Benso Oil Palm Plantation Limited

2005

Annual Reports and Financial Statements

Contents

Registered Office

Adum Banso Estate
P.O.Box 470, Takoradi

Registrars Office

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

Auditors

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

Current Board of Directors

Ishmael Evans Yamson – Chairman

Neneyo Asare Mate-Kole – Managing Director

Kwamina Amoasi-Andoh – Non-Executive Director

Alfred Mahamadu Braimah – Finance Director

Charles Alexander Cofie – Non-Executive Director

Emmanuel Kojo Idun - Non-Executive Director

Francis Solace Oduro Koranteng - Non-Executive Director

Dr. John Adu-Gyamfi Poku – Non-Executive Director

Rt. Hon. Ebenezer Begyina Sekyi Hughes – Non-Executive Director

Afua Oduro Asante (Ms) – Company Secretary

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 Akroma Plaza, Police Reserve near MTTU, Takoradi on Tuesday, 30th May 2006 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, 2005 together with the Accounts for the year ended on that date and the Report of the Auditors thereon.
2. To re-elect Directors
3. To approve the terms of appointment of a manager
4. To approve Directors' fees
5. 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 purpose 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 28th day of April, 2006

By Order of the Board

……………………………………

AFUA ODURO ASANTE (MS)
SECRETARY

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

Board of Directors & Secretary

I.E. Yamson, Chairman; N. A. Mate-Kole, Managing Director; K. Amoasi-Andoh; A. M. Braimah; C.A. Cofie; E.K. Idun; F.S.O. Koranteng; Dr. J.A. Poku; E.B. Sekyi Hughes; A. Oduro Asante (Ms) Secretary.

Board Audit Committee

F.S.O. Koranteng; K. Amoasi-Andoh, A. M. Braimah, Dr. J.A. Poku,

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) 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 behavior. 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, adopts best practices to protect the environment and its employees, invests 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 Accounts, 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 two (2) full time executive and seven (7) non-executive directors. To ensure effective control and 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 assess progress against the annual plan. It reviews programmes, strategies , key issues and assigns responsibilities for achievement of goals. The Committee has oversight responsibility for world class agronomic practices, financing strategies and human resource development programmes to ensure performance excellence. The Committee also identifies, assesses the risk profile of the Company and assigns responsibilities to various functions to put in place measures in order to mitigate possible impact on the business.

The Audit Committee

The Audit Committee is made of four (4) directors of whom three (3) are non-executive directors and it is chaired by a non-executive director, with a strong background in business finance and audit. The Committee meets 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

BOPP has a well-established internal control 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 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 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

BOPP 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.

Report of the Audit Committee

for the year ended 31st Dec. 2005

Membership of the Audit Committee of the Board

The Benso Oil Palm Plantation Audit committee is comprised of three non-executive Directors and the Finance Director for Benso Oil Palm Plantation Limited. The Committee is chaired by Mr. F. S. O. Koranteng a non-executive Director with a background in accounting, finance and audit. The Unilever Audit Manager is always in attendance and from time to time the external auditors, PWC, are also invited to make presentation 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 audit reports; Statutory and Internal Audit;
* The adequacy of internal controls;
* The degree of compliance to laid down policies, laws, code of ethics and business practices of the company.
* Compliance with the Sabannes Oxley Act on Operational Control Assessment Progress.

Summary of the Audit Committee's Activities in 2005

In 2005, the Benso Oil Palm Plantation Limited Audit Committee met three times on 11th March, 2005, 15th July, 2005 and 21st October, 2005.

Review of the Financial Performance of the Company

At the March 11, 2005 meeting, the Committee reviewed the financial performance of the company for the financial year ended 2004 and also made recommendations on the possible dividend payout for the year. The committee was also updated on the company's performance in 2005 during the March 11, 2005 and October 21, 2005 meetings.

Internal Audit

At the March 11, 2005 meeting, the Committee reviewed the internal audit plan for 2005. The Committee was then updated at the July 15, 2005 and October 21, 2005 meetings on the activities of the internal audit team, the Corporate Audit by Unilever Plc and the progress made on the company's Operational Control Assessment (OCA) process which involves three key stages namely:

i) The identification of key risks that the company is exposed to within each of the processes assessed.

ii) The assessment of the design adequacy and operational effectiveness of internal controls which have been put in place to mitigate against the risks, and the formulation of action plans to remedy situations where gaps have been identified; and

iii) Independent challenge of the quality of the process used in the risk-control assessment.

External Audit

At the March 11, 2005 meeting, the Committee reviewed BOPP's audited accounts for the financial year ending December 31, 2004 and the findings of the external auditors PWC.

At the October 21, 2005 meeting, PWC furnished the Committee with a copy of their draft audit plan for the 2005 financial year. They took the Committee through the details of the plan which included the objectives of the audit fraud risk, the audit approach, risk analysis and audit scope and the reporting timetable for the 2005 year end audit.

Financial Highlights

	Year ended 31 December 2005	Year ended 31 December 2004	% Change
Turnover	**73,227,497**	81,838,940	(10.5)
Profit before tax	**151,893**	5,129,232	(97.0)
Tax	**0**	(20,784)	100.0
Profit after tax	**151,893**	5,108,448	(97.0)
Dividend	**0**	(2,554,320)	(100.0)
Retained profits	**13,113,704**	12,961,811	1.2
Capital expenditure	**8,389,138**	5,744,950	46.0
Depreciation	**6,642,645**	6,646,109	(0.1)
Shareholders' funds	**111,594,829**	113,531,047	(1.7)
Earnings per share (¢)	**4.36**	146.79	(97.0)
Dividend per share (¢)	**0.00**	73.40	(100.0)
Net assets per share (¢)	**3,206.75**	3,262.39	(1.7)

Chairman's Review

The Economic Environment
The macroeconomic environment remained relatively stable throughout 2005. The average rate of inflation continued to decline. The cedi remained relatively stable against the US dollar but strengthened against the Euro and the British pound. The cedi which was quoted at ¢9,029.73 to a Dollar at the inter bank rate at the beginning of the year depreciated by 0.65% to ¢9,088.18 to the Dollar as against 2.6% depreciation recorded during the same period in 2004. The cedi however appreciated by 8.5% and 11.36% against the Pound and Euro respectively in 2005.

The 91 day Treasury bill discount rate which was at 16.38% at the beginning of the year went down to 11.13% at the end of December 2005 compared to a drop from 18.7% to 17.6% during same period in 2004. Bank of Ghana discount rates also fell from 17.3% at the beginning of 2005 to 11.13% at the end of the year.

Business Performance
The company had a difficult year but this was largely due to the drop in the world market palm oil prices. All other performance indicators have shown significant improvements.

Price
The world market price of crude palm oil fell from an average of $473 in 2004 to $421 in 2005. This represented 11% drop in dollar terms over 2004. With the fairly stable exchange rate of cedi to the US dollar, this led to an average cedi price/tonne of ¢3.8m against prior year price of ¢4.3m. Total revenue loss from lower price was consequently ¢8.8 billion.

Volumes
The year 2005 closed with total palm fruits production of 86,294 metric tonnes, representing a 9% growth over 2004, inspite of the fact that about 50% of the plantation is yet to reach maximum yield levels while we have also just recovered from a major leaf miner attack. Crude palm oil production was 16,012 metric tonnes, a growth of 12% over 2004. Improved fruit quality and better oil extraction rates during the year boosted growth in palm oil volumes. But for the fall in world market prices 2005 would have been a very good year.

The new palm kernel oil mill, which started pre-commissioning test runs in July 2005, produced 992 metric tonnes of palm kernel oil.

Decline in annual rainfall over the last 4 years coupled with the replanting of old palm trees retarded volume growth.

In 2005, your company purchased 30,570 metric tonnes of fresh fruit bunches at a total cost of ¢16.8 billion from small rural farmers numbering over 5,000 in the Western and Central Regions of Ghana. Your company in addition bought from small scale oil millers and supplied to the palm kernel oil mill 1,421 metric tonnes of palm kernel for processing into palm kernel oil.

Operating Profit
Sales volume growth of 14% was achieved in 2005 whilst average world market price dropped 12.5% against the previous year. This led to an average price loss of ¢434,300 for every metric tonne of CPO sold. For the whole year this reduced revenue by ¢8.8bn.

Consequently, operating profit for 2005 registered negative ¢2.7bn compared with a positive of ¢719 million for 2004. Management realising the threat posed by the decline in world market price of palm oil implemented some cost saving measures which resulted in operating cost savings of 5% on prior year. This was however not enough to offset the huge price variance of ¢8.8bn. Further cost savings measures have been planned for 2006.

Profit Tax
Government in 2004 eliminated corporate profit tax applicable to agro-processing businesses located in rural areas. The only tax payable was 1.5% levy for national reconstruction and development which has also now been removed from 2006.

Chairman's Review

Dividend
Dividend to shareholders has consistently been paid on an annual basis over the last 16 years. Distribution to shareholders was based on the level of profitability. In view of the position in 2005 it is recommended to defer dividend payment.

Safety, Health, Environment and Quality
Safety, health, environment and quality issues continue to be given the necessary attention by your company. We did not have any fatal industrial accident among the employees and contractors in the year. The total number of industrial accidents among the company's employees has reduced from 16 in 2004 to 7 in 2005.

The company's HIV/AIDS peer educators continued their work with much emphasis on voluntary counselling, testing and treatment.

Your company's concern for the environment is continuously growing. There has been no major environmental incident in the year. An amount of six hundred and seventy million cedis (¢670m) was spent on various environmental improvement projects.

Your company continued to supply quality and safe products to all its customers. There was no consumer safety incident involving our products that were supplied to any of our customers in the year under review.

Social Responsibility
In 2005, we commissioned the newly renovated Benso Secondary/Technical School Science Block at the cost of ¢102.0m. Work on a small town water project at Adum Banso also took off with BOPP pledging to finance half of the total cost to the community. Total spend on these community development projects is close to ¢150m. In 2006 we intend to spend close to ¢90.0m on these projects.

Future Prospects
BOPP will continue to replant oil palms with early bearing, high yielding disease resistant seedlings and construct planting terraces to improve yield potential of the soils as well as expand total land area planted. However the rate of replanting will be slowed down to allow those fields already replanted to catch up with average yields so that volumes can once again begin to grow aggressively.

Your company will continue to sell tenera seedlings from its oil palm nursery so we can continuously improve the quality of fresh fruit bunches we purchase from rural farmers in our operational area.

To enhance value addition from the new palm kernel mill, your company will process about 12,000 metric tonnes of palm kernel. This volume includes palm kernel from own CPO mill, other local mills as well as foreign ones.

A number of capital investment projects were undertaken in 2005 to upgrade the factory milling capacity to 30 metric tonnes per hour and improve factory oil recovery efficiency as part of our medium term capacity enhancement programme. These include the construction of a ¢100 million cooling pond, the installation of a new ¢1.09 billion oil recovery sludge centrifuge and a ¢497 million steam boiler capacity upgrade to improve steam generation for production and power generation.

In 2005, your company started a programme to review its business processes to enhance value delivery. This will be completed by quarter 2, 2006. The impact of this business process review is expected to drive down supply chain cost and ultimately improve profits.

Profiles of the new Managing Director and the Finance Director

We are happy to inform you that with effect from 1st April 2006, Mr. Neneyo Mate-Kole, the former Finance Director of BOPP has been appointed to succeed Mr. Malik Amin as the Managing Director and that Mr. Alfred Mahamadu Braimah has been appointed as the Finance Director.

MR NENEYO ASARE MATE-KOLE

Mr Mate-Kole is a Chartered Accountant by profession. He is a graduate of the University of Ghana and has worked with the Unilever Group since 1988. In July 1986 and January 1989, he was awarded Final Examination certificates from the Institute of Chartered Accountants Ghana and Ghana Institute of Taxations respectively.

Mr Mate-Kole held position of Internal Audit Manager for UAC Ghana till 1990, when he was appointed Senior Management Accountant, (March 1990-December 1994) and a Commercial Member to West Africa Sourcing Team, Abidjan, Cote D' Ivoire in 1995. Between 1996 – 1997 he was the Unilever Ghana Company Accountant. He was seconded to Benso Oil Palm Plantation Limited (BOPP) and Twifo oil Palm Plantation Limited (TOPP) with responsibilities as Commercial Manager for both Plantations in 1997 and was later appointed as the Finance Director for Benso Oil Palm Plantation Limited on 8th September 2004. He held this position until his new appointment as Managing Director from 1st April 2006.

MR ALFRED MAHAMADU BRAIMAH

Mr Alfred Mahamadu Braimah is a Chartered Accountant by profession. He holds a Bsc Administration Accounts Option Degree from the University of Ghana, an MBA with Distinction from Durham University, UK and has worked within the Unilever Group of companies both locally and internationally for over 17 years in various senior managerial positions. He joined Unilever Ghana as a Management Trainee in November 1987. He was appointed as Group Manager, Audit from 1992 to 1993 and as the Commercial Manager for Ghana Textiles Printing, which was a subsidiary of Unilever Ghana Limited at the time, from 1994 to 1995. He was appointed as a Senior Auditor for the Unilever Group in the UK and India from 1996 to 1998. He returned to Unilever Ghana and worked as Logistics Manager in 1999 and was elevated to the position of Logistics Controller and a co-opted member of Unilever Ghana Executive Committee in January 2000. In July 2000 he was appointed as the Regional Supply Manager, Packaging, for the Unilever Africa, Middle East and Turkey Group, a position he held until June 2003 when he was appointed as the General Manager of West Africa Popular Foods Nigeria Limited a subsidiary of Unilever Nigeria Plc. He held this position until his return to Ghana in August 2005 to take up the position of Project Manager, Oils and later to his current position as the Finance Director for Benso Oil Palm Plantation Limited.

Report of the Directors

In accordance with the requirements of Section 132 of the Ghana Companies Code, 1963 (Act 179) we, the Directors of Benso Oil Palm Plantation Limited, submit to the Members the Profit and Loss and Income Surplus Accounts of the Company for the year ended 31 December 2005 and the Balance Sheet as at that date.

The Profit for the year after tax is ¢152 million against a profit after tax of ¢5.1 billion for 2004.

The Directors have decided to recommend to Members that no dividend should be paid in respect of the year ended 31, December 2005.

The Directors wish to inform Members of the following Board changes: Mr Malik Amin,the Managing Director's contract with the company has elapsed and therefore has resigned from the Company and the Board effective from March 31, 2006. Mr. Neneyo Asare Mate-Kole, the Finance Director,has been appointed by the Board to succeed Mr. Malik Amin as Managing Director with effect from April 1, 2006. Mr. Alfred Mahamadu Braimah has also been appointed as a member of the Board and as the new Finance Director with effect from April 1, 2006.These changes,it is believed,will enhance and ensure the smooth running of your Company.

In accordance with the Regulations of the Company and the Stock Exchange Listing Regulations, Mr. A.M Braimah will retire at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

The Directors to retire by rotation in accordance with the regulations of the Company are Mr. I.E Yamson and Dr. J.A Poku both of whom, being eligible, offer themselves for re-election.

The principal activities of the Company continues to be the growing of oil palm and the processing of palm fruits to produce Palm Oil and Palm Kernel. The company is a subsidiary of Unilever Ghana Limited

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

....	....
A.M.B.M. AMIN	N. A. Mate-Korle
Director	**Director**

Date: 8th February 2006

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 cashflows 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 National 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.

....	....
Managing Director	**Finance Director**
A. M. B. M. Amin	**N. A. Mate-Kole**

Date: 8th February,2006

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 13 to 23.

Respective responsibilities of directors and auditors
As stated on page 10, 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 from 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 2005 and of the profit and cash flows of the company for the year then ended and in accordance with Ghana National Accounting Standards and comply with the Ghana Companies Code, 1963 (Act 179).

PricewaterhouseCoopers
Chartered Accountants

Accra

Date: 8th February,2006

PRICEWATERHOUSECOOPERS

Profit and Loss Account

for the year ended 31 December, 2005

(All amounts are expressed in thousands of cedis)

	Notes	2005	2004
Turnover	1	**73,227,497**	**81,838,940**
Operating costs	2 & 3	**(75,947,224)**	**(81,119,961)**
Production Cost		**(66,528,293)**	**(69,870,890)**
Selling, general and administrative expenses		**(9,418,931)**	**(11,249,071)**
Operating profit/(loss)		**(2,719,727)**	718,979
Other income	4	**2,871,620**	**4,410,253**
Net Profit before tax		**151,893**	5,129,232
Taxation	5	**-**	(20,784)
Net profit after tax transferred to income surplus account		**151,893**	5,108,448

Income Surplus Account for the year ended 31 Dec, 2005

	Notes	2005	2004
Balance at 1 January		**12,961,811**	20,407,683
Net profit for the year		**151,893**	5,108,448
Dividend proposed	8	**-**	(2,554,320)
Transfer to Stated Capital	9	**-**	(10,000,000)
Balance at 31 December		**13,113,704**	12,961,811

The accounting policies and notes on pages 17 to 23 form an integral part of thse financial statements.

Balance Sheet
as at 31 December, 2005

(All amounts are expressed in thousands of cedis)

Capital employed	Notes	2005	2004
Stated capital	9	**20,000,000**	20,000,000
Capital surplus account	7	**78,481,125**	80,569,236
Income surplus account		**13,113,704**	12,961,811
Shareholders' funds		**111,594,829**	113,531,047
Employment of capital			
Property, plant and equipment	13	**95,608,966**	95,146,500
Current assets		**24,803,566**	31,778,326
Inventories	16	**6,373,678**	11,890,725
Trade and other receivables	17	**3,397,487**	2,672,708
Amounts due from associated companies	18	**2,265,629**	6,182,607
Tax	5	**9,554,851**	9,542,605
Cash and bank balances		**3,211,921**	1,489,681
Total assets		**120,412,532**	126,924,826
Current liabilities		**(8,817,703)**	(13,393,779)
Trade and other payables	19	**(3,675,819)**	(5,040,436)
Amounts due to associated companies	20	**(2,499,806)**	(3,890,882)
Dividend payable	8	**(395,126)**	(2,554,320)
Bank overdraft	10	**(2,246,952)**	(1,908,141)
Net assets		**111,594,829**	113,531,047

The financial statements on pages 13 to 23 were approved by the Board of Directors on 8th February, 2006 and were signed on its behalf by:

Managing Director	Finance Director
A.M.B.M Amin	**N. A. Mate-Kole**

The accounting policies and notes on pages 17 to 23 form an integral part of these financial statements.

Statement of Changes in Shareholder's Equity
for the year ended 31 December, 2005

All amount are expressed in thousands of cedis)

	Stated Capital	Capital surplus	Income surplus	Total
Year ended 31 December 2005				
Balance at 1 January 2005	20,000,000	80,569,236	12,961,811	**113,531,047**
Net Profit	-	-	151,893	**151,893**
Transfer to stated capital	-	-	-	-
Released on disposal	-	(2,088,111)		**(2,088,111)**
Dividend proposed 2005	-			
Balance at 31 December 2005	**20,000,000**	**78,481,125**	**13,113,704**	**111,594,829**
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 to stated capital	10,000,000		(10,000,000)	-
Released on disposal	-	(4,341,543)	-	**(4,341,543)**
Dividend proposed	-	-	(2,554,320)	**(2,554,320)**
Balance at 31 December 2004	**20,000,000**	**80,569,236**	**12,961,811**	**113,531,047**

Cash flow statement

for the year ended 31 December, 2005

		Year ended 31 December	
Cash flows from operating activities	**Notes**	**2005**	2004
Cash generated from operations	11	**10,119,901**	4,111,933
Interest paid		**(124,559)**	(89,750)
Interest received		**125,511**	381,526
Tax paid	5	**(12,246)**	(4,697,728)
Net cash generated from /(used in) operating activities		**10,108,607**	(294,019)
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(8,389,138)**	(5,744,950)
Proceeds from sale of property, plant and equipment	14	**1,823,154**	2,587,862
Net cash used in investing activities		**(6,565,984)**	(3,157,088)
Cash flows from financing activities			
Dividend paid to shareholders	8	**(2,159,194)**	(7,293,988)
Net cash used in financing activities		**(2,159,194)**	(7,293,988)
Decrease in cash and cash equivalents		**1,383,429**	(10,745,095)
Cash and cash equivalents at start of year		**(418,460)**	10,326,635
Cash and cash equivalents at end of year	12	**964,969**	(418,460)

The accounting policies and notes on pages 17 to 23 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 hectarage under development and harvesting. Property, plant and 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 ratés used are:

Leasehold Land and Buildings	2.5%
Plantation Development - Oil Palm	4.5%
Plant, Fixtures and Fittings	7.0%
Office Equipment	7.5%
Vehicles - Light Passenger and Lorries	25.0%
Vehicles - Heavy Roadmaking 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 at 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:	2005	2004
Depreciation	6,642,645	6,646,109
Auditors' remuneration	153,000	124,500
National reconstruction levy	2,313	131,519

The National reconstruction levy is assessed under the National Reconstruction Levy 2002 (Act 579) at 1.5% 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

	1,369,131	1,161,354

4. **Other income**

Profit on disposal of property, plant and equipment	2,627,238	4,118,477
Net interest	952	291,776
Sundry income	243,430	-
	2,871,620	4,410,253

5. **Tax**

Income tax	**Balance 01/01/05**	**Charge to profit and loss account**	**Payments during the year**	**Balance at 31/12/05**
2004	(9,542,605)	-	-	(9,542,605)
2005	-	-	(12,246)	(12,246)
	(9,542,605)	0	(12,246)	(9,554,851)

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 ¢12,246,000 paid in the year was made under the 10% withholding tax law by direct deductions from the company's interest income from operating call accounts with the banks.

6. Deferred Tax

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

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

	2005	2004
At beginning of year	-	(20,784)
Charge/(credit) to profit and loss account		20,784
Closing balance as at 31 December	-	-

Notes to the financial statements

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

7. Capital surplus	2005	2004
Balance at 1 January	80,569,236	17,685,373
Surplus on revaluation	-	67,225,406
Release on disposal of assets	(2,088,111)	(4,341,543)
Balance at 31 December	78,481,125	80,569,236

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

8. Dividends payable	2005	2004
Unpaid at 1 January	2,554,320	7,293,988
Proposed dividend for the year	-	2,554,320
Payments during the year	(2,159,194)	(7,293,988)
Unpaid at 31 December	395,126	2,554,320

Payment of dividend is subject to the deduction of withholding taxes at the rate of 10%

9. Stated capital	2005		2004	
	No. of shares of no par value	Proceeds	No. of shares of no par value	Proceeds
Authorised shares	50,000,000		50,000,000	
Issued shares				
for cash consideration	322,000	32,200	322,000	32,200
Transfer from income surplus account in accordance with section 66 (1c) of the Ghana Companies Code, 1963 (Act 179) by special resolution dated:				
5th September 2003	16,848,000	9,967,800	16,848,000	9,967,800
7th May 2004	17,630,000	10,000,000	17,630,000	10,000,000
	34,800,000	20,000,000	34,800,000	20,000,000

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

10. Bank overdrafts	2005	2004
At the balance sheet date the company had an approved unsecured overdraft facility with local banks not exceeding the cedi equivalent of:	2,000,000	1,000,000

Notes to the financial statements

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

11. Cash generated from operations

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

	2005	2004
Profit before tax	**151,893**	5,129,232
Depreciation	**6,642,645**	6,646,109
Profit on disposal of assets	**(2,627,238)**	(4,118,477)
Decrease/(increase) in inventories	**5,517,047**	(4,700,986)
Increase/(decrease) in trade and other receivables	**(724,779)**	3,825,468
Decrease in amounts due from associated companies	**3,916,978**	47,237
Decrease in trade and other payables	**(1,364,617)**	(3,603,309)
Decrease/(increase) in amount due to associated companies	**(1,391,076)**	1,178,435
Interest paid	**124,559**	89,750
Interest received	**(125,511)**	(381,526)
Cash generated from operations	**10,119,901**	4,111,933

12. Cash and cash equivalents

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

	2005	2004
Cash and bank balances	**3,211,921**	1,489,681
Bank overdrafts	**(2,246,952)**	(1,908,141)
	964,969	(418,460)

13. 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						
Balance at 1 January 2005	60,567,144	28,357,719	58,238,491	2,339,262	10,040,173	**159,542,789**
Additions	-	-	-	-	8,389,138	**8,389,138**
Transfers	2,586,609	621,831	2,749,378	349,233	(6,307,051)	-
Disposals	(2,296,409)	-	(754,535)	(1,925)	-	**(3,052,869)**
Balance at 31 December 2005	**60,857,344**	**28,979,550**	**60,233,334**	**2,686,570**	**12,122,260**	**164,879,058**
Accumulated depreciation	-		-	-	-	-
Balance at 1 January 2005	17,194,462	10,321,824	35,339,128	1,540,875	-	**64,396,289**
Charge for the year	2,425,829	707,810	3,256,130	252,876	-	**6,642,645**
Disposals released	(1,012,381)	-	(754,536)	(1,925)	-	**(1,768,842)**
Balance at 31 December 2005	**18,607,910**	**11,029,634**	**37,840,722**	**1,791,826**	-	**69,270,092**
Net book value at 31 December 2005	42,249,434	17,949,916	22,392,612	894,744	12,122,260	**95,608,966**
At 31 December 2004	43,372,682	18,035,895	22,899,363	798,387	10,040,173	**95,146,500**

Notes to the financial statements

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

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

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.

14. Profit on disposal of property, plant and equipment

	2005	2004
Gross book value	**3,052,869**	5,012,386
Accumulated depreciation	**(1,768,842)**	(2,201,458)
Net book value	**1,284,027**	2,810,928
Sales proceeds	**(1,823,154)**	(2,587,862)
Capital surplus released on disposal of assets	**(2,088,111)**	(4,341,543)
Profit on disposal of property, plant and equipment	**(2,627,238)**	(4,118,477)

15. Property, plant and equipment (Historical Basis)

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 2005						
Cost	**17,723,014**	**10,287,861**	**29,085,173**	**2,686,568**	**12,122,260**	**71,904,876**
Accumulated depreciation	(5,902,383)	(3,066,798)	(18,866,615)	(1,745,968)	-	**(29,581,765)**
Net book value	**11,820,631**	**7,221,063**	**10,218,558**	**940,600**	**12,122,260**	**42,323,111**
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**

Notes to the financial statements

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

16 Inventories	**2005**	2004
Palm Oil	**245,289**	567,133
Palm kernel	**10,270**	78,558
Non-trade stock	**6,118,119**	11,245,034
	6,373,678	11,890,725

17 Trade and other receivables		
Trade receivables	**191,806**	115,311
Amount due from officers	**487,325**	560,640
Other receivables and prepayments	**2,718,356**	1,996,757
	3,397,487	2,672,708

18 Amount due from associated companies		
Amount due from associated companies (refer to note 22)	**2,265,629**	6,182,607

19 Trade payables and accrued liabilities		
Trade payables	**1,662,604**	36,654
Amount due to directors and officers	**203,518**	17,244
Sundry Payables and accrued liabilities	**1,809,697**	4,986,538
	3,675,819	5,040,436

20 Amount due to associated companies		
Amount due to associated companies (refer to note 22)	**2,499,806**	3,890,882

21 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 Plantations 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:

Purchases of goods & services:		
Twifo Oil Palm Plantations Limited	2,003,079	10,043,124

Sale of goods & services:		
Unilever Ghana Limited	69,279,251	57,835,438

22. Year end balances arising from purchase/sale of goods/services:
Receivables from related parties:

Unilever Ghana Limited	2,009,071	6,047,995
Unilever UK Central Resources Limited	255,131	134,612
Twifo Oil Palm Plantations Limited	1,427	-
	2,265,629	6,182,607

Notes to the financial statements

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

Payables to related parties:	2005	2004
Unilever Ghana Limited	**450,607**	699,086
Twifo Oil Palm Plantations Limited	**2,006,207**	3,148,419
Brooke Bond Kenya Limited	**42,992**	42,992
Unilever Overseas Holding Limited	**-**	385
	2,499,806	3,890,882

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

23 Capital commitments

Capital expenditure contracted for at the balance sheet date amounts to ¢399million (2004 ¢2,180million)

24 Contingent liabilities

There were contingent liabilities at the balance sheet date amounting to ¢120 million (2004: Nil).

Shareholder's information

Number of Shareholders

The Company had 12,288 ordinary shareholders at 31 December, 2005 with equal voting rights distributed as follows:

Holding	No. of holders	Holders %	No. of shares	% of Holding
1 - 1,000	11,406	92.8	3,355,917	9.64
1,001 - 5,000	688	5.6	1,306,374	3.75
5,001 - 10,000	91	0.7	708,025	2.03
10,001 - and over	103	0.9	29,429,684	84.58
	12,288	100.0	34,800,000	100.00

Directors' Shareholding

The Directors named below held the following number of shares in the Company as at 31 December, 2005:

Mr. Ishmael Evans Yamson	-	10,000
Mr. Emmanuel Kojo Idun	-	5,000
Mr. Neneyo Asare Mate-Kole	-	5,000
Mr. Francis Solace Oduro Koranteng	-	520
		20,520

20 Largest Shareholders at 31 December, 2005

Shareholders	Number of shares	% Holding
1 Unilever Ghana Limited	20,340,600	58.45
2 SSNIT	1,300,000	3.74
3 BBGN/NTHC Horizon Fund	654,506	1.88
4 BBGN/Epack Investment Fund Limited	611,340	1.76
5 State Insurance Company (SIC) Life Business Portfolio	600,000	1.72
6 Ghana Cocoa Coffee Shea-nuts Farmers	600,000	1.72
7 Barclays Bank (Gh.) Limited	539,400	1.55
8 Adum Banso Community Endowment Fund	419,746	1.21
9 State Insurance Company (SIC) Gen. Business Portfolio	400,000	1.15
10 State Insurance Company (SIC) Prov. Fund Portfolio	200,000	0.57
11 SSNIT SOS Fund	200,000	0.57
12 Twifo Oil Palm Plantation Prov. Fund	191,841	0.55
13 Nana Atakora Koi III	158,000	0.45
14 Acre Consolidated Limited	150,000	0.43
15 NTHC Limited itf. Gov. of Ghana	149,254	0.43
16 Sterling Asset Management	144,125	0.41
17 Cal Bank Limited	126,180	0.36
18 NTHC Securities	111,100	0.32
19 Jacquaye Paul Tse	100,000	0.29
20 State Insurance Co. (SIC) Sika Plan Business Portfolio	100,000	0.29
	27,096,092	**77.85**

Five year financial summary

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

	2005	2004	2003	2002	2001
Results					
Turnover	**73,227,497**	81,838,940	74,327,443	57,531,891	37,013,006
Profit before tax	**151,893**	5,129,232	17,257,754	16,561,328	9,466,875
Tax	-	(20,784)	(2,586,362)	(2,635,690)	(1,513,875)
Dividends	-	(2,554,320)	(7,293,988)	(14,025,354)	(5,567,380)
Profit retained in the year	**151,893**	2,554,128	7,377,404	(99,716)	2,385,620
Balance Sheet					
Property, plant and equipment	**95,608,966**	95,146,500	98,858,587	26,732,675	26,467,908
Cash and Bank balances	**3,211,921**	1,489,681	10,596,613	19,623,645	11,685,773
Other Current Assets	**21,591,645**	30,288,645	24,783,420	17,591,576	13,424,832
Total assets	**120,412,532**	126,924,826	134,238,620	63,947,896	51,578,513
Total liabilities	**(8,817,703)**	(13,393,779)	(18,920,158)	(23,232,244)	(10,763,145)
Net assets	**111,594,829**	113,531,047	115,318,462	40,715,652	40,815,368
Stated Capital	**20,000,000**	20,000,000	10,000,000	32,200	32,200
Capital Surplus	**78,481,125**	80,569,236	84,910,779	17,685,373	17,685,795
Income Surplus	**13,113,704**	12,961,811	20,407,683	22,998,079	23,097,373
Shareholders' funds	**111,594,829**	113,531,047	115,318,462	40,715,652	40,815,368

Introduction of Central Securities Depository

Information from Bank of Ghana

Introduction
The Bank of Ghana introduced a Central Securities Depository (CSD) as part of the Ghana Financial Sector Improvement Programme. The CSD started operations in November 2004. The Central Securities Depository (CSD) is a computer-based data recording system that maintains records of ownership of all securities such as shares, bonds and treasury bills, in electronic form. The CSD functions in the form of a ''bank'' for securities where all transactions, such as sale and purchase of securities by investors are made.

With the introduction of the CSD, physical share and ownership certificates of an investor will be converted to an equivalent number of securities in electronic form and credited into the investor's account with his/her depository participant.

Objectives Of The CSD
• To provide a central depository in Ghana where records of beneficial ownership of debt and equity instruments will be kept in electronic form.

• To undertake clearing and settlement by book entry of equity and debt instruments.

• To provide for the placement of physical certificates into the depository and the complete changeover from physical certificates representing ownership to the book entry format.

Advantages Of The CSD
• Under the CSD system, there will be total elimination of risks such as the loss, mutilation and theft of certificates associated with holding and trading of paper-based securities of investors.
• The new system will facilitate Delivery Vs Payment (DVP) where receipt of funds and delivery of securities will be made concurrently.
• There will be a reduction in the errors and delays associated with paper-based manual processing thus bringing in efficiency in the clearing and settlement system.

Stakeholders Of The CSD
• CSD as an organisation will provide a centralised depository, as well as clearing and settlement services to the market
• The Securities and Exchange Commission will regulate the CSD.
• Participants will act as the interface between investors and the CSD
• Issuers and their registrars will confirm the authenticity of certificates and distribute entitlements.
• Investors will be the ultimate beneficiaries of the services provided by the CSD.

Participants Of The CSD
Participants are organisations appointed by the CSD to act as its agents.

There are two main categories of participants. They are:
a. Primary Dealers
b. Licensed Brokers.
Primary Dealers are Banks, Discount Houses and Brokerage firms licensed by the Bank of Ghana to take part in the Primary Auction of Government of Ghana and Bank of Ghana Securities.

Licensed brokers are firms licensed by the Ghana Stock Exchange to trade in shares of listed companies and corporate debt.

These participants shall be called Depository Participants (DPs)

The Role Of A Depository Participant
Depository Participants play the role of intermediaries between the CSD and the investing public.

They shall perform the following functions:
• To collect and submit share certificates to the CSD for deposit to the accounts of investors;
• To submit requests from investors for withdrawal of accounts for re-certification;
• To open, maintain and close securities accounts;
• To allocate trades undertaken on the floor of the stock exchange to investors' securities accounts;

The CSD started operations in November 2004 with the admissions of Government and Bank of Ghana bills and bonds. Currently all Treasury bill transactions are undertaken through the CSD. A CSD Bill will be passed by Parliament to regulate the activities of the CSD. When the Bill is passed, shares of all companies listed on the Ghana Stock Exchange will be admitted into the CSD.

All shareholders will be required to open Securities Accounts through their brokers. They will surrender their share certificates to the CSD through their brokers who will acknowledge receipt. These certificates will be authenticated by the issuing companies or their Registrars, after which the CSD will credit the number of shares to the accounts of the investor.

Thereafter all shares purchased on the floor of the stock exchange will be credited to the account while sales will be debited on settlement day (T+3). Settlement of transactions will be on Delivery versus Payment (DVP) thereby reduce risk and facilitate a quick turn around on the market.

CSD accounts may be used as collateral to support facilities obtained from credit institutions. Statement of Accounts, which will be issued periodically, can be presented to Foreign Embassies to back applications for visas.

Conclusion
The Central Securities Depository is expected to contribute to the enabling environment for the promotion of the Ghanaian securities market by ensuring

a. Confidence in the securities market;
b. Efficient and quick clearing and settlement of trade;
c. Delivery versus payment; and
d. Reduction in costs associated with securities settlements and custody.

Proxy Form

Serial No.

ANNUAL GENERAL MEETING TO BE HELD at 11.00 a.m. on Tuesday, 30th May, 2006 at Akroma Plaza, Police Reserve near MTTU, Takoradi

I/We...

(Insert full name)

of...

(Insert full address)

being a member(s) of Benso Oil Palm Plantation Limited, 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 at the Annual General Meeting of that Company to be held on Tuesday, 30th May 2006 and at any and every adjournment thereof.

Dated this .... day of May, 2006

For Company's Use	No. of Shares	
RESOLUTION	**FOR**	**AGAINST**
To re-elect Mr. A M Braimah 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. A.M. Braimah as a Manager		
To approve Directors fees		
To fix the Remuneration of Auditors		

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 abtstain 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 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 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 11.00.a.m on 28th May, 2006.

Second fold here

Fourth fold here

please fix stamp

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

Third fold here

First fold here

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