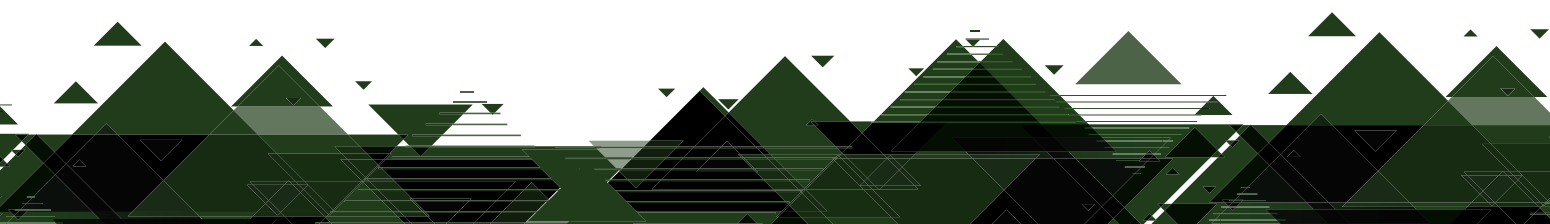
error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- 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 have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

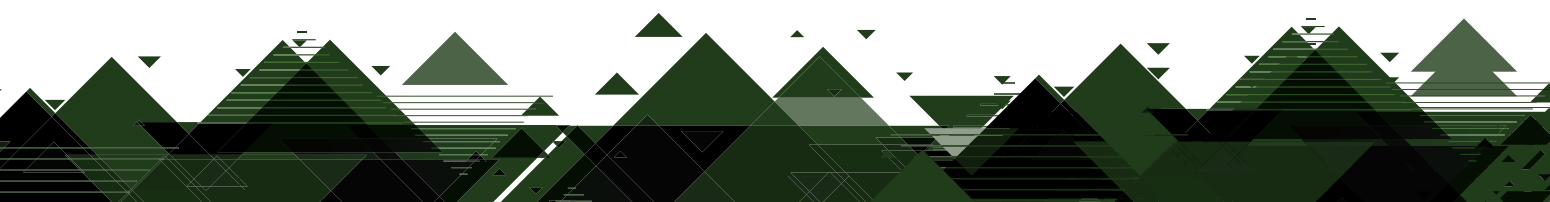
The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- 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 the Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position and Company's statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is George Arhin (ICAG/P/1187).



PricewaterhouseCoopers (ICAG/F/2020/028)
Chartered Accountants
Accra, Ghana
31 March 2020

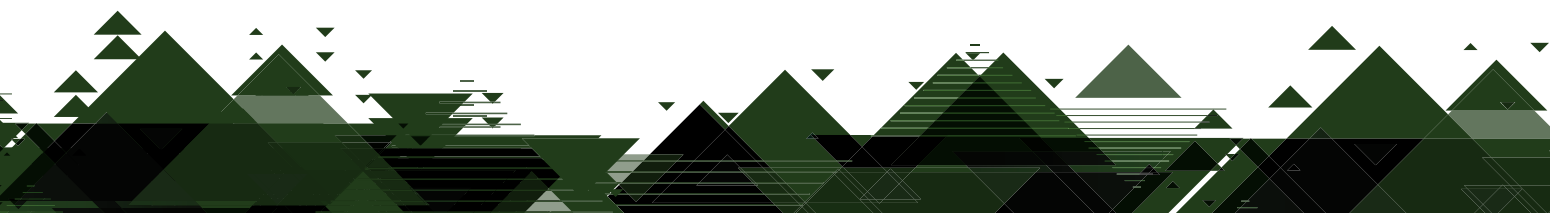


STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis)

		Year ended 31 December	
	Note	2019	2018
Revenue	4	95,620	79,091
Cost of sales	5	(76,240)	(65,161)
Net gains from changes in fair value of biological assets	25	754	422
Gross profit		20,134	14,352
Administrative expenses	6	(8,494)	(9,386)
Other income/expenses	8	927	1,339
Operating profit		12,567	6,305
Finance income	9	508	333
Profit before income tax		13,075	6,638
Income tax expense	10	(3,422)	(725)
Profit for the year		9,653	5,913
Other comprehensive income		-	-
Total comprehensive income for the year		9,653	5,913
Basic and diluted earnings per share (GH¢)	27	0.2774	0.1699

The notes on pages 25 to 52 are an integral part of these financial statements.



STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana cedis)

		At 31 December	
Assets	Note	2019	2018
Non-current assets		54,608	51,699
Intangible assets	16	-	7
Property, plant and equipment	15	49,471	47,309
Biological assets	25	5,137	4,383
Current assets		38,292	29,736
Inventories	17	9,370	7,490
Contract assets	18	959	495
Trade receivables	19	-	1,035
Other financial assets at amortised costs	20	17,345	11,921
Current income tax assets	10(a)	-	572
Cash and cash equivalents	23	10,618	8,223
Total assets		92,900	81,435
Liabilities			
Current liabilities		10,290	8,276
Trade and other payables	21	7,010	6,038
Employee benefit obligations	31	203	61
Current income tax liabilities	10(a)	684	-
Amounts due to related companies	24	1,576	1,374
Dividend payable	12	817	803
Non-current liabilities		5,759	4,778
Deferred income tax liabilities	11	3,487	2,552
Employee benefit obligations	31	2,272	2,226
Equity		76,851	68,381
Stated capital	13	2,000	2,000
Capital surplus account	14	7,629	7,629
Retained earnings		67,222	58,752
Total liabilities and equity		92,900	81,435

The notes on pages 25 to 52 are an integral part of these financial statements.

The financial statements on pages 20 to 23 were approved by the Board of directors on 13 February 2019 and were signed on its behalf by:



Samuel Avaala Awonnea
Director (General Manager)
Date: 13 February 2020



Benjamin Appiah-Manuh
Director (Financial Controller)
Date: 13 February 2020

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana cedis)

	Stated capital	Capital surplus account	Income surplus account	Total
Year ended 31 December 2019				
At 1 January 2019	2,000	7,629	58,752	68,381
Profit for the year	-	-	9,653	9,653
Total comprehensive income	2,000	7,629	68,405	78,034
Transactions with owners				
Dividend declared for 2018	-	-	(1,183)	(1,183)
At 31 December 2019	2,000	7,629	67,222	76,851
Year ended 31 December 2018				
At 1 January 2018	2,000	7,629	55,020	64,649
Profit for the year	-	-	5,913	5,913
Total comprehensive income	2,000	7,629	60,933	70,562
Transactions with owners				
Dividend declared for 2017	-	-	(2,181)	(2,181)
At 31 December 2018	2,000	7,629	58,752	68,381

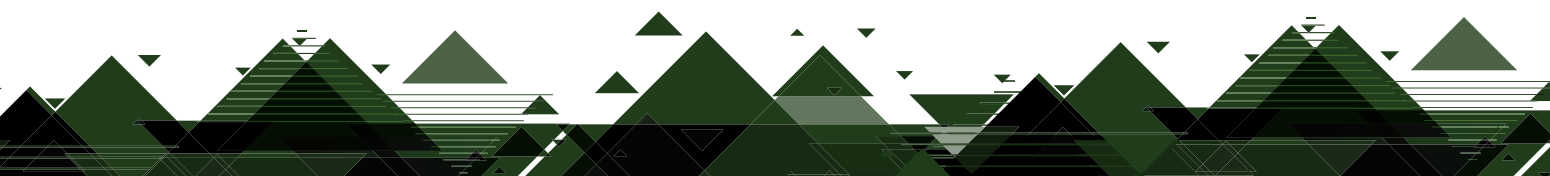
The notes on pages 25 to 42 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis)

		Year ended 31 December	
	Note	2019	2018
Cash flows from operating activities			
Cash generated from operations	22	10,493	11,531
Interest received	9	508	333
Tax paid	10	(1,231)	(605)
Net cash generated from operating activities		9,770	11,259
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(6,236)	(3,505)
Proceeds from sale of property, plant and equipment	15	30	26
Net cash used in investing activities		(6,206)	(3,479)
Cash flows from financing activities			
Dividend paid to the shareholders	12	(1,169)	(2,107)
Net increase in cash and cash equivalents		2,395	5,673
Cash and cash equivalents at 1 January	23	8,223	2,550
Cash and cash equivalents at 31 December	23	10,618	8,223

The notes on pages 25 to 52 are an integral part of these financial statements.



NOTES

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 Bansa 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 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The measurement basis applied is the historical cost convention except as disclosed in the accounting policy below.

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 has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 Leases
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle
- Interpretation 23 Uncertainty over Income Tax Treatments.
- Plan Amendment, Curtailment or Settlement - Amendments to IAS 19
- Prepayment Features with Negative Compensation - Amendments to IFRS 9

The Company had to change its accounting policies as a result of adopting IFRS 16. However, there were no material adjustments arising from the adoption of IFRS 16 which requires disclosure in the financial statements.

The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16 Leases

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years.

Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Annual Improvements to IFRS Standards 2015 – 2017 Cycle

Improvements on the following standards were finalised in December 2017 but became effective from 1 January 2019:

- IFRS 3 Business Combinations
- IFRS 11 Joint Arrangements
- IAS 12 Disclosure of Interests in Other Entities
- IAS 23 Borrowing Costs

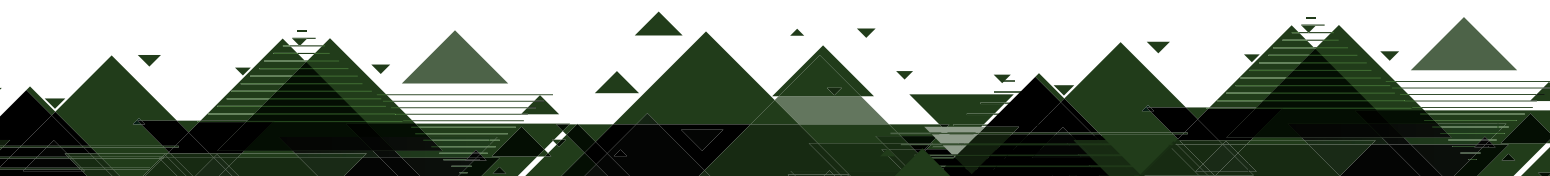
Interpretation 23 Uncertainty over Income Tax Treatments.

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

Plan Amendment, Curtailment or Settlement - Amendments to IAS 19

The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must :

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
- separately recognise any changes in the asset ceiling through other comprehensive income.



Prepayment Features with Negative Compensation - Amendments to IFRS 9

The narrow-scope amendments made to IFRS 9 Financial Instruments in October 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

2.1.2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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.

Land is not depreciated. 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%
Oil Palm Trees	4.5%
Computers	20.0%
Software	33.3%
Furniture, fittings and office equipment	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

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.

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 realisable 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

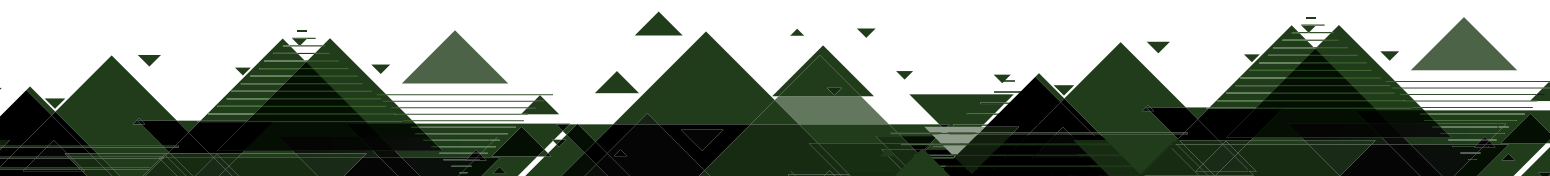
Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. They are generally due to settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the consideration that is unconditional unless they 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 amortised 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 cashflows 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 ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

2.7 Trade payables

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

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 derecognised 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 derecognised 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 derecognised 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 receivables and other financial assets at amortised cost.

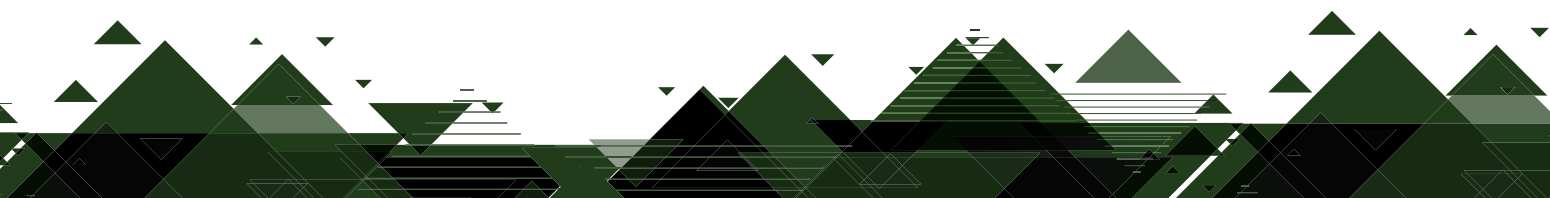
Financial liabilities at amortised cost:

Financial liabilities at amortised cost include trade payables. Trade payables are initially recognised at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method.

Impairment of financial assets:

The company assesses on a forward looking basis the expected credit losses 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 receivables. The carrying amount of the asset is reduced and the amount of the loss is recognised 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 receivables.

At 31 December 2019, 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.

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.

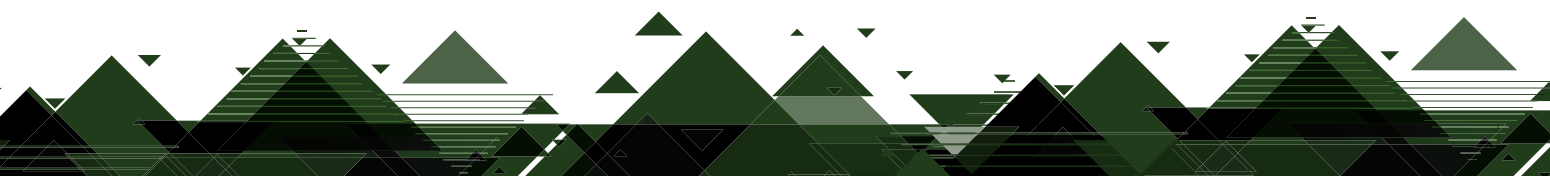
2.10 Cash and cash equivalents

Cash and cash equivalents includes 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 despatch. The customer accepts liability for oil held at the company's premises at their request.



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

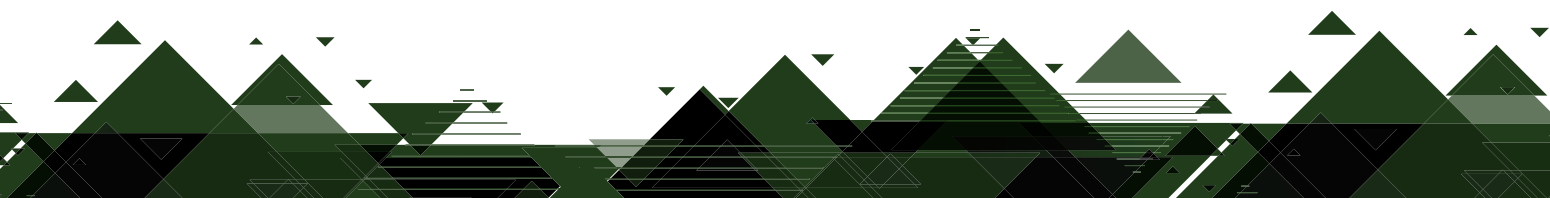
Foreign currency transactions are translated into Ghana Cedis using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange 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 payables in the balance sheet.



(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 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.

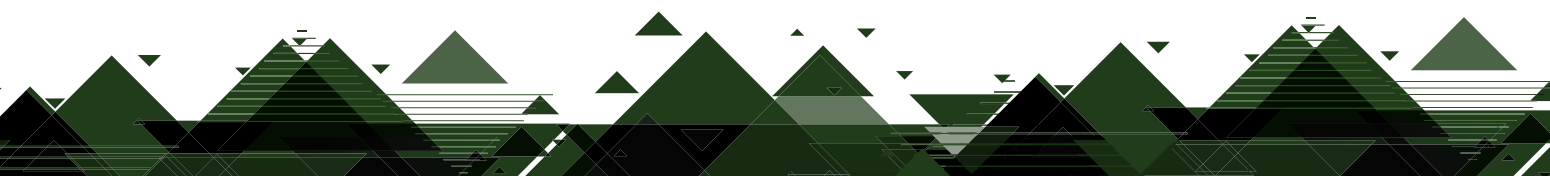
(d) Other long-term employee benefit obligations

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.

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.



2.18 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.

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:

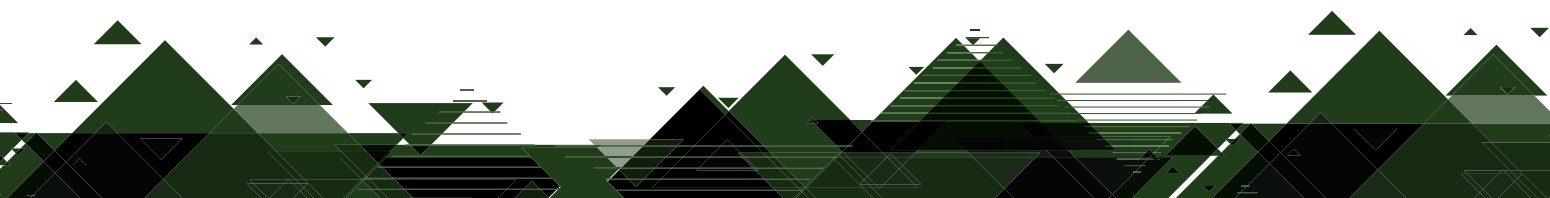
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares."

2.21 Contract assets

Contract assets are amounts incurred on the development of external plantations for which the costs will be recovered from the fruits to be supplied from these plantations once developed. A contract asset is therefore recognised when the entity's right to consideration is conditional on something other than the passage of time. The Company holds contract assets with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The impairment of contract assets is measured, presented and disclosed on the same basis as other financial assets within the scope of IFRS 9.

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.

Critical accounting estimates, assumptions and judgements

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.

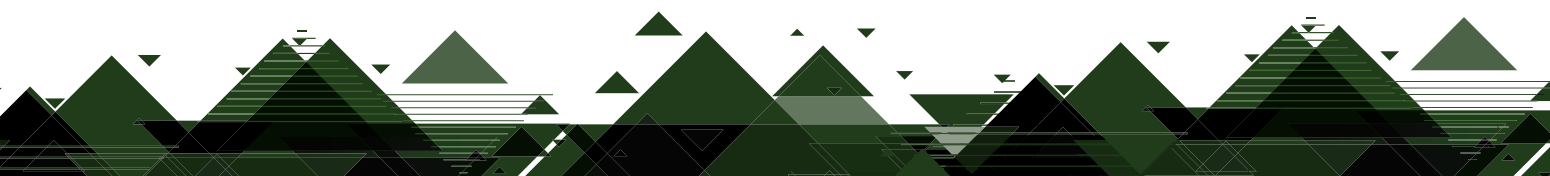
(ii) Employee benefit obligations

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.NOTES (Cont'd)

(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.



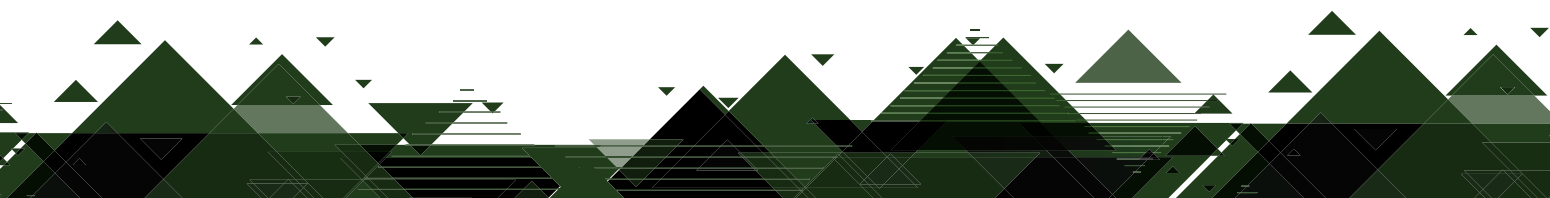
4. Revenue

Sales are recognised upon delivery of products and customer acceptance. Sales are shown at net of value added taxes.

	2019	2018
By type:		
Sale of crude palm oil	88,136	69,627
Sale of palm kernel oil	7,484	9,464
	95,620	79,091
By customer:		
Related parties (Note 22)		
Wilmar Africa Limited	88,049	71,656
African Consumer Products Limited	4,454	314
Total related parties	92,503	71,970
Third parties		
Weinnex	512	3,790
DH Industries	819	-
Estate Shop	87	50
Exports (Halley Ome Nigeria Ltd)	1699	3,281
Total third parties	3,117	7,121
	95,620	79,091

5. Cost of sales

Cost of sales include:		
Small Holder / Outgrower Material Purchase costs	31,025	23,988
Fertilizer	7,102	6,364
Depreciation and amortisation	3,889	3,468
Staff costs (Note 7)	13,244	12,473
Harvesting costs	7,951	7,976
Power and energy	538	613
Spares and inventory consumed	4,384	5,611



6. Administrative expenses

	2019	2018
Administrative expenses include:		
Registrar and related expenses	157	136
Depreciation (Note 15)	99	174
Amortisation (Note 16)	7	
Staff costs (Note 7)	4,375	3,913
Listing fees	23	30
Directors remuneration	457	431
Auditors' remuneration	148	140
Service fees	948	618
Insurance	151	144
Fees to Lands Commission	185	25
Bank charges	73	45

7. Staff costs

Salaries, wages, bonuses and other allowances	15,083	13,813
Provision for defined benefit plan (Note 31)	539	637
Contribution to pension schemes	1,997	1,936
	17,619	16,386

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

Cost of sales	13,244	12,473
Administrative expenses	4,375	3,913
	17,619	16,386

The average number of persons employed by the Company during the year was 481 (2018:493).

8. Other income/expense

(Loss)/gain on disposal of property, plant and equipment	(56)	(26)
Sludge oil sales	930	-
Sundry income	53	1,365
	927	1,339

9. Finance income

	2019	2018
Interest income on fixed deposits	115	71
Interest income on intercompany receivables	393	262
	508	333

10. Income tax expense

Current income tax	1,341	159
Adjustments for current tax of prior periods	1,146	-
Deferred income tax charge (Note 11)	935	566
Income tax expense	3,422	159

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

	2019	2018
Profit before income tax	13,075	6,638
Tax calculated at the statutory income tax of 12.5% (2018:12.5%)	1,634	830
Tax effects of:		
Adjustment in respect of prior years	1,626	(209)
Interest income subject to final tax - 25%	99	42
Investment income subject to final tax - 8%	-	30
Expenses not deductible for tax purposes	63	32
Income tax expense	3,422	725

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 involved in agro processing activities and is taxed at 12.5%, being an agro processing business operating outside a regional capital.

10a. Current income tax expense

	As start of year	Charge for the year	Payments	At end of year
Year ended 31 December 2019				
Up to 2018	(572)	1,146	-	574
2019	-	1,341	(1,231)	110
	(572)	2,487	(1,231)	684
Year ended 31 December 2018				
2018	(126)	159	(605)	(572)
	(126)	159	(605)	(572)

11. Deferred income tax

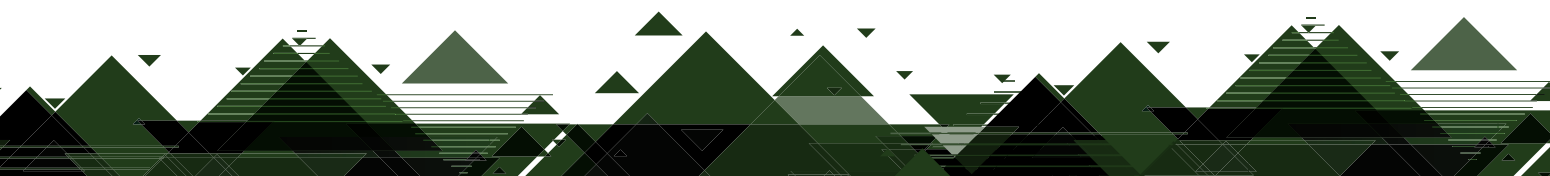
Deferred income tax is calculated using the enacted income tax rate of 12.5% (2018:12.5%). The movement on the deferred income tax account is as follows:

	2019	2018
At the beginning of year	2,552	1,986
Charge to profit or loss	935	566
	3,487	2,552

11. Deferred income tax (continued)

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 2019			
Deferred income tax liabilities			
Accelerated capital allowance	2,541	992	3,533
Revaluations	188	449	637
Other timing differences	(177)	(506)	(683)
	2,552	935	3,487
Year ended 31 December 2018			
Deferred income tax liabilities			
Accelerated capital allowance	1,863	678	2,541
Revaluation	-	188	188
Other timing differences	123	(300)	(177)
	1,986	566	2,552



12. Dividend payable

	2019	2018
At 1 January	803	729
Dividend declared for 2017	-	2,181
Dividend declared for 2018	1,183	-
Payment during the year	(1,169)	(2,107)
At 31 December	817	803

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 2019 of GH¢ 0.0519 per share (2018: GH¢ 0.0340) amounting to GH¢ 1,806,000 (2018: GH¢ 1,183,000)

13. Stated capital

	2019		2018	
	No. of ordinary shares of no par value	Proceeds	No. of ordinary shares of no par value	Proceeds
Authorised 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 66 (1c) and 74(1) of the Companies Act, 1963 (Act 179) 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. Capital surplus account

	2019	2018
At 1 January and 31 December	7,629	7,629

The capital surplus arose as a result of the revaluation of certain assets including land, buildings and plant and machinery in 2003 by Architectural and Engineering Services Limited (AESL). In accordance with the requirements of the Companies Act, 2019 (Act 992), the capital surplus is not distributable.

15. Property, plant and equipment

Year ended 31 December 2019

	Mature Oil Palm Trees	Immature Oil Palm Trees	Capital work- in-progress	Land, Roads and Bridges	Buildings and Housing	Motor Vehicles Plant and Machinery	Computers, Furniture and Fittings and Equipment	Total
Cost								
At 1 January 2019	26,136	83	1,338	1,213	6,941	31,173	1,163	68,047
Additions	-	1,382	3,311	-	-	1,498	45	6,236
Disposals	-	-	-	-	-	(575)	-	(575)
Transfers	83	(83)	(3,535)	-	565	2,872	98	-
At 31 December 2019	26,219	1,382	1,114	1,213	7,506	34,968	1,306	73,708
Accumulated depreciation								
At 1 January 2019	4,786	-	-	17	2,319	12,740	876	20,738
Charge for the year	1,192	-	-	1	209	2,469	117	3,988
Disposals	-	-	-	-	-	(489)	-	(489)
At 31 December 2019	5,978	-	-	18	2,528	14,720	993	24,237
Net book value								
At 31 December 2019	20,241	1,382	1,114	1,195	4,978	20,248	313	49,471
Year ended 31 December 2018								
Cost								
As previously stated	26,136	52	14,255	1,616	4,624	14,031	1,011	61,725
Adjustments	-	-	-	(403)	134	3,342	37	3,110
Additions	-	31	2,725	-	-	634	115	3,505
Write offs	-	-	(9)	-	-	-	-	(9)
Disposals	-	-	-	-	-	(284)	-	(284)
Transfers	-	-	(15,633)	-	2,183	13,450	-	-
At 31 December 2018	26,136	83	1,338	1,213	6,941	31,173	1,163	68,047
Accumulated depreciation								
At 1 January 2018	3,598	-	-	419	2,006	7,492	709	14,224
Adjustments	-	-	-	(403)	134	3,342	37	3,110
Charge for the year	1,188	-	-	1	179	2,138	130	3,636
Disposals	-	-	-	-	-	(232)	-	(232)
	4,786	-	-	17	2,319	12,740	876	20,738
Net book value								
At 31 December 2018	21,350	83	1,338	1,196	4,622	18,433	287	47,309

There are no restrictions on any title, or property, plant and equipment pledged as security for liability. The company capitalised no borrowing costs for 2019 (2018: Nil) on qualifying assets during the year.

15. Property, plant and equipment (Cont'd)

Loss on disposal of property, plant and equipment

	2019	2018
Gross book value	575	284
Accumulated depreciation	(489)	(232)
Net book amount	86	52
Sales proceeds	(30)	(26)
Loss on disposal of plant and equipment	56	26

16. Intangible assets

Year ended 31 December

Computer Software

Cost

At 1 January	677	677
Additions	-	-
At 31 December	677	677

Amortisation

At 1 January	670	662
Charge for the year	7	8
	677	670
Net book amount		
At 31 December	-	7

Amortisation of computer software cost is included in general and administrative expenses.

17. Inventories

Palm oil	1	3
Palm kernel	403	137
Palm kernel oil	1,860	599
Non-trade stock	7,106	6,751
	9,370	7,490

The inventory recognised as expense in cost of sales (Note 5) during the year amounted to GH¢41,168,000 (2018:GH¢ 35,963,000).

No reversal of any written down inventory was made in the year.

There were no inventories pledged as security for liabilities as at 31 December 2019 (2018 : Nil)

18. Contract assets

Contract assets relating to farm development	959	495
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19. Trade receivables

Trade receivables	-	1,035
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20. Other financial assets at amortised costs

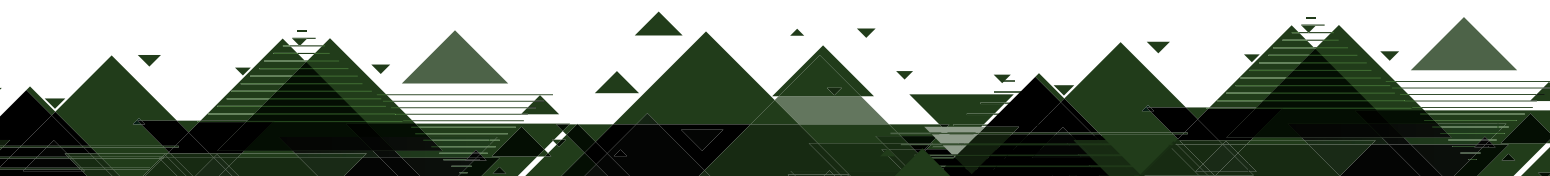
	2019	2018
Amount due from officers	280	321
Amounts due from smallholder farmers	2,166	3,555
Other receivables	1,661	1,738
Amounts due from related companies	13,238	6,307
	17,345	11,921

The maximum amount due from officers during the year did not exceed GH¢262,000 (2018:GH¢212,000).

21. Trade and other payables

Trade payables	514	1,406
VAT payable	746	713
Sundry payables and accrued liabilities	5,750	3,919
	7,010	6,038

Trade payables are non-interest bearing.



22. Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

Profit before income tax	13,075	6,638
Adjustments for:		
Depreciation and amortisation (Note 15 & 16)	3,995	3,644
Changes in fair value of biological asset (Note 27)	(754)	(422)
Loss on disposal of property, plant and equipment (Note 15)	56	26
Net effect of adjustments to property plant and equipment (Note 15)	-	9
Interest income	(508)	(333)
<i>Changes in working capital</i>		
Increase in inventories	(1,880)	(209)
	-	31
Increase in contract assets	(464)	(249)
Decrease in trade receivables	1,035	1,634
Increase in other financial assets at amortised cost	(5,424)	(794)
Increase in trade and other payables	972	48
Increase in employee benefit obligations	188	637
Increase in amount due to related companies	202	871
Cash generated from operations	10,493	11,531

23. Cash and cash equivalents

For the purpose of the statement of cash flows, the cash and cash equivalents comprise the following:

Cash in hand	3	7
Cash and bank balances	7,615	6,216
Fixed deposits	3,000	2,000
	10,618	8,223

Cash at bank includes short-term fixed deposits of GH¢3,000,000 (2018: GH¢2,000,000).

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	2019	2018
Sales of goods to related parties (Note 4)	92,503	71,970
Purchases of management services from Wilmar Africa Limited	948	618
Purchases of goods from Minsec	538	-
Purchase of goods from African Consumer Product (Ghana) Limited	492	-
Purchases of services from Wilmar International Limited	702	-
Purchases of goods and services from PPB Oil Palm Berhad	580	-
Interest income		
Wilmar Africa Limited	393	262

(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:

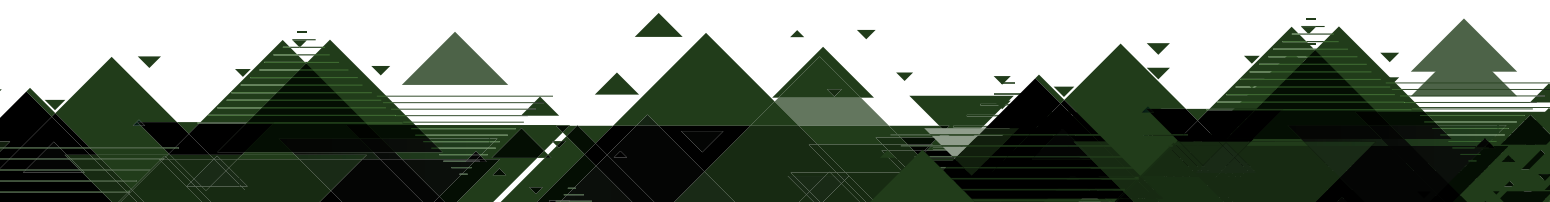
▪ **Consultancy services**

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

Amounts due from related parties:	2019	2018
Wilmar Africa Limited	11,216	5,813
African Consumer Product (Ghana) Limited	1,635	371
Minsec	264	-
SIFCA	123	123
	13,238	6,307

Amounts due to related parties:

Wilmar Africa Limited	1,144	410
Wilmar PGEO Edible Oil SDN BHD	317	-
PPB Oil Palms Berhad	3	51
African Consumer Product (Ghana) Limited	21	57
Wilmar Global Business Services	90	46
Wilmar Trading PTE Ltd	-	3
Raffles Shipping	-	458
Wilmar International Limited	-	349
	1,575	1,374



Key management personnel compensation

Short term employee benefits	457	431
Of which:		
Executive directors	400	335
Non -executive directors	57	96
	457	365

Short term employee benefits include pension contribution for executive directors amounting to GHC61,000 (2018: GHC55,000)

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.

	2019	2018
At 1 January	4,383	3,961
Change in fair value due to biological transformation	202	62
Changes in fair value due to price changes	552	360
At 31 December	5,137	4,383

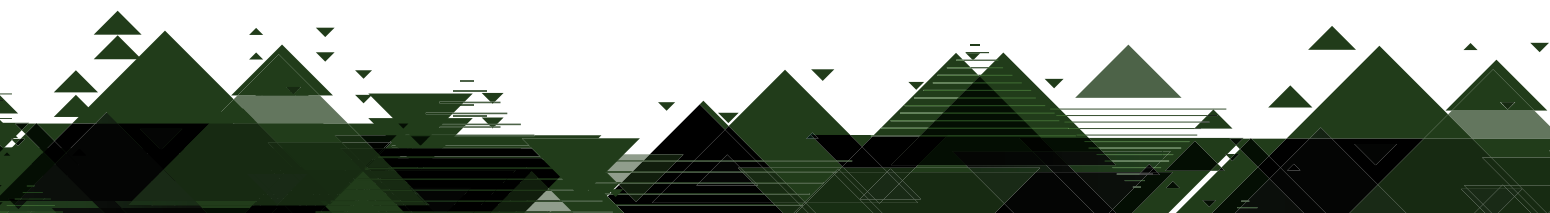
The following table presents the Company's biological assets that are measured at fair value at 31 December 2019 and 31 December 2018.

	Level 2	Level 2	Level 3	Total
Oil Palm FFB on trees	-	-		
At 31 December 2019	-	-	5,137	5,137
At 31 December 2018	-	-	4,383	4,383

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 73,132 tonnes (2018: 61,507 tonnes) of fresh fruit bunches (FFB) and sold 29,152 metric tonnes of palm oil (2018 - 23,982 metric tonnes) during the year.



(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¢5,137,000 (2018: GH¢4,383,000).

The following table summaries 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
	2019	2018	
Palm Oil Fruit Yield - Tonnes per hectare	Range - 14.35 - 16.47 The average yield per hectare used for the valuation was 15.44 tonnes per hectare	Range - 10.5-12.2 The average yield per hectare used for the valuation was 10.59 tonnes per hectare	The higher the palm oil yield, the higher the fair value
Fresh fruit bunches (FFB) Price FFB Price	Range - GH¢478 - GH¢571 The average price of FFB used for the valuation was GH¢ 528 per tonne	Range - GH¢464 - GH¢546 The average price of FFB used for the valuation was GH¢ 509 per tonne	The higher the market price, the higher the fair value
Discount Rate Discount Rate /	Range - 20.73% - 25.33% The discount rate used for the valuation was 22.88%	Range - 20.73% - 25.33% The discount rate used for the valuation was 22.35%	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.
- * 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 practises 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.

(i) Foreign exchange risk

As at 31 December 2019, 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¢421,000 (2018:GH¢329,000) lower/higher as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents.

(ii) Price risk

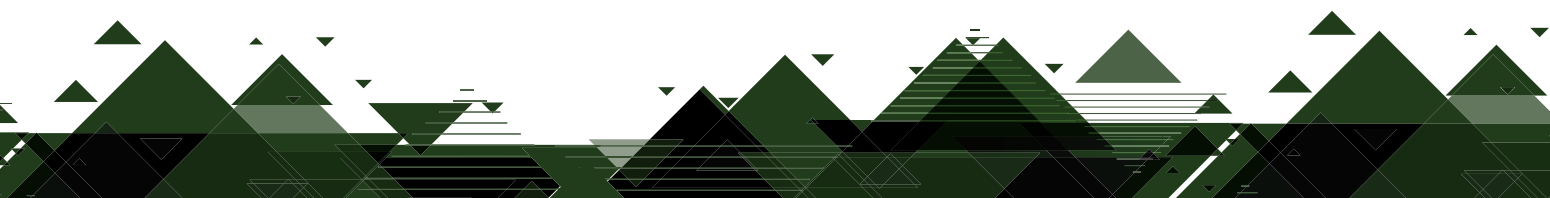
The Company is not exposed to equity securities price risk because it has no investments in equity securities. The Company is not exposed to commodity price risk. This is because the Company does not have commodity purchase contracts that meet the definition of a financial instrument under IFRS 9.

(iii) 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 receivables 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, contract assets 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 receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2019 or 1 January 2019 respectively and the corresponding historical credit losses experienced within this period.

Due to the nature of the commodity sold by the Company and the companies the Company trades with, macroeconomic indicators are not expected to significantly affect the ability of the customers to settle the receivables.

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

	2019	2018
Cash and cash equivalents	10,618	8,223
Trade receivables	-	1,035
Other financial assets at amortised cost	17,345	12,956
	27,963	22,214

Other financial assets at amortised cost

Other financial assets at amortised cost include amounts due from officers, VAT receivables, amounts due from smallholder farmers, amount due from staff, other receivables and receivables from related parties.

There was no identified impairment loss at 31 December 2019 (2018 GH¢:Nil)

	2019	2018
Financial liabilities		
Trade and other payables	7,010	6,038
Employee benefit obligations	2,475	2,287
Amounts due to related companies	1,575	1,374
	11,060	9,699

26. Financial instruments and treasury risk management (cont'd)

Liquidity risk

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.

Year ended 31 December 2019	Carrying amount	6 months or less	6 to 12 months	Total contractual cashflows
Trade and other payables	7,010	7,010	-	7,010
Employee benefit obligations	2,475	2,475	-	2,475
Amount due to related companies	1,575	1,575	-	1,575
	11,060	11,060	-	11,060

Year ended 31 December 2018	Carrying amount	6 months or less	6 to 12 months	Total contractual cashflows
Trade and other payables	6,038	6,038	-	6,038
Employee benefit obligations	2,287	2,287	-	2,287
Amount due to related companies	1,374	1,374	-	1,374
	9,699	9,699	-	9,699

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. (2018: Nil)

Dividends

	2019	2018
Final dividend for the year ended 31 December 2018 of GH¢0.03400 (2017: GH¢0.062822) per fully paid share	1,183	2,181
In addition to the above dividend, since year end, the directors have proposed the payment of a final dividend of GH¢0.05550 per fully paid ordinary share (2018: GH¢0.0340).	1,806	1,183

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.

	2019	2018
Profit for the year attributable to ordinary equity holders (GH¢'000)	9,653	5,913
Weighted average number of ordinary shares ('000)	34,800	3,4800
Basic earnings per share (Ghana pesewas)	0.2774	0.1699

There were no potentially dilutive shares outstanding at 31 December 2019 or at 31 December 2018. Diluted earnings per share are therefore the same as basic earnings per share.

28. Segmental 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 97% of its goods to its related parties - Wilmar Africa Limited, the parent company 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 development of a 1,400 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. The costs incurred at year end was GHC959,284 (2018: 494,933)

30. Provisions

As at 31 December 2019, there was no pending legal suit for which a provision has to be made.

31. Employee benefit obligation

The company operates an employee benefit plan for its employee 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. The expense recognised in the current period in relation to these obligations was GHS576,629 (2018: GHS637,316).

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 obligation	2019	2018
Obligation as start of year	1,122	437
Interest cost charge to profit and loss	287	197
Service cost charged to profit and loss	307	488
Benefits paid	(116)	-
Obligation at close of year	1,600	1,122

The weighted average duration of the defined benefit obligation is 15.5 years (2018: 16.2 years). There were no remeasurement gains or losses as there were no plan assets during the year. (2018: Nil). There was also no change in demographic assumptions during the year. (2018: Nil).

(b) Present value of long service awards

	2019	2018
Obligation as start of year	1,165	1,213
Service cost charged to profit and loss	(55)	(48)
Benefits paid	(235)	-
Obligation at close of year	875	1,165

No interest cost arising from long service awards was charged to profit and loss during the year (2018: GH¢0).

(c) Significant estimates with actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	2019	2018
Discount rate	22.88%	22.35 %
Inflation	8.20%	9.30%

(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%	1,540	875
	- 1%	1,666	875
Inflation	+ 1%	1,602	883
	- 1%	1,597	867

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 balance sheet.

(e) Classification

	2019	2018
The charge to Profit and loss has been split as follows:		
Cost of sales	478	566
Operating expenses	61	71
	539	637

The obligation in the balance sheet has been classified as follows:

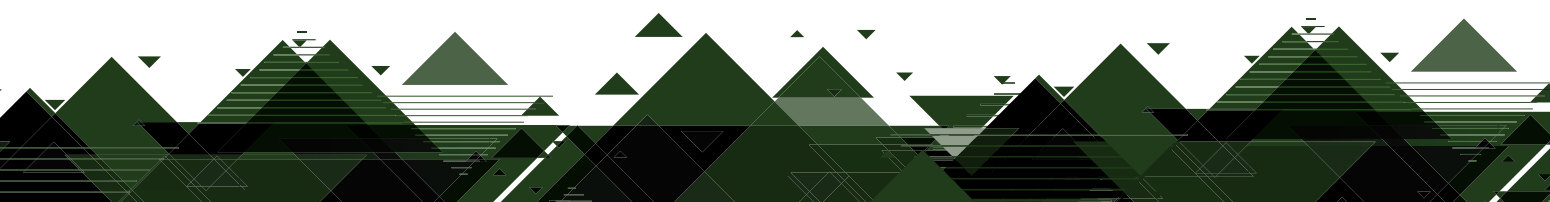
Current	203	61
Non current	2,272	2,226
	2,475	2,287

(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.

32. Subsequent events

It is envisioned that the COVID-19 pandemic will most likely have an impact on the economy and as a result the Expected Credit Loss (ECL) provisions relating to forward looking information will be impacted. The company is, however, not able to produce a reliable estimate of this impact at this point. The directors are not aware of any other material events that have occurred between the date of the statement of financial position and the date of this report.



SHAREHOLDERS' INFORMATION

Shareholding distribution as at 31 December 2019.

Holding	No. of shareholders	Holders %	No. of shares	% of Holding
1-1,000	8,057	94.1	2,156,260	6.2
1,001-5,000	400	4.7	750,015	2.2
5,001-10,000	46	0.5	325,806	0.9
OVER 10,000	57	0.7	31,567,919	90.7
	8,560	100.0	34,800,000	100.0

Directors' shareholding

The directors named below held the following number of shares in the Company as at 31 December 2019:

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

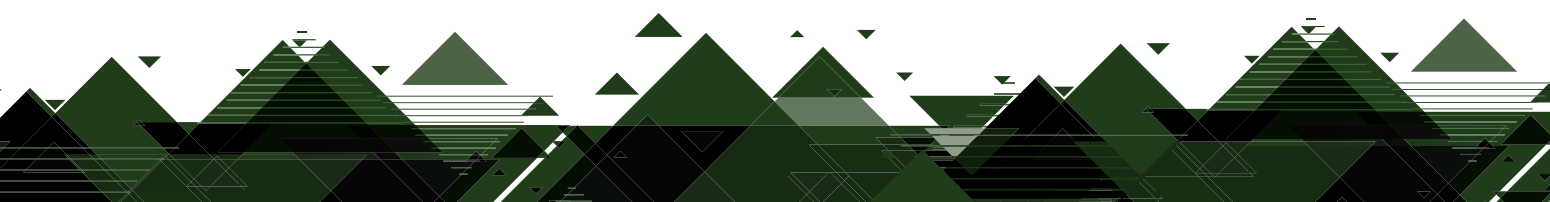
Mr Ishmael Yamson owns the shares jointly with others.

20 Largest shareholders at 31 December 2018

Share-holders	Number of shares	% Holding
1 Wilmar Africa Limited	26,665,507	76.6
2 Social Security And National Insurance Trust	1,500,000	4.3
3 Scgn/'Epack Investment Fund Limited Transaction E I F L	676,000	1.9
4 Adum Bansa Stool	419,746	1.2
5 SCGN / Enterprise Life Ass. Co. Policy Holders	212,110	0.6
6 SCGN/Ghana Medical Ass. Pension Fund	191,920	0.6
7 Metlife Classic A/C, Std Noms Tvl Pty/Metlife Gold Plan Fund Micac	183,200	0.5
8 Nthc Ltd Itf- Government Of Ghana	149,254	0.4
9 Damsel / Oteng-Gyasi, Anthony	139,120	0.4
10 Scgn/Databank Balanced Fund Limited	123,400	0.4
11 Hfcn/ Edc Ghana Balanced Fund Limited	111,600	0.3
12 Muhl/Gold Fund Unit Trust	109,353	0.3
13 Glico General Insurance Co. Ltd	101,400	0.3
14 State Insurance Company Provident Fund Account	86,096	0.2
15 Star Assurance Company	70,180	0.2
16 Std Noms/Enterprise Tier 3 Provident Fund 2	59,200	0.2
17 Nthc Securities Limited, Nthc Securities Limited	50,000	0.1
18 Anim-Addo, Kojo	48,500	0.1
19 Std Noms Tvl Pty/Data Bank Ark Fund	47,027	0.1
20 Hfc Equity Trust	45,779	0.1
	30,989,392	89.0
Others	3,810,608	11.0
	34,800,000	100

FIVE YEARS FINANCIAL SUMMARY

	2019	2018	2017	2016	2015
Results					
Revenue	95,620	79,091	89,973	74,278	58,077
Profit before income tax	13,075	6,638	12,803	10,706	3,333
Income tax expense	(3,422)	(725)	(1,882)	(2,616)	(212)
Retained profit	9,653	5,913	10,921	8,090	3,121
Financial position					
Intangible assets	-	7	15	41	236
Property, plant and equipment	49,471	47,309	47,501	43,701	31,762
Biological assets	5,137	4,383	3,961	2,877	2,577
Cash and cash equivalents	10,618	8,223	2,550	3,657	5,238
Other current assets	27,674	21,513	21,480	16,051	13,977
Total assets	92,900	81,435	75,507	66,327	53,790
Total liabilities	16,049	13,054	10,858	10,981	4,903
Stated capital	2,000	2,000	2,000	2,000	2,000
Capital surplus account	7,629	7,629	7,629	7,629	7,629
Income surplus account	67,222	58,752	55,020	45,717	39,258
Total equity and liabilities	92,900	81,435	75,507	66,327	53,790



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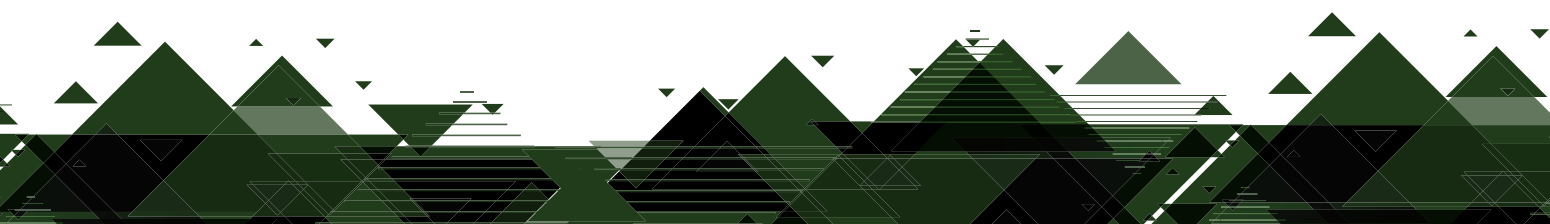
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**The Registrar
NTHC Limited
Martco Hose, D542/4,
Okai-Mensah Link
P.O. Box KIA 9563
Adabraka, Accra**

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PROXY FORM

ANNUAL GENERAL MEETING TO BE HELD via
virtual link on Friday, 14th

Serial No.

I/We
(Insert full name)

of
(Insert full address)

being a member(s) of Benso Oil Palm
Plantation, hereby appoint

.....
(Insert full name)

or failing him the Chairman of the Meeting as
my/our proxy to vote for me/us and on my/
our behalf as the Annual General Meeting
of that Company to be held on Friday
14th August 2020 and at any and every
adjournment thereof.

For Company's Use	No. of Shares	
RESOLUTION	FOR	AGAINST
To declare a Dividend		
To re-elect Ishmael Yamson		
To approve Directors' fees		
To fix the Remuneration of Auditors		
To ratify the appointment of Mr. Benjamin Appiah-Manuh and Viganeswaran Ponnudurai as a directors		
To approve the appointment of Ernst & Young as Auditor of the Company		
To approve the change in the Company's name to "Benso Oil Palm Plantation Plc"		
Please indicate with "X" in the appropriate square how you wish your votes to be cast on the resolution referred to above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.		

Dated this day of May, 2020

Shareholder's signature:.....(Before posting the above form, please tear off this part and retain it)

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTRARS IF THE MEMBER WILL BE ATTENDING THE MEETING

NOTES

- (1) In the case of joint holders, each should sign.
- (2) If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on behalf of a Director
- (3) A copy of the proxy form can be downloaded from <https://www.boppltd.com> and may be completed and sent via email to: info@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**.

