



Benso Oil Palm Plantation Limited

2004

Annual Report
and Financial
Statements 2004

Board of Directors



C O N T E N T S

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Registered office

Adum Bansa Estate
P. O. Box 470
Takoradi

Registrars

NTHC Limited Registrars Department
Martco House
P.O. Box 9563
Airport, Accra

Auditors

PricewaterhouseCoopers
Chartered Accountants
Gulf House, 4th Floor
PMB CT 42
Cantonments
Accra

Notice of Meeting



Notice is hereby given that the Annual General Meeting of the Members of Benso Oil Palm Plantation Limited will be held at the Sekondi College, Inchaban, Sekondi on Tuesday 17th May, 2005 at 11.00 a.m. for the following purposes:

Agenda

1. To receive the Report of the Directors, the Balance sheet as at 31st December, 2004 together with the Accounts for the year ended on that date and the Report of the Auditors thereon.
2. To declare a dividend
3. To re-elect Directors
4. To approve the terms of appointment of managers
5. To approve Directors' fees
6. To fix the remuneration of the Auditors

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member. A form of proxy is attached and if it is to be valid for the purposes of the Meeting it must be completed and deposited at the Registered Office of the Registrars of the Company, NTHC Limited, not less than 48 hours before the Meeting.

Dated this 14th day of April, 2005

By Order of the Board

SHIRLEY LONGDON (MS)
SECRETARY

Registered Office: Adum Bansa Estate, P. O. Box 470, Takoradi.

Dividend Warrants

If the payment of the dividend recommended is approved, the warrants will be posted on the 24th day of June 2005 to the holders of shares whose names are registered in the Register of Members on the 6th day of May, 2005.

Board of Directors & Secretary

I.E. Yamson, Chairman; Abdul Malik Bin Md Amin, Managing Director; K. Amoasi-Andoh; C.A. Cofie; E.K. Idun; F.S.O. Koranteng; N. A. Mate-Kole; Dr. J A Poku; Rt. Hon. E. B. Sekyi Hughes; Shirley Longdon (Ms) Secretary.

Board Audit Committee

F. S. O. Koranteng; K. Amoasi-Andoh; Dr. J. A . Poku, N. A. Mate-Kole

Registrars Office:

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

Directors Profile



Mr Ishmael Evans Yamson (Chairman)

Mr Yamson is 62 years old and a graduate of University of Ghana, Legon, with B.Sc. HONS. Economics in 1966 and is a Patron and Fellow of the Institute of Marketing, Ghana. He joined UAC of Ghana, then a subsidiary of Unilever Plc in 1966 in the Customer Management Department. He became the first Chairman of Unilever Ghana Limited in July 1992 and retired in December 2004 as the Chief Executive Officer. Mr Yamson is a Member of Global Coalition for Africa and Private Initiative, Ghana. He is also the Chairman of the University of Ghana Council, Unilever Ghana Ltd and Standard Chartered Bank (Ghana). Other directorships he holds include Bank of Ghana, Juapong Textiles Ltd, Twifo Oil Palm Plantations Ltd and GHACEM Ltd to name a few. He was appointed as a Director of Benso Oil Palm Plantation on 27th January 1987.

Mr Abdul Malik Bin MD Amin (Managing Director)

Mr Abdul Malik Bin MD Amin (59) is the Managing Director of Benso Oil Palm Plantation. He is a graduate of the Senior Cambridge School in England (1963), completed a Senior Management Course at Henley in England in 1980 and is a product of the Harvard Business School at Genting Highlands, Malaysia. Mr Malik joined Unilever Ghana Limited in 1999 as the General Manager for Twifo Oil Palm Plantation (TOPP) on a 3 Year contract ending February 28, 2002. He rejoined Unilever Ghana Limited as Managing Director of TOPP and BOPP on February 1, 2004 and was appointed a Director of Benso Oil Palm Plantation on 18th March 2004.

Mr Kwamina Amoasi- Andoh

Mr Amoasi- Andoh, is 51 years old and a graduate of the University of Ghana, Legon, with BA (HONS.) in Economics and Statistics. He also holds an MBA Finance Major from the same University and a professional certificate from Arthur D. Little/ Bank of Ghana Financial Restructuring Course. Mr Amoasi- Andoh is currently working with the International Labour Organisation, (Ghana Office) as the National Programme Co-ordinator (GDWPP). Other directorships Mr Amoasi-Andoh holds are of Pantang Hospital, Unique Standard, Ajumakoman Press, Tohazie Hotel, Ekogi Salt Industries and KAD Quarries. He was appointed to the Board of Benso Oil Palm Plantation on 5th January 2005

Mr. Charles Alexander Cofie

Mr Charles Cofie is 45 years old and a graduate of the University of Ghana, Legon with Bachelor of Science Degree (HONS.) in Agriculture. He holds a Master of Science degree in Management from Massachusetts Institute of Technology Cambridge, USA and a professional Certificate in Computer Programming from The City University of New York, Baruch college. Mr Charles Cofie joined Unilever in 1992 and is currently the Chief Executive Officer of Unilever Ghana Limited. His appointment to the Board of Benso Oil Palm Plantation was effected on the 5th January 2005.

Rt. Hon Ebenezer Begyina Sekyi Hughes

Rt. Hon E B S Hughes is 65 years old and a legal Practitioner and partner in the law firm of Gaisie, Zwennes, Hughes and Co. (Takoradi and Accra) He graduated from the University of Ghana with BA (HONS) (1964) and LLB (HONS) (1966). He was admitted to the Ghana Bar as Barrister and Solicitor of the Supreme Court

of Ghana in 1966. He was elevated to the Status of Senior Advocate of Ghana in 1990. Rt. Hon E B S Hughes was elected as the Western Region's representative on the Council of State in 2001 and is currently the Speaker of the Parliament of Ghana. His appointment to the Board of Benso Oil Palm Plantation was effected on 1st December 2004. Rt. Hon E B S Hughes serves as member on the boards of MultiWall Paper Sacks (WA) Limited and Paper Conversion Company Limited, (PCC) and is also the Chairman of the Board of Trustees of Takoradi Sports Club and Ghana Oil Company Limited.

Mr Emmanuel Kojo Idun

Mr Emmanuel Idun is 51 years old and a Chartered Accountant by profession. He joined Unilever in 1980 and is currently the Finance Director of Unilever Ghana Limited, a position he has held since 1999. He is a Fellow of the Chartered Association of Certified Accountants and a member of institute of Chartered Accountants, Ghana. He is also a Council Member of the Ghana National Chamber of Commerce and Industry. He was appointed to the Board of Benso Oil Palm Plantation on 28th May 1999 and also serves on the Boards of Twifo Oil Palm Plantation and Empretec Foundation.

Mr Francis Solace Oduro Koranteng

Mr Francis Koranteng is a Chartered Accountant by profession. He is a fellow of the Institute of Chartered Accountants (England and Wales) and a graduate of University of Ghana, Legon. Mr. Koranteng has held management positions as well as directorships in various organisations including Unilever Ghana Ltd., Kumasi Breweries Limited and Ghana Breweries Limited. He is currently the Managing Director of Crocodile Matchets Ltd. He was appointed to serve on the Board of Benso Oil Palm Plantation on 5th January 2005. He also serves on the Boards of AERO Communications Limited and Specialist Medicare Limited.

Mr Neneyo A. Mate-Kole

Mr Mate-Kole is 49 years old and a Chartered Accountant by profession. He is a graduate of the University of Ghana. In July 1986 and January 1989, he was awarded Final Examination certificates from the Institute of Chartered Accountants Ghana and Ghana Institute of Taxation respectively. He has worked with the Unilever Group since 1988. He was seconded to Unilever Plantations, that is Benso Oil Palm Plantation (BOPP) and Twifo oil Palm Plantation (TOPP) with responsibilities as commercial manager for both in 1997. He was appointed to the Board of Benso Oil Palm Plantation on 8th September 2004. He is also currently on the Board of Upper Manya Krobo Rural Bank,

Dr J A Poku

Dr J A Poku is a Ghanaian agriculturist. He is a graduate of the University of Ghana with B. Sc.(HON.) Crop Science. He is a product of University of Guelph, Ontario, Canada and Colorado State University, Fort Collins, USA where He obtained an M.Sc. in Plant Physiology and a Ph.D. in Weed Science respectively. He is currently the Ag. Director, Directorate of Crop Services (DCS), Ministry Of Agriculture. He is also the Government representative on the Board of Twifo Oil Palm Plantation. He was appointed as a Director of Benso Oil Palm Plantations on 1st November 2004

Corporate Governance



Introduction

Benso Oil Palm Plantation Limited 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 adopt medium and long term goals strategies and resource allocations that guarantees the creation of wealth. It utilises current technology and continuously innovates in order to stay ahead of the competition.

As indicated in the Statement of Responsibilities of Directors and Notes to the Accounts the business adopts standard accounting practices and ensures sound internal control to facilitate transparency in the disclosure of the reliability of the financial statements.

Board of Directors

The responsibility of good corporate governance is placed in the hands of the Board of Directors and the Management Team. The Board comprises two (2) full time executive and seven (7) non-executive Directors. To ensure effective control monitoring of the Company's business, the board has two (2) main Committees, the Management Committee and the Audit Committee which in turn works through other sub-committees to oversee specific important functions.

The Management Committee

The Management Committee meets monthly to review the performance of the Company and assesses progress against the annual plan. It reviews programmes, strategies, key issues and assigns responsibilities for achievement of goals. The Committee has oversight responsibility for world class agronomic practices, financing strategies and human resource development programme to ensure performance excellence.

The Committee also identifies, assesses the risk profile of the Company and assigns responsibilities to various functions to put in order to mitigate possible impact on the business.

The Audit Committee

The Audit Committee is made up of four directors of whom three are non-executive and it is chaired by a non-executive director who has a strong background in business finance and audit. The Committee meets quarterly to review the financial performance of the Company, the adequacy of the plan of the 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

Benso Oil Palm Plantation Limited has a well-established internal control system, which is 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 Board of Benso Oil Palm Plantation Limited has also established a clear organisational structure, including delegation of appropriate authorities. Unilever's corporate internal audit function and the internal audit department of Unilever Ghana play 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 ethics

Benso Oil Palm Plantation Limited 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.

Financial Highlights



| | Year ended 31 December 2004 €'000 | Year ended 31 December 2003 €'000 | Change % |
|--------------------------|---|---|-------------|
| Turnover | 81,838,940 | 74,327,443 | 10.1 |
| Profit before tax | 5,129,232 | 17,257,754 | (70.3) |
| Tax | (20,784) | (2,586,362) | 99.2 |
| Profit after tax | 5,108,448 | 14,671,392 | (65.2) |
| Dividends | (2,554,320) | (7,293,988) | (65.0) |
| Retained profits | 12,961,811 | 20,407,683 | (36.5) |
| Capital expenditure | 5,744,950 | 8,316,343 | 17.7 |
| Depreciation | 6,646,109 | 3,408,741 | 98.0 |
| Shareholders' fund | 113,531,047 | 115,318,462 | (1.5) |
| Earnings per share (¢) | 146.79 | 421.59 | (65.2) |
| Dividend per share (¢) | 73.40 | 209.59 | (65.1) |
| Net assets per share (¢) | 3,262.39 | 3,313.75 | (1.6) |

Chairman's Review



The Economic Environment

The macro Economic conditions in 2004 continued to improve with inflation dropping from December 2003 level of 23.6% to 11.8% by the close of December 2004.

The cedi exchange rate remained relatively stable against the US dollar. The nominal rate of depreciation of the cedi against the US Dollar, the GBP and Euro on the Interbank Market was 2.2%, 3.3% and 12.3% respectively in 2004 compared to 4.9%, 5.5% and 28.5% respectively in 2003.

The benchmark 91day Treasury Bill rate moved in a tight range closing the year at 17.1% compared with 18.5% in 2003. Consequently, the rate of borrowing also declined with credit becoming more readily available.

The stock market generally experienced buoyant conditions that carried through to the last quarter of 2004. The GSE All Share Index recorded a growth of 91.3% during the year.

Our Performance

The year 2004 was, however, a disappointing one for your company with profit after tax at ₵5.1 billion that is 65.2% below previous year. This resulted from worse than anticipated impact of leaf miner pest, which reduced crop yields by 32% against expectation of 10%.

Price

During the year under review, World Market Crude Palm Oil (CPO) price fell from US\$500 in January to US\$430 in December 2004. With the stable exchange rate in the period, the earnings of the plantations from CPO sales were adversely affected as your company's palm oil prices are aligned to the world market prices.

Volumes

Total palm fruits production in 2004 was 79,191 metric tonnes, representing a drop of 13% over the previous year. Following the drop in crop production CPO production also fell by 17% over previous year. In the peak season, delayed sterilizer expansion works reduced processing capacity by 50%. Erratic rainfall over the last three years in addition to the protracted impact of leaf miner pest contributed to the low crop volumes.

In 2004, your company purchased 32,231 metric tons of fresh fruit bunches at a total cost of ₵16 billion from small rural farmers numbering over 6,000 in the Western and Central regions of Ghana.

The combined effect of reduced CPO prices and crop volumes limited the growth in turnover to only 10% over the previous year.

Operating Profit

Operating profit fell by 93.4% due to the lower CPO prices, lower volumes from protracted impact of leaf miner pest, high one off cost incurred on leaf miner control and hike in depreciation resulting in revaluation of assets in preparation for public floatation of government shares. Selling, general and administration expenses were effectively controlled to mitigate impact of high production cost. General and administration decreased by 13% on previous year. Consequently, total operating cost growth was 31.8% on previous year as against 10.1% growth in turnover.

Other Income

Other income mainly represents the profit on disposal of plantation trees, plant and equipment that have outlived their useful lives and declared obsolete in line with company policy and interest earned on call account and investment in government Treasury Bill.

Financing Charges

Interest charges increased by 11.1% on prior year as a result of an unsecured overdraft facility of ₵1bn negotiated with our bankers to fund operations of the company.

Taxation

Following the introduction of a new tax regime effective January 2004 in the Budget Statement and Economic Policy of the Government of Ghana, granting a zero tax rate for agro-processing businesses operating outside regional capitals, no provision has been made in the financial statements for corporate tax liability.

Cash Flow

Net cash from operating activities dropped significantly to negative ₵294m due to lower cash generated from operations and ₵4.6bn withholding tax payments made in spite of the company's zero tax rating. Cash inflows of ₵2.17bn from the disposal of over-aged palm trees have been re-invested into the replanting programme.

Dividend

Dividend payment to shareholders has consistently been paid on an annual basis over the last 15 years. Distributions to shareholders were based on the level of performance and profitability. Since 2003, our dividend policy has been to declare up to 50% of profit after tax as dividend because of the replanting exercise, which has reduced matured hectareage by 15%.

Chairman's Review



In spite of the difficulties your company experienced in 2004, we believe that our shareholders deserve their due. The Directors of the company, therefore, propose to pay a total dividend of c2.5 billion for 2004. In line with performance level envisaged, we are confident we can return to previous level of dividend payouts from 2005.

On 30 August 2004, BOPP became the first agro-based company to be listed on the Ghana Stock Exchange with a 197% over subscription of shares. We are indeed proud to represent the agricultural sector on the stock market.

Safety Health and Environment

The Company's total operation is environmentally friendly and self sustaining. Cover crop is grown in the field to reduce soil erosion, check growth of weed, fix nitrogen and retain moisture in the soil.

Waste materials from production are completely utilised in the following manner.

- Empty Fruit Bunches (EFB) are spread in the fields as mulch to conserve moisture, it also provides slow release of nutrient to the oil palms.
- Fibre and shells are used in boilers to produce steam and power for running the mill; and
- Effluent flows from production is treated and irrigated into the fields to provide nutrients to the palm trees.

To minimise erosion on hilly areas on the plantation and to conserve water, terraces are constructed prior to planting of palm trees.

There are two clinics on the estate, manned by a resident doctor, providing free medical treatment to our employees and their dependants. Medical services have been upgraded with the provision of a laboratory and extension of the main clinic.

Social Responsibility

BOPP's contribution to the development of its communities has been substantial. Significant amongst our support to the communities include facilitating the connection of all local towns and villages to the national electricity grid, the provision of six classroom block for the Adum Banso community.

In 2004, we renovated the Benso Secondary/Technical School Science block and put in a complete set of furniture. Work on a small town water project at Adum Banso also took off with BOPP pledging half of the total cost to the community. Total spend on these community development projects is close to c150m.

It is the policy of BOPP to do all that is reasonable to establish and maintain high standards of occupational health, safety and environmental protection at work, in order to prevent injury or illness, property damage, fire, and environmental pollution.

Commitment to the health upliftment of the communities was also top of our social responsibility agenda. We assisted financially to put up a modern clinic at Adum Banso, which is yet to be staffed, in order to reduce the pressure on our estate clinic. Out of a total number of out-patients who reported at our clinic in 2004, 37.6% were from the communities.

Your company has been in the forefront of fighting the spread of the HIV/AIDS menace. Our clinic has been proposed as an HIV/AIDS Voluntary Testing Centre (VCT) where people in the community who wish to know their HIV/AIDS status can go and get tested. In addition it will be used as a centre for Anti-Retrovirus treatment where people with HIV virus will go for treatment. We have also trained 36 volunteers from the communities as peer educators/counsellors to carry out home visitations as part of our HIV/AIDS awareness campaign, not only on the estate but by extending educational awareness programs to the surrounding communities.

Additionally, our medical team was deeply involved in combating cholera outbreak and eye infection in the community last year. Lately, patients have been coming from as far away as Agona Nkwanta, some 50km away to seek quality service at our clinic.

Future Prospects

To reduce the company's over dependence on one product - Crude Palm Oil, a US\$1 million palm kernel oil mill is under construction by a third party to process palm kernel to produce about 3,000 metric tons of palm kernel oil per annum. This project which is due to commence in July this year will add notable value to your business.

Other capital investment projects undertaken in 2004 to increase capacity from 20 metric tons to 30 metric tons per hour include the fruit ramp extension and the sterilizer extension. A cooling pond costing c100 million which is due to be completed this year, will improve oil recovery from the mill.

Report of the Directors



In accordance with the requirements of Section 132 of the Ghana Companies Code, 1963 (Act 179) we the board of directors of Benso Oil Palm Plantation Limited submit our report and financial statements for the year ended 31 December 2004 and the Balance Sheet of the Company as at that date.

The Profit for the year after tax is c¢5.1 billion against a profit after tax of c¢14.7 billion for 2003 attributable to high operating costs suffered in the year under review.

The Company, formerly a private company with only four shareholders was listed on the Ghana Stock Exchange on August 31, 2004 after a successful public offer of its shares and now has a shareholding of over 12,000.

Directors appointed to the Board after the listing, in compliance with the Regulations of the Company are Messrs N. A. Mate-Kole, Rt. Hon.E. B. Sekyi Hughes, F. S. O. Koranteng, K. Amoasi-Andoh, C.A. Cofie and Dr J.A. Poku.

The forthcoming Annual General Meeting is the first for the Company as a public company since its listing on the Ghana Stock Exchange. In accordance with Section 298(a) of the Companies Code, 1963, Act 179, all the Directors of the Company shall retire from office and being eligible, offer themselves for re-election.

Principal activities

The principal activities of the Company continued to be growing of oil palm and the processing of palm fruits to produce palm oil and palm kernel.

The financial results of the company are set out below:

| | |
|--|--------------|
| Profit for the year before tax is | c'000 |
| from which is deducted tax of | 5,129,232 |
| giving a profit for the year after tax of | (20,784) |
| to which is added balance brought forward on income surplus account of | 5,108,448 |
| from which is deducted proposed dividend of | 20,407,683 |
| giving a balance on income surplus account of | (2,554,320) |
| from which is deducted a transfer to stated capital of | 22,961,811 |
| giving a balance carried forward on income surplus account of | (10,000,000) |
| | 12,961,811 |

Dividend

The Directors have decided to recommend to members the payments of a Dividend of c¢2.5 billion that is **c¢73.40 per share** for the year ended 31 December 2004.

Auditors

In accordance with Section 134(8) of the Ghana Companies Code, 1963, Act 179, PricewaterhouseCoopers continue in office as Auditors of the Company.

BY ORDER OF THE BOARD

Handwritten signature of A. M.B. M. Amin.

.....
A. M.B. M. AMIN
Director:

Handwritten signature of N. A. Mate-Kole.

.....
N. A. MATE-KOLE
Director:

Date: 14th March, 2005

Statement of Directors Responsibilities



The directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the company 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 Ghana Accounting Standards.

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.

Handwritten signature of A. M.B. M. Amin in black ink.

.....
DIRECTOR
A. M.B. M. AMIN

Handwritten signature of N. A. Mate-Kole in black ink.

.....
DIRECTOR
N. A. MATE-KOLE

14th March 2004

Report of the Auditors to the Members of Benso Oil Palm Plantation Limited



We have audited the financial statements of Benso Oil Palm Plantation Limited set out on pages 11 to 20.

Respective Responsibilities of Directors and Auditors

As stated on page 8, the directors are responsible for the preparation of the financial statements. Our responsibility is to express an independent opinion on these financial statements based on our audit.

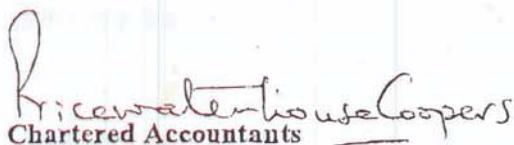
Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, proper books of account have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the company at 31 December 2004 and of its profit and cash flows for the year then ended in accordance with Ghana Accounting Standards and comply with the Ghana Companies Code, 1963 (Act 179).


Chartered Accountants

Accra

14 March 2005

PRICEWATERHOUSECOOPERS 



Profit and Loss Account

(All amounts are expressed in thousands of cedis)

Year ended 31 December

| | Notes | 2004 | 2003 |
|---|-------|-------------------------|--------------------------|
| Turnover | 1 | 81,838,940 | 74,327,443 |
| Operating costs | 2 & 3 | (81,119,961) | (61,868,223) |
| Production costs | | (69,870,890) | (48,930,983) |
| Selling, general and administrative expenses | | (11,249,071) | (12,937,240) |
| Operating profit | | 718,979 | 12,459,220 |
| Other income | 4 | 4,410,253 | 4,798,534 |
| Net profit before tax | | 5,129,232 | 17,257,754 |
| Tax | 5 | (20,784) | (2,586,362) |
| Net profit after tax transferred to income surplus account | | <u>5,108,448</u> | <u>14,671,392</u> |

Income Surplus Account

| | | | |
|--------------------------------|---|--------------------------|--------------------------|
| Balance at 1 January | | 20,407,683 | 22,998,079 |
| Net profit for the year | | 5,108,448 | 14,671,392 |
| Proposed dividend for the year | 6 | (2,554,320) | (7,293,988) |
| Transfer to stated capital | 7 | (10,000,000) | (9,967,800) |
| Balance at 31 December | | <u>12,961,811</u> | <u>20,407,683</u> |

The accounting policies and notes on pages 15 to 20 form an integral part of these financial statements.

Statement of Changes in Equity



(All amount are expressed in thousands of cedis)

| | Stated capital | Capital surplus | Income surplus | Total |
|------------------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Year ended 31 December 2004 | | | | |
| Balance at 1 January 2004 | 10,000,000 | 84,910,779 | 20,407,683 | 115,318,462 |
| Net profit | - | - | 5,108,448 | 5,108,448 |
| Transfer | 10,000,000 | - | (10,000,000) | - |
| Additions from revaluation | - | - | - | - |
| Released on disposal | - | (4,341,543) | - | (4,341,543) |
| Dividend proposed | - | - | (2,554,320) | (2,554,320) |
| Balance at 31 December 2004 | <u>20,000,000</u> | <u>80,569,236</u> | <u>12,961,811</u> | <u>113,531,047</u> |
| Year ended 31 December 2003 | | | | |
| Balance at 1 January 2003 | 32,200 | 17,685,373 | 22,998,079 | 40,715,652 |
| Net profit | - | - | 14,671,392 | 14,671,392 |
| Additions from revaluation | - | 67,225,406 | - | 67,225,406 |
| Transfer | 9,967,800 | - | (9,967,800) | - |
| Released on disposal | - | - | - | - |
| Dividend proposed | - | - | (7,293,988) | (7,293,988) |
| Balance at 31 December 2003 | <u>10,000,000</u> | <u>84,910,779</u> | <u>20,407,683</u> | <u>115,318,462</u> |

The accounting policies and notes on pages 15 to 20 form an integral part of these financial statements.

Balance Sheet



(All amounts are expressed in thousands of cedis)

At 31 December

| | Notes | 2004 | 2003 |
|---------------------------------------|-------|--------------------|--------------------|
| Capital employed | | | |
| Stated capital | 7 | 20,000,000 | 10,000,000 |
| Capital surplus account | 9 | 80,569,236 | 84,910,779 |
| Income surplus account | | 12,961,811 | 20,407,683 |
| Shareholders' funds | | 113,531,047 | 115,318,462 |
| Employment of capital | | | |
| Property, plant and equipment | 8 | 95,146,500 | 98,858,587 |
| Current assets | | 31,778,326 | 35,380,033 |
| Inventories | 10 | 11,890,725 | 7,189,739 |
| Trade and other receivables | 11 | 2,672,708 | 6,498,176 |
| Amounts due from associated companies | 12 | 6,182,607 | 6,229,844 |
| Tax | 5 | 9,542,605 | 4,865,661 |
| Cash and bank balances | | 1,489,681 | 10,596,613 |
| Total assets | | 126,924,826 | 134,238,620 |
| Current liabilities | | 13,393,779 | 18,920,158 |
| Trade and other payables | 13 | 5,040,436 | 8,643,745 |
| Amounts due to associated companies | 14 | 3,890,882 | 2,712,447 |
| Dividend payable | 6 | 2,554,320 | 7,293,988 |
| Bank overdraft | 15 | 1,908,141 | 269,978 |
| Net assets | | 113,531,047 | 115,318,462 |

The financial statements on pages 11 to 20 were approved by the Board of Directors on 14th March 2005 and were signed on its behalf by:

Director:.....
A. M.B.M. AMIN

Director:.....
N. A. MATE - KOLE

The accounting policies and notes on pages 15 to 20 form an integral part of these financial statements.



Cash Flow Statement

(All amounts are expressed in thousands of cedis)

| | | <u>Year ended 31 December</u> | |
|---|-------|-------------------------------|---------------------|
| | Notes | 2004 | 2003 |
| Cash flows from operating activities | | | |
| Cash generated from operations | 16 | 4,111,933 | 14,507,383 |
| Interest paid | | (89,750) | (80,737) |
| Interest received | | 381,526 | 3,958,139 |
| Tax paid | | (4,697,728) | (5,367,068) |
| Net cash (used in)/generated from operating activities | | (294,019) | 13,017,717 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (5,744,950) | (8,316,343) |
| Proceeds from sale of property, plant and equipment | 9 | 2,587,862 | 928,228 |
| Net cash used in investing activities | | (3,157,088) | (7,388,115) |
| Cash flows from financing activities | | | |
| Dividend paid | 6 | (7,293,988) | (14,025,354) |
| Net cash used in financing activities | | (7,293,988) | (14,025,354) |
| | | | |
| Decrease in cash and cash equivalents | | (10,745,095) | (8,395,752) |
| Cash and cash equivalents at start of year | | 10,326,635 | 18,722,387 |
| Cash and cash equivalents at end of year | 17 | (418,460) | 10,326,635 |

The accounting policies and notes on pages 15 to 20 form an integral part of these financial statements.

Accounting Policies



The following are a summary of the significant accounting policies adopted by the company in the preparation of these financial statements.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment and in accordance with Ghana Accounting Standards.

(b) Property, plant and equipment

Prior to 1 January 1981, General estate and administrative expenditure less sundry revenue/interest receivable were capitalised as Plantation Development. Thereafter, net expenditure that cannot be directly related to production has been allocated to capital and revenue in proportion to the hectareage under development and harvesting. Property, plant equipment are stated at cost or valuation less depreciation.

Depreciation on fixed assets is calculated to write off assets value on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used are:

| | |
|---|-------|
| Leasehold land and buildings | 2.5% |
| Plantation development – oil palm | 4.5% |
| Plant, fixtures and fittings | 7.0% |
| Vehicles – light passenger and lorries | 25.0% |
| Vehicles – heavy road making equipment, tractors and trailers | 16.7% |
| Computers | 20.0% |

(c) 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 raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity) but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(d) Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

(e) Foreign currencies

Transactions in foreign currencies during the year are converted into cedis at prevailing rates at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into cedis at the rates of exchange ruling at that date. The resulting gains and losses are dealt with in the profit and loss account.

(f) Deferred income tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred income tax assets are recognised only to the extent that realisation of the related tax benefit is probable.

(g) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts.

(h) Revenue recognition

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

Notes to the Financial Statements



(All amounts in the notes are shown in thousands of cedis unless otherwise stated)

1. Turnover

Turnover comprises the value of goods invoiced to customers less returns and allowances.

2. Operating costs

Operating costs include:

| | | |
|------------------------------|-----------|-----------|
| Depreciation | 2004 | 2003 |
| Auditors' remuneration | 6,646,109 | 3,408,741 |
| National reconstruction levy | 124,500 | 110,500 |
| | 131,519 | 442,507 |

The National reconstruction levy is assessed under the National Reconstruction Levy 2002 (Act 579) at 2.5% of profit before tax.

3. Directors' emoluments

The aggregate amount of Directors' emoluments as defined in Section 128 of the Ghana Companies Code, 1963 (Act 179) paid to, or receivable by them in respect of their services as officers of this Company and of associated companies

| | | |
|--|------------------|------------------|
| | 1,161,354 | 734,369 |
| | 4,118,477 | 921,132 |
| | 291,776 | 3,877,402 |
| | <u>4,410,253</u> | <u>4,798,534</u> |

4. Other income

Profit on disposal of property, plant and equipment
Net interest

| | | |
|--|------------------|------------------|
| | 4,118,477 | 921,132 |
| | 291,776 | 3,877,402 |
| | <u>4,410,253</u> | <u>4,798,534</u> |

5. Tax

| | Balance 1/1/04 | Charge to profit and loss account | Payments | Balance 31/12/04 |
|---------------------|--------------------|---|--------------------|---------------------|
| Income tax | | | | |
| 2003 | (4,844,877) | - | - | (4,844,877) |
| 2004 | - | - | (4,697,728) | (4,697,728) |
| | (4,844,877) | - | (4,697,728) | (9,542,605) |
| Deferred tax | (20,784) | 20,784 | - | - |
| | <u>(4,865,661)</u> | <u>20,784</u> | <u>(4,697,728)</u> | <u>(9,542,605)</u> |

No provision has been made in the financial statements for corporate income tax liability following the introduction of a new tax regime effective January 2004 in the Budget statement and Economic Policy of the Government of Ghana, stating a Zero tax rate for agro-processing businesses operating outside regional capitals. Tax of c4,697,728 paid in a year was made under the 7.5% withholding Tax Law by direct deductions from the Company's sale of palm oil.

Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 0%.

(All amounts in the notes are shown in thousands of cedis unless otherwise stated)

Tax

The movement on the deferred income tax account is as follows:

| | | |
|--|------------------|------------------|
| At beginning of year | 2004 | 2003 |
| Charge/(credit) to profit and loss account | (20,784) | 269,146 |
| | 20,784 | (289,930) |
| | - | (20,784) |
| 6. Dividend payable | | |
| Unpaid at 1 January | 7,293,988 | 14,025,354 |
| Proposed dividend for the year | 2,554,320 | 7,293,988 |
| Payments during year | (7,293,988) | (14,025,354) |
| Unpaid at 31 December | <u>2,554,320</u> | <u>7,293,988</u> |

Payment of dividend is subject to the deduction of withholding taxes at the appropriate rate. Dividends paid in 2003 represent special pay out made prior to change in BOPP's status from private to public company in line with accepted practice.

Notes to the Financial Statements



7. Stated capital

| | No. of shares of no par value | 2004 c'000 | No. of shares of no par value | 2003 c'000 |
|--|----------------------------------|-------------------|----------------------------------|-------------------|
| Authorised | | | | |
| Authorised shares | <u>50,000,000</u> | | <u>50,000,000</u> | |
| Issued | | | | |
| For cash consideration | 322,000 | 32,200 | 322,200 | 32,200 |
| Transfer from income surplus account in accordance with Section 66(1c) of the Ghana Companies Code, 1963 (Act 179) by a special resolution dated 5 September 2003 | 16,848,000 | 9,967,800 | 16,848,000 | 9,967,800 |
| Transfer from income surplus account in accordance with Section 66(1c) of the Ghana Companies Code, 1963 (Act 179) by a special resolution dated 7 May 2004 | 17,630,000 | 10,000,000 | - | - |
| | <u>34,800,000</u> | <u>20,000,000</u> | <u>17,170,000</u> | <u>10,000,000</u> |

There is no unpaid liability on any shares, there are no calls or installments unpaid, and there are no treasury shares held.

8. Property, plant and equipment

| | Land, plantation, road and bridges | Building and housing | Motor vehicles, plant and machinery | Computers, furniture and fittings and equipment | Capital work in progress | Total |
|---------------------------------|---|----------------------------|--|--|--------------------------------|--------------------|
| Cost/valuation | | | | | | |
| At 1 January 2004 | 62,763,001 | 27,819,370 | 55,163,345 | 1,938,723 | 1,125,786 | 158,810,225 |
| Additions | | | - | - | 5,744,950 | 5,744,950 |
| Transfers | 2,126,910 | 546,081 | 3,757,033 | 400,539 | (6,830,563) | - |
| Disposals | (4,322,767) | (7,732) | (681,887) | - | - | (5,012,386) |
| At 31 December 2004 | <u>60,567,144</u> | <u>28,357,719</u> | <u>58,238,49</u> | <u>12,339,262</u> | <u>10,040,173</u> | <u>159,542,789</u> |
| Accumulated depreciation | | | | | | |
| At 1 January 2004 | 16,310,675 | 9,626,120 | 32,652,034 | 1,362,809 | - | 59,951,638 |
| Charge for year | 2,548,118 | 698,023 | 3,221,9021 | 78,066 | - | 6,646,109 |
| Disposals release | (1,664,331) | (2319) | (534,808) | - | - | 2,201,458) |
| At 31 December 2004 | <u>17,194,462</u> | <u>10,321,824</u> | <u>35,339,128</u> | <u>1,540,875</u> | <u>-</u> | <u>64,396,289</u> |
| Net book value | | | | | | |
| At 31 December 2004 | <u>43,372,682</u> | <u>18,035,895</u> | <u>22,899,363</u> | <u>798,387</u> | <u>10,040,173</u> | <u>95,146,500</u> |
| At 31 December 2003 | <u>46,452,326</u> | <u>18,193,250</u> | <u>22,511,311</u> | <u>575,914</u> | <u>11,125,786</u> | <u>98,858,587</u> |

In 1998, buildings, plantation, plant and machinery and vehicles were revalued at open market value by Architectural and Engineering Services Limited.

Notes to the Financial Statements



8. Property, plant and equipment (Historical basis)

Land, buildings, plant and machinery were revalued in September 2003 by Architectural and Engineering Services Limited, independent professional valuers using the open market value approach for land and the depreciated replacement cost valuation method for the buildings, plant and machinery.

The plantation was revalued by William Ofori & Co., independent professional valuers in September 2003 using the cost and market comparison methods.

If the company's property, plant and equipment were stated on historical cost basis, the amount would be as follows:

| | Land, plantation, road and bridges | Building and housing | Motor vehicles, plant and machinery | Computers, furniture and fittings and equipment | Capital work in progress | Total |
|-----------------------------|---|-------------------------|--|--|--------------------------------|-------------------|
| 31 December 2004 | | | | | | |
| Cost | 6,262,956 | 2,020,486 | 14,147,284 | 2,352,859 | 8,189,053 | 32,972,638 |
| Accumulated depreciation | (1,092,531) | (459,167) | (8,881,833) | (1,915,888) | - | 12,349,419 |
| Net book value | 5,170,425 | 1,561,319 | 5,265,451 | 436,971 | 8,189,053 | 20,623,219 |
| 31 December 2003 | | | | | | |
| Cost | 4,182,623 | 1,482,137 | 11,072,138 | 1,952,320 | 9,274,666 | 27,963,884 |
| Accumulated depreciation | (471,804) | (230,407) | (8,376,085) | (1,737,822) | - | 10,816,118 |
| Net book value | 3,710,819 | 1,251,730 | 2,696,053 | 214,498 | 9,274,666 | 17,147,766 |

Profit on disposal of property, plant and equipment

| | 2004 | 2003 |
|--|--------------------|------------------|
| Cost | 5,012,386 | 221,459 |
| Accumulated depreciation | (2,201,458) | (214,363) |
| Net book value | 2,810,928 | 7,096 |
| Sales proceeds | (2,587,862) | (928,228) |
| Capital surplus released on disposal of assets | (4,341,543) | - |
| Profit on disposal of property, plant and equipment | (4,118,477) | (921,132) |

9. Capital surplus account

| | | |
|--------------------------------|-------------------|-------------------|
| Balance at 1 January | 84,910,779 | 17,685,373 |
| Surplus on revaluation | - | 67,225,406 |
| Released on disposal of assets | (4,341,543) | - |
| Balance at 31 December | 80,569,236 | 84,910,779 |

The capital surplus arose as a result of the revaluation of certain leasehold land, buildings, plantation and plant and machinery.

10. Inventories

| | | |
|------------------|-------------------|------------------|
| Palm oil | 567,133 | 376,659 |
| Palm kernel | 78,558 | 66,725 |
| Non-trade stocks | 11,245,034 | 6,746,355 |
| | 11,890,725 | 7,189,739 |

11. Trade and other receivables

| | | |
|-----------------------------------|------------------|------------------|
| Trade receivables | 115,311 | 27,084 |
| Amounts due from officers | 560,640 | 1,011,986 |
| Other receivables and prepayments | 1,996,757 | 5,459,106 |
| | 2,672,708 | 6,498,176 |

Notes to the Financial Statements



12. Amounts due from associated companies

Amounts due from associated companies (refer to note 18)

| 2004 | 2003 |
|------------------|------------------|
| <u>6,182,607</u> | <u>6,229,844</u> |

13. Trade payables and accrued liabilities

Trade payables
Amounts due to directors and officers
Sundry payables and accrued liabilities
Total

| | |
|------------------|------------------|
| 36,654 | 9,509 |
| 17,244 | 442,584 |
| <u>4,986,538</u> | <u>8,191,652</u> |
| <u>5,040,436</u> | <u>8,643,745</u> |

14. Amounts due to associated companies

Amounts due to associated companies (refer to note 18)

| | |
|------------------|------------------|
| <u>3,890,882</u> | <u>2,712,447</u> |
|------------------|------------------|

15. Bank overdrafts

At the balance sheet date the company had an approved unsecured overdraft facility with local banks not exceeding the cedi equivalent of ₵1 billion (2003: ₵Nil).

16. Cash generated from operations

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

Profit before tax

Depreciation

Profit on disposal of assets

Increase in inventories

Decrease/(increase) in trade and other receivables

Decrease/(increase) in amounts due from associated companies

(Decrease)/increase in trade payables and accrued liabilities

Increase/(decrease) in amounts due to associated companies

Interest paid

Interest received

| | |
|------------------|--------------------|
| 5,129,232 | 17,257,754 |
| 6,646,109 | 3,408,741 |
| (4,118,477) | (921,132) |
| (4,700,986) | (1,052,347) |
| 3,825,468 | (3,027,680) |
| 47,237 | (331,111) |
| (3,603,309) | 3,602,103 |
| 1,178,435 | (551,543) |
| 89,750 | 80,737 |
| <u>(381,526)</u> | <u>(3,958,139)</u> |

Cash generated from operations

| | |
|------------------|-------------------|
| <u>4,111,933</u> | <u>14,507,383</u> |
|------------------|-------------------|

17. Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:

Cash and bank balances

Bank overdrafts

| | |
|--------------------|-------------------|
| 1,489,681 | 10,596,613 |
| <u>(1,908,141)</u> | <u>(269,978)</u> |
| <u>(418,460)</u> | <u>10,326,635</u> |

18. Related party transactions

Unilever Ghana Limited, incorporated in Ghana owns 58.45% of the company's shares. Unilever Ghana Limited also owns 40% of Twifo Oil Palm Plantation Limited and exercises management control. Palm oil prices paid to the Company are aligned to the world market prices. All transactions between BOPP and Unilever are conducted strictly on arm's length basis.

Unilever Plc is the ultimate parent company. There are other associated companies as listed below. The following transactions were carried out with related parties:

Sale of goods:

Unilever Ghana Limited

| | |
|-------------------|-------------------|
| <u>57,835,438</u> | <u>70,039,051</u> |
|-------------------|-------------------|

Purchase of goods and services:

Unilever Plc (UK)

Twifo Oil Palm Plantations Limited

| | |
|-------------------|------------------|
| - | 2,248,782 |
| <u>10,043,124</u> | - |
| <u>10,043,124</u> | <u>2,248,782</u> |

Notes to the Financial Statements



18. Related party transactions (continued)

Year end balances arising from sale/purchase of goods/services

| | 2004 | 2003 |
|--|-------------------------|-------------------------|
| Receivables from related parties: | | |
| Unilever Ghana Limited | 6,047,995 | 6,208,255 |
| Unilever UK Central Resources Limited | <u>134,612</u> | <u>21,589</u> |
| | <u>6,182,607</u> | <u>6,229,844</u> |
| Payables to related parties: | | |
| Unilever Plc (UK) | - | 2,172,036 |
| Unilever Ghana Limited | 699,086 | 313,580 |
| Twifo Oil Palm Plantations Limited | 3,148,419 | 182,454 |
| Brooke Bond Kenya Limited | 42,992 | 42,992 |
| Unilever Overseas Holdings Limited | <u>385</u> | <u>385</u> |
| | <u>3,890,882</u> | <u>2,712,447</u> |

The above transactions were carried out on commercial terms and conditions.

19. Capital commitments

Capital expenditure contracted for at the balance sheet date amounts to **¢2,180 million** (2003: ¢1,851 million).

20. Contingent liabilities

There were no contingent liabilities at the balance sheet date (2003: Nil).

Shareholder Information



Directors' shareholding as at 31 December 2004

| | |
|--------------------------------|---------------|
| Ishmael Evans Yamson | 10,000 |
| Emmanuel Kojo Idun | 5,000 |
| Neneyo Asare Mate-Kole | 5,000 |
| Francis Solace Oduro Koranteng | <u>520</u> |
| | <u>20,520</u> |

Shareholding distribution as at 31 December 2004

| Category of holdings | No. of shareholders | Total holding | Percentage holding (%) |
|----------------------|---------------------|-------------------|------------------------|
| 1 to 1,000 | 11,345 | 3,394,189 | 9.75 |
| 1,001 to 5,000 | 663 | 1,254,900 | 3.61 |
| 5,001 to 10,000 | 97 | 766,657 | 2.20 |
| Over 10,000 | <u>107</u> | <u>29,384,254</u> | <u>84.44</u> |
| | <u>12,212</u> | <u>34,800,000</u> | <u>100.00</u> |

20 largest shareholders as at 31 December 2004

| | Shareholder's name | Holdings | Percentage |
|----|--|-------------------|--------------|
| 1 | Unilever Ghana Limited | 20,340,600 | 58.45 |
| 2 | SSNIT | 1,300,000 | 3.74 |
| 3 | NTHC Horizon Fund | 611,371 | 1.76 |
| 4 | Ghana Cocoa Coffee Sheanuts Farmers | 600,000 | 1.72 |
| 5 | State Insurance Company (SIC) Life Business | 600,000 | 1.72 |
| 6 | Barclays Bank of Ghana Limited | 539,400 | 1.55 |
| 7 | BBGN/Epac Investment Fund Limited | 530,731 | 1.53 |
| 8 | Adum Banso Community Endowment Fund | 419,746 | 1.21 |
| 9 | State Insurance Co. (SIC) General Business | 400,000 | 1.15 |
| 10 | State Insurance Co. (SIC) Provident Fund | 200,000 | 0.57 |
| 11 | SSNIT SOS Fund | 200,000 | 0.57 |
| 12 | Sterling Asset Management | 164,125 | 0.47 |
| 13 | Nana Atakora Koi III | 158,000 | 0.45 |
| 14 | Acre Consolidated Limited | 150,000 | 0.43 |
| 15 | NTHC Limited | 149,254 | 0.43 |
| 16 | Cal Bank Limited | 126,180 | 0.36 |
| 17 | NTHC Securities | 111,100 | 0.32 |
| 18 | Gold Coast Securities Limited | 105,300 | 0.30 |
| 19 | BBGN/SAS Fortune Fund | 100,000 | 0.29 |
| 20 | State Insurance Co. (SIC) Sika Plan Business | <u>100,000</u> | <u>0.29</u> |
| | | <u>26,905,807</u> | <u>77.31</u> |

Five Year Financial Summary



(All amounts are shown in thousands of cedis unless otherwise stated)

| Results | 2004 | 2003 | 2002 | 2001 | 2000 |
|------------------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Turnover | <u>81,838,940</u> | <u>74,327,443</u> | <u>57,531,891</u> | <u>37,013,006</u> | <u>28,483,678</u> |
| Profit before tax | 5,129,232 | 17,257,754 | 16,561,328 | 9,466,875 | 7,599,450 |
| Tax | (20,784) | (2,586,362) | (2,635,690) | (1,513,875) | (1,417,379) |
| Profit after tax | 5,108,448 | 14,671,392 | 13,925,638 | 7,953,000 | 6,182,071 |
| Dividends | (2,554,320) | (7,293,988) | (14,025,354) | (5,567,380) | (4,271,330) |
| Profit/(loss) retained in the year | <u>2,554,128</u> | <u>7,377,404</u> | <u>(99,716)</u> | <u>2,385,620</u> | <u>1,910,741</u> |
| Balance sheet | | | | | |
| Property, plant and equipment | 95,146,500 | 98,858,587 | 26,732,675 | 26,467,908 | 23,269,622 |
| Cash and bank balances | 1,489,681 | 10,596,613 | 19,623,645 | 11,685,773 | 5,819,619 |
| Other current assets | <u>30,288,645</u> | <u>24,783,420</u> | <u>17,591,576</u> | <u>13,424,832</u> | <u>18,563,557</u> |
| Total assets | 126,924,826 | 134,238,620 | 63,947,896 | 51,578,513 | 47,652,798 |
| Total liabilities | (13,393,779) | (18,920,158) | (23,232,244) | (10,763,145) | (9,207,772) |
| Net assets | <u>113,531,047</u> | <u>115,318,462</u> | <u>40,715,652</u> | <u>40,815,368</u> | <u>38,445,026</u> |
| Stated capital | 20,000,000 | 10,000,000 | 32,200 | 32,200 | 32,200 |
| Capital surplus | 80,569,236 | 84,910,779 | 17,685,373 | 17,685,795 | 17,700,651 |
| Income surplus | <u>12,961,811</u> | <u>20,407,683</u> | <u>22,998,079</u> | <u>23,097,795</u> | <u>20,712,175</u> |
| Shareholders' funds | <u>113,531,047</u> | <u>115,318,462</u> | <u>40,715,652</u> | <u>40,815,368</u> | <u>38,445,026</u> |

Proxy Form



Serial No. _____

ANNUAL GENERAL MEETING TO BE HELD at 11.00 a.m. on Tuesday, 17th May, 2005 at the Sekondi College, Inchaban, Sekondi

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 Tuesday 17th May, 2005 and at any and every adjournment thereof.

Dated thisday of April, 2005

| For Company's Use RESOLUTION | No. of Shares | |
|---|---------------|---------|
| | FOR | AGAINST |
| To declare a dividend | | |
| To re-elect Mr. K Amoasi-Andoh as a Director | | |
| To re-elect Mr Abdul Malik Bin Md Amin as a Director | | |
| To re-elect Mr C.A.Cofie as a Director | | |
| To re-elect Rt. Hon. E. B. Sekyi Hughes as a Director | | |
| To re-elect Mr. E.K. Idun as a Director | | |
| To re-elect Mr. F. S. O. Koranteng as a Director | | |
| To re-elect Mr. N.A. Mate-Kole as a Director | | |
| To re-elect Dr. J.A. Poku as a Director | | |
| To re-elect Mr. I.E. Yamson as a Director | | |
| To approve the terms of appointment of Mr. Abdul Malik Bin Md Amin as a Manager | | |
| To approve the terms of appointment of Mr. N. A. Mate-Kole as a Manager | | |
| To approve Directors' fees | | |
| To fix the remuneration of Auditors | | |

Please indicate with an "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.

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 SECRETARY 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 its behalf by a Director.
 (3) Please sign the above Proxy Form and post it so as to reach the address shown over leaf not later than 9.00 a.m. on 16th May, 2005.



Fourth fold
here

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

please fix
stamp

First fold here

Second fold here

Third fold
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OUR SOCIAL RESPONSIBILITIES TO THE COMMUNITIES

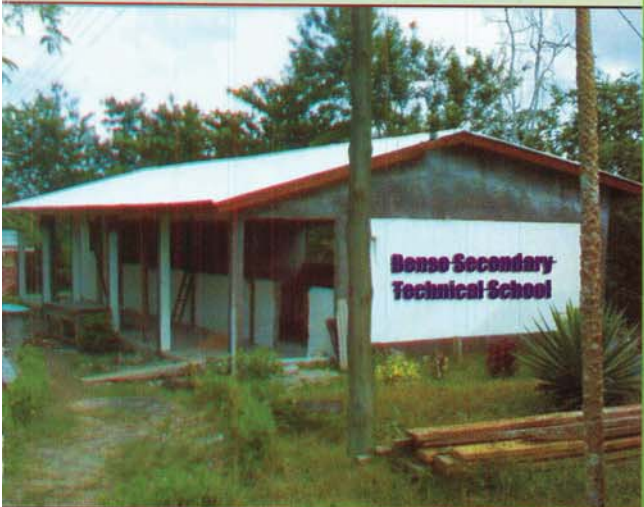
Benso Secondary Technical School



Before



Work in progress



After

In early 2004, we met with the chiefs and elders of the two communities, Benso and Adum Bansa and agreed the focus of our community assistance - Education and Development.

To begin with therefore, we committed ourselves to the renovation of the Benso Secondary Technical School, the only SSS facility in the area. The existing Science Lab was completely abandoned due to its deplorable state.

We are pleased to report that by the end of the year, a brand new Science Laboratory had been put in place at a cost of ₦100m equipped with new work benches and cupboards for the storage of science equipment. Electricity supply has also been restored to the Laboratory. A culvert leading to the school has also been constructed for easy access.

Looking into the future, we will intensify our commitment to education in the communities with the renovation of a primary school and donate books, book shelves and used computers to schools already connected with electricity.

