

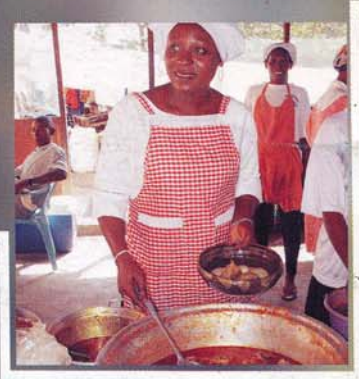
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BENSO OIL PALM PLANTATION LIMITED

2016



Annual Report & Financial Statements



*Delivering Vitality through
Sustainable Agriculture....*



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Registered Office

Adum Bansa 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 Accountants
No. 12, Aviation Road,
Una Home 3rd Floor
Airport City, PMB CT
42, Cantonment, Accra Ghana



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 MTU, Takoradi on Monday, 7th May, 2007 at 11.00 a.m. for the following purposes:

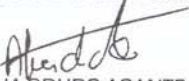
Agenda

1. To receive the Report of the Directors, the Balance sheet as at 31st December, 2006 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 fix 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 3rd day of March, 2007.

By Order of the Board


AFUA ODURO ASANTE (MS)
SECRETARY

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

Dividend Warrants

If the payment of the dividend recommended is approved, warrants will be posted on the 7th day of June, 2007 to the holders of shares whose names are registered in the Register of Members on the 30th day of April, 2007.

Board of Directors & Secretary

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

Board Audit Committee

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

Auditors

PricewaterhouseCoopers, Chartered Accountants, No 12 Aviation Road, Una Home 3rd Floor, Airport City, PMB CT 42, Cantonments, Accra, Ghana.

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

Bankers

Agricultural Development Bank Limited, Barclays Bank of Ghana Limited, Ecobank Ghana Limited and Standard Chartered Bank Ghana Limited.



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 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, 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 suppliers award scheme and 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 six (6) non-executive Directors. To ensure effective control 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 excellence in performance. The Committee also identifies, assesses the risk profile of the company and assigns responsibilities to various functions to put in measures in order to mitigate possible impact on the business.

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 with a strong background in business, finance, audit and general management. The Committee meets to review the financial performance of the Company, the adequacy of the plan of the internal audit, current audit report, 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 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. BOPP'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

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

(All amounts are expressed in thousands of cedis)

	Year ended 31 December 2006	Year ended 31 December 2005	% Change
Turnover	90,792,025	73,227,497	24.0
Profit before tax	6,729,837	151,893	4,330.6
Tax	(1,532,761)	0	-
Profit after tax	5,197,076	151,893	3,321.5
Dividend	(3,637,953)	0	-
Retained profits	14,672,827	13,113,704	11.9
Capital expenditure	8,102,642	8,389,138	(3.4)
Depreciation	6,900,946	6,642,645	3.9
Shareholders' funds	110,966,511	111,594,829	(0.6)
Earnings per share (¢)	149.34	4.36	3,325.2
Dividend per share (¢)	104.54	0.00	-
Net assets per share (¢)	3,188.69	3,206.75	(0.6)

Number of shares used in calculating the above indicators are 34,800,000 as shown in note 7 (Stated Capital).



CHAIRMAN'S REVIEW

The Economic Environment

The macroeconomic environment remained relatively stable throughout 2006. The average rate of inflation continued to decline. The cedi remained relatively stable against the US dollar but declined against the Euro and the British pound. The Cedi which was quoted at ₵9,140 to a Dollar at the inter bank rate at the beginning of the year depreciated by 1.32% to ₵9,261 to the Dollar as against 0.65% depreciation recorded during the same period in 2005. The Cedi depreciated by 15.20% and 12.36% against the Pound and Euro respectively in 2006. The 91 Day Treasury Bill discount rate which was at 11.45% at the beginning of the year went down to 9.64% at the end of December 2006 compared to a drop from 16.38% to 11.13% during same period in 2005. Bank of Ghana Prime rates also fell from 15.5% at the beginning of 2006 to 12.5% at the end of the year.

Business Performance

The company had a good year, largely due to the improvement in the world market palm oil prices. All other performance indicators also have shown significant improvements.

Price

The world market price of crude palm oil went up from an average of \$421 in 2005 to \$459 in 2006. This represented a 9% increase in dollar terms over 2005.

Volumes

The year 2006 closed with total palm fruits production of 87,066 metric tonnes, representing a 0.9% growth over 2005, inspite of the fact that about 50% of the plantation is yet to reach maximum yield levels. Crude palm oil production was 16,485 metric tonnes, a growth of 3% over 2005. Improved fruit quality and better oil extraction rates during the year boosted growth in palm oil volumes.

The new palm kernel oil mill, which started production in mid 2005, produced 3,281 metric tones of palm kernel oil in 2006 as against the 2005 production of 992 metric tones. But for the power rationing experienced throughout the country in the last quarter, the volume growth would have been better.

In 2006, your company purchased 27,622 metric tones of fresh fruit bunches at a total cost of ₵14.8 billion from small rural farmers numbering over 5,000 in the Western and Central Regions of Ghana.

Operating Profit

Sales volume growth of 3% was achieved in 2006. Operating profit for 2006 registered positive ₵3.8bn compared with a negative of ₵2.7 bn for 2005. This was partly due to the cost saving measures adopted in the year and improvements in world market price for crude palm oil.

Profit Tax

The only tax payable of 1.5% levy for national reconstruction and development was removed in 2006.



Dividend

With the exception of 2005, dividend to shareholders has consistently been paid on an annual basis over the last 17 years. Distribution to shareholders was based on the level of performance and profitability. No dividend was paid last year due to the difficulties your Company faced. However, in 2006 our dividend policy is to declare up to 70% of the profit after tax, a departure from our normal policy of up to 50%.

Safety, Health, Environment and Quality Issues

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 Recordable Frequency Rate in respect of Industrial Accidents stood at 0.42 as compared to 0.57 in 2005. The company's effort at reducing road accidents in the plantation is yielding the desired results. Your company recorded only one road accident in the year under review as compared to seven the previous year. 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

The company continued its social responsibility programmes. The company made donation of educational items to Benso DC JSS and Adum Bansa DC JSS. Contribution was also made to Presoman Council Educational Fund. The company further contributed to the maintenance of Bansa township roads and culverts.

Future Prospects

With the current national energy crisis which affected your company's energy costs, BOPP plans to acquire and install a bigger steam turbine and boiler to make the company self reliant in energy production.

Currently, all empty fruit bunches are sent back to the field to decompose and enrich the soil. The company plans to accelerate this decomposition process from one year to eight weeks by composting Palm Oil Mill Effluent and the empty bunches. The resultant organic matter will be applied in the field to boost the nutrient levels of the palms and also aid in moisture retention. The composting process is environmentally friendly and will stop the need to maintain effluent ponds which pose potential danger of falling walls resulting in pollution of water bodies.

There has been a declining trend in rainfall amounts over the past years which has had an adverse impact on the crop yields. BOPP has started addressing this by digging up trenches in the field to harvest rain water.

It is our conviction that yields/ha will improve with these initiatives and enhance shareholder value.



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 2006 and the Balance Sheet as at that date.

The Profit for the year after tax is ¢5.2 billion against a profit after tax of ¢152 million for 2005. The Directors have decided to recommend to Members the payment of a Dividend of ¢104.54 per share.

The Directors wish to inform Members that since the last AGM, Rt. Hon. Mr. Ebenezer Begyina Sekyi Hughes has resigned from the Board. The Directors to retire by rotation in accordance with the Regulations of the Company are Mr. K. Amoasi-Andoh and Mr. F. S. O. Koranteng and being eligible, offer themselves for re-election.

The principal activities of the Company continue 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

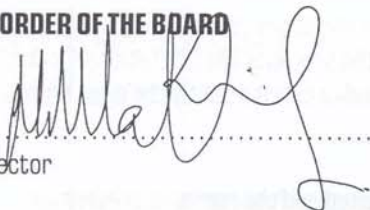
In accordance with Section 134(8) of the Ghana Companies Code, 1963, Act 179, PricewaterhouseCoopers continue in office as Auditors of the Company.

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.

BY ORDER OF THE BOARD


.....
Director


.....
Director

Date: 1st February 2007



SUMMARY OF THE AUDIT COMMITTEE REPORT FOR THE YEAR 2006

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, PricewaterhouseCoopers (PWC), are also invited to make presentations to the committee.

Role of the Audit Committee

The Audit Committee meets to review:

- * The financial performance of the company;
- * The adequacy of the plan of internal audit;
- * Current Statutory and Internal Audit reports;
- * The adequacy of internal controls;
- * The degree of compliance to laid down policies, laws, code of ethics and business practices of the company; and
- * Compliance with status of deficiencies under section 404 of the Sarbannes Oxley Act

Summary of the Audit Committee's Activities in 2006

In 2006, Benso Oil Palm Plantation Limited Audit Committee met four(4) times on February 3, 2006, May 4, 2006, July 25, 2006 and October 17, 2006.

Review of the Financial Performance of the Company

At the February 3, 2006 meeting, the committee reviewed the financial performance of the company for the financial year ended 2005. The committee was also updated on the company's performance during all the Committee meetings held in 2006.

Internal Audit

The Audit Committee reviewed the internal audit plan for 2006 at the beginning of the year and was updated at all subsequent meetings on the activities of the internal audit team including the status of the Operational Control Assessment (OCA) exercise, Entity Level Assessment (ELA), the internal audits carried out by the audit team and the corporate risk matrix. The main internal audit highlights were that:

1. The company's risk profile assessment for 2006/2007 was completed and the remedial/preventive actions taken were presented to the audit committee.
2. Operational Control Assessment (OCA) for key company processes was completed. The OCA involved three key stages namely;
 - i) The identification of the key risks that the company is exposed to;
 - ii) The assessment of the design, adequacy and operational effectiveness of internal controls which have been put in place to mitigate the risks, and formulating action plans to remedy situations where gaps have been identified ; and



- iii) The independent challenge of the quality of the process used in the risk-control assessment.
- 3. The Entity Level Assessment (ELA) was completed. The ELA involved inter alia a review of Benso Oil Palm Plantations Ltd.'s leadership team, annual/strategic plan, business risk assessment, monthly rolling forecast process, and analysis of results versus the prior year's forecast. It also reviewed the company's compliance with its Code of Business Principles and the operation of the "whistle blowing" hotline.
- 4. The Internal Audit team completed the audits as per their 2006 audit plan.

External Audit

At the February 3, 2006 meeting, the Committee reviewed BOPP's audited accounts for the financial year ending December 31, 2005 and the findings of the external auditors, PWC.

At the October 17, 2005 meeting, PWC furnished the Committee with a copy of their draft audit plan for the 2006 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 2006 year end audit



INDEPENDENT AUDITORS' REPORT

To the shareholders Benso Oil Palm Plantation Limited

We have audited the accompanying financial statements of Benso Oil Palm Plantation Limited which comprise the balance sheet as of 31 December 2006 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

As stated on page 7, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the presentation and fair presentation of financial statements that are free from material misstatement, whether due to fraud, or error; selecting and applying appropriate accounting policies; and estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with Ghana Accounting Standards and comply with the Ghana Companies Code 1963, (Act 179).

Report on other legal requirements

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:



- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion proper books of accounts have been kept by the company, so far as appears from our examination of those books; and
- iii) the balance sheet and profit and loss account of the company are in agreement with the books of accounts.

Price Waterhouse Coopers
Chartered Accountants
Accra

Date: 23rd February 2007

PRICEWATERHOUSECOOPERS 



PROFIT AND LOSS ACCOUNT

for the year ended 31 December, 2006

(All amounts are expressed in thousands of cedis)

	Notes	2006	2005
Turnover	1	90,792,025	73,227,497
Operating costs	2 & 3	(86,968,286)	(75,947,224)
Production Cost		(79,342,425)	(66,528,293)
Selling, general and administrative expenses		(7,625,861)	(9,418,931)
Operating profit/(loss)		3,823,739	(2,719,727)
Other income	4	2,906,098	2,871,620
Net Profit before tax		6,729,837	151,893
Taxation	5	(1,532,761)	-
Net profit		5,197,076	151,893

Income Surplus Account for the year ended 31 Dec, 2006

Balance at 1 January		13,113,704	12,961,811
Net profit for the year		5,197,076	151,893
Proposed dividend for the year	6	(3,637,953)	-
Balance at 31 December		14,672,827	13,113,704

The accounting policies and notes on pages 16 to 25 form an integral part of these financial statements.

**BALANCE SHEET**

as at 31 December, 2006

(All amounts are expressed in thousands of cedis)

	Notes	2006	2005
Capital employed			
Stated capital	7	20,000,000	20,000,000
Capital surplus	8	76,293,684	78,481,125
Income surplus account		14,672,827	13,113,704
		110,966,511	111,594,829
Shareholders' funds			
Employment of capital			
Property, plant and equipment			
	9	94,889,131	95,608,966
Current assets			
		27,348,621	24,803,566
Inventories	10	6,861,273	6,373,678
Trade and other receivables	11	7,137,865	3,397,487
Amounts due from associated companies	12	1,691,333	2,265,629
Tax	5	8,040,578	9,554,851
Cash and bank balances		3,617,572	3,211,921
Total assets		122,237,752	120,412,532
Current liabilities			
		(11,271,241)	(8,817,703)
Trade and other payables	13	(4,030,242)	(3,675,819)
Amounts due to associated companies	14	(2,048,037)	(2,499,806)
Dividends payable	6	(3,927,049)	(395,126)
Bank overdraft	15	(1,265,913)	(2,246,952)
Net assets		110,966,511	111,594,829

The financial statements on pages 12 to 25 were approved by the Board of Directors on February 1, 2007 and were signed on its behalf by:

.....
Director

.....
Director

The accounting policies and notes on pages 16 to 25 form an integral part of these financial statements.

**CASH FLOW STATEMENT**

for the year ended 31 December, 2006

(All amounts are expressed in thousands of cedis)

Cash flows from operating activities	Notes	2006	2005
Cash generated from operations	16	7,737,643	10,119,901
Interest received		301,741	125,511
Interest paid		(104,758)	(124,559)
Tax paid	5	(18,488)	(12,246)
Net cash/generated from operating activities		7,916,138	10,108,607
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(8,102,642)	(8,389,138)
Proceeds from sale of property, plant and equipment	9	1,679,224	1,823,154
Net cash used in investing activities		(6,423,418)	(6,565,984)
Cash flows from financing activities			
Dividends paid to shareholders	6	(106,030)	(2,159,194)
Net cash used in financing activities		(106,030)	(2,159,194)
Increase in cash and cash equivalents		1,386,690	1,383,429
Cash and cash equivalents at beginning of year		964,969	(418,460)
Cash and cash equivalents at end of year	17	2,351,659	964,969

The accounting policies and notes on pages 16 to 25 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY****for the year ended 31 December, 2006**

(All amounts are expressed in thousands of cedis)

	Stated capital	Capital surplus	Income surplus	Total
Year ended 31 December 2006				
Balance at 1 January 2006	20,000,000	78,481,125	13,113,704	111,594,829
Net Profit	-	-	5,197,076	5,197,076
Transfer to stated capital	-	-	-	-
Released on disposal	-	(2,187,441)	-	(2,187,441)
Dividend proposed 2006	-	-	(3,637,953)	(3,637,953)
Balance at 31 December 2006	20,000,000	76,293,684	14,672,827	110,966,511
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	-	-	-	-
Balance at 31 December 2005	20,000,000	78,481,125	13,113,704	111,594,829

The accounting policies and notes on pages 16 to 25 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 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 rates used are:

Leasehold Land and Buildings	2.5%
Plantation Development – Oil Palm	4.5%
Plant, Fixtures and Fittings	7.0%
Office Equipments	7.5%
Vehicles – Light Passenger & 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 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 rate 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 equivalent comprise cash on hand, deposit 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.

	2019	2018	2017	2016
Revenue	1,880,071	1,871,522	1,782,000	1,708,000
Cost of sales	(1,200,000)	(1,150,000)	(1,100,000)	(1,050,000)
Operating profit	680,071	721,522	682,000	658,000
Finance income	100,000	100,000	100,000	100,000
Finance expense	(50,000)	(50,000)	(50,000)	(50,000)
Income before tax	730,071	771,522	732,000	708,000
Income tax expense	(150,000)	(150,000)	(150,000)	(150,000)
Income after tax	580,071	621,522	582,000	558,000



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 and services invoiced to customers less returns and allowances.

2. Operating Cost

Operating Cost include:	2006	2005
Depreciation	6,900,946	6,642,645
Auditors' remuneration	180,000	153,000
National reconstruction levy	-	2,313

The National reconstruction levy is assessed under the National Reconstruction Levy 2001 (Act 579) as amended at 1.5% on accounting profit before tax. The levy was abolished by the government for manufacturing companies, effective 1st January 2006.

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.

1,070,033	1,369,131
------------------	-----------

4. Other income

Profit on disposal of property, plant and equipment	1,945,134	2,627,238
Net interest	196,983	952
Sundry income	763,981	243,430
	2,906,098	2,871,620
	=====	=====

5. Tax

	Balance at 01/01/06	Charge to profit and loss	Payments during the year	Balance at 31/12/06
Income tax				
2005	(9,554,851)	1,532,761		(8,022,090)
2006	-		(18,488)	(18,488)
	(9,554,851)	1,532,761	(18,488)	(8,040,578)
	=====	=====	=====	=====



NOTES TO THE FINANCIAL STATEMENTS

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

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 ¢18,488,000 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. A tax audit undertaken in 2005 by the Tax Authority to ascertain the tax refund to be paid to BOPP established a total of ¢8,010million instead of ¢9,554 million as tax overpayment for the period 2000 to 2004, which the Internal Revenue Service agrees to refund to BOPP, resulted in the provision of ¢1,533 million.

Deferred Tax

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

6. Dividend payable

	2006	2005
Unpaid at 1 January	395,126	2,554,320
Proposed dividend for the year	3,637,953	-
Payments during the year	(106,030)	(2,159,194)
Unpaid at 31 December	3,927,049	395,126

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



NOTES TO THE FINANCIAL STATEMENTS

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

7. Stated capital

	2006		2005	
	No. of shares of no par value	¢'000	No. of shares of no par value	¢'000
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 installments unpaid, and there are no treasury shares held.

8. Capital surplus

Balance at 1 January	78,481,125	80,569,236
Surplus on revaluation		
Released on disposal of assets	(2,187,441)	(2,088,111)
	-----	-----
Balance at 31 December	76,293,684	78,481,125
	=====	=====

The capital surplus arose as a result of the revaluation of certain leasehold land, buildings, plantation and plant and machinery in 1998 by Architectural and Engineering Services Ltd (AESL).



NOTES TO THE FINANCIAL STATEMENTS

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

9. Property, plant and equipment

	Land, Plantation, Roads & Bridges	Building and Housing	Motor vehicles Plant & Machinery	Computers, Furniture & Fittings and Equipments	Work in Progress	Total
Cost/valuation						
Balance at 1 January 2006	60,857,344	28,979,550	60,233,334	2,686,570	12,122,260	164,879,058
Additions	-	-	-	-	8,102,642	8,102,642
Transfers	4,238,102	441,422	3,550,347	87,422	(8,317,293)	-
Disposals	(2,296,409)	-	(1,001,791)	(6,851)	-	(3,305,051)
Balance at 31 December 2006	62,799,037	29,420,972	62,781,890	2,767,141	11,907,609	169,676,649
Accumulated depreciation						
Balance at 1 January 2006	18,607,910	11,029,634	37,840,722	1,791,826	-	69,270,092
Charge for the year	2,413,631	721,551	3,474,034	291,730	-	6,900,946
Disposals release	(385,640)	-	(991,019)	(6,861)	-	(1,383,520)
Balance at 31 December 2006	20,635,901	11,751,185	40,323,737	2,076,695	-	74,787,518
Net book value						
at 31 December 2006	42,163,136	17,669,787	22,458,153	690,446	11,907,609	94,889,131
At 31 December 2005	42,249,434	17,949,916	22,392,612	894,744	12,122,260	95,608,966

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.



NOTES TO THE FINANCIAL STATEMENTS

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

9. Property, plant and equipment (continued)

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

	Land, Plantation, Roads & Bridges	Building and Housing	Motor vehicles Plant & Machinery	Computers, Furniture & Fittings and Equipments	Work in Progress	Total
31 December 2006						
Cost	21,852,148	10,729,282	31,635,493	2,765,175	11,907,609	78,889,707
Accumulated depreciation	(6,628,218)	(3,321,405)	(19,171,048)	(2,028,871)	-	(31,149,542)
Net book value	15,223,930	7,407,877	12,464,445	736,304	11,907,609	47,740,165
	=====	=====	=====	=====	=====	=====
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)	-	(29,581,764)
Net book value	11,820,631	7,221,063	10,218,558	940,600	12,122,260	42,323,112
	=====	=====	=====	=====	=====	=====

Profit on disposal of property, plant and equipment

	2006	2005
Gross book value	3,305,051	3,052,869
Accumulated depreciation	(1,383,520)	(1,768,842)
Net book value	1,921,531	1,284,027
Sales proceeds	(1,679,224)	(1,823,154)
Capital surplus released on disposal of assets	(2,187,441)	(2,088,111)
Profit on disposal of property, plant and equipment	(1,945,134)	(2,627,238)
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS

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

10. Inventories

	2006	2005
Palm Oil	585,989	245,289
Palm kernel	206,985	10,270
Palm Kernel Oil	532,407	
Non-trade stock	5,535,892	6,118,119
	6,861,273	6,373,678
	=====	=====

11. Trade and other receivables

Trade receivables	1,948,488	191,806
Amount due from officers	570,809	487,325
Other receivables and prepayments	4,618,568	2,718,356
	7,137,865	3,397,487
	=====	=====

12. Amount due from associated companies

Amount due from associated companies (refer to note 18)	1,691,333	2,265,629
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NOTES TO THE FINANCIAL STATEMENTS

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

13. Trade payables and accrued liabilities

	2006	2005
Trade payables	301,153	1,662,604
Amount due to directors and officers	9,561	203,518
Sundry Payables and accrued liabilities	3,719,528	1,809,697
	-----	-----
	4,030,242	3,675,819
	=====	=====

14. Amount due to associated companies

	2006	2005
Amount due to associated companies (refer to note 18)	2,048,037	2,499,806

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:

	2006	2005
	4,000,000	2,000,000

16. Cash generated from operations

Reconciliation of net profit before tax to cash generated from operations

	2006	2005
Profit before tax	6,729,837	151,893
Depreciation	6,900,946	6,642,645
Profit on disposal of assets	(1,945,134)	(2,627,238)
Increase/decrease in inventories	(487,595)	5,517,047
Increase in trade and other receivables	(3,740,378)	(724,779)
Decrease in amounts due from associated companies	574,296	3,916,978
Increase/decrease in trade and other payables	354,423	(1,364,617)
Decrease in amount due to associated companies	(451,769)	(1,391,076)
Interest paid	104,758	124,559
Interest received	(301,741)	(125,511)
	-----	-----
Cash generated from operations	7,737,643	10,119,901
	=====	=====

17. Cash and cash equivalents

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

	2006	2005
Cash and bank balances	3,617,572	3,211,921
Bank overdrafts	(1,265,913)	(2,246,952)
	-----	-----
	2,351,659	964,969
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS

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

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 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:

Sale of goods:	2006	2005
Unilever Ghana Limited	79,560,710	69,279,251

Purchase of goods & services:

Twifo Oil Palm Plantations Limited	2,835,010	2,003,079
------------------------------------	------------------	-----------

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

Receivables from related parties:

Unilever Ghana Limited	1,342,049	2,009,071
Unilever UK Central Resources Limited	349,284	255,131
Twifo Oil Palm Plantations Limited	-	1,427
	-----	-----
	1,691,333	2,265,629
	=====	=====

Payables to related parties:

Unilever Ghana Limited	1,131,677	450,607
Twifo Oil Palm Plantations Limited	873,368	2,006,207
Brooke Bond Kenya Limited	42,992	42,992
	-----	-----
	2,048,037	2,499,806
	=====	=====

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

19. Capital commitments

Capital expenditure contracted for at the balance sheet date was ₵444million,. (2005 ₵399million)

20. Contingent liabilities

There were contingent liabilities at the balance sheet date amounting to ₵155 million (2005: ₵120m).



SHAREHOLDERS' INFORMATION

Shareholding Distribution as at 31st December, 2006.

The company had 12,239 ordinary shareholders at 31 December, 2006 with equal voting rights distributed as follows:

Holding	No. of shareholders	Holders %	No. of shares	% of Holding
1 - 1,000	11,360	92.82	3,335,720	9.59
1,001 - 5,000	684	5.59	1,297,843	3.73
5,001 - 10,000	93	0.76	721,425	2.07
10,001 - and over	102	0.83	29,445,012	84.61
	----- 12,239 -----	----- 100.00 -----	----- 34,800,000 -----	----- 100.00 -----

Directors' Shareholding

The Directors named below held the following number of shares in the Company as at 31 December, 2006:

Mr. Ishmael Evans Yamson	-	10,000
Mr. Neneyo Asare Mate-Kole	-	6,000
Mr. Emmanuel Kojo Idun	-	5,000
Mr. Francis Solace Oduro Koranteng	-	520

20 Largest Shareholders at 31 December, 2006

Shareholders	Number of shares	% Holding
1 Unilever Ghana Limited	20,340,600	58.45
2 SSNIT	1,300,000	3.74
3 BBN/NTHC Horizon Fund	654,506	1.88
4 BBN/Epack Investment Fund Limited	611,340	1.76
5 Galtre International Fund	600,000	1.72
6 State Insurance Company (SIC) Life Business Portfolio	600,000	1.72
7 Barclays Bank (Gh.) Limited	539,400	1.55
8 Adum Bansa Community Endowment Fund	419,746	1.21
9 State Insurance Company (SIC) Gen. Business Portfolio	400,000	1.15
10 Twifo Oil Palm Plantation Prov. Fund	221,841	0.64
11 SSNIT SOS Fund	200,000	0.57
12 State Insurance Company (SIC) Prov. Fund Portfolio	200,000	0.57
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 State Insurance Co. (SIC) Sika Plan Business Portfolio	100,000	0.29
20 Akoto-Bamfo Edmund	100,000	0.29
	----- 27,126,092 -----	----- 77.94 -----



FIVE YEARS FINANCIAL SUMMARY

(All amounts are expressed in thousands of cedis)

	2006	2005	2004	2003	2002
Results					
Turnover	90,792,025	73,227,497	81,838,940	74,327,443	57,531,891
Profit before tax	6,729,837	151,893	5,129,232	17,257,754	16,561,328
Tax	(1,532,761)	-	(20,784)	(2,586,362)	(2,635,690)
Dividends	(3,637,953)	-	(2,554,320)	(7,293,988)	(14,025,354)
Profit retained in the year	1,559,123	151,893	2,554,128	7,377,404	(99,716)
Balance Sheet as at 31/12					
Property, plant and equipment	94,889,131	95,608,966	95,146,500	98,858,587	26,732,675
Cash and Bank balances	3,617,572	3,211,921	1,489,681	10,596,613	19,623,645
Other Current Assets	23,731,049	21,591,645	30,288,645	24,783,420	17,591,576
Total assets	122,237,752	120,412,532	126,924,826	134,238,620	63,947,896
Total liabilities	(11,271,241)	(8,817,703)	(13,393,779)	(18,920,158)	(23,232,244)
Net assets	110,966,511	111,594,829	113,531,047	115,318,462	40,715,652
Stated Capital	20,000,000	20,000,000	20,000,000	10,000,000	32,200
Capital Surplus	76,293,684	78,481,125	80,569,236	84,910,779	17,685,373
Income Surplus	14,672,827	13,113,704	12,961,811	20,407,683	22,998,079
Shareholders' funds	110,966,511	111,594,829	113,531,047	115,318,462	40,715,652



Proxy Form

ANNUAL GENERAL MEETING TO BE HELD at 11.00 a.m. on Monday, 7th May, 2007 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, 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 Monday 7th May 2007 and at any and every adjournment thereof.

Dated this day of May, 2007

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

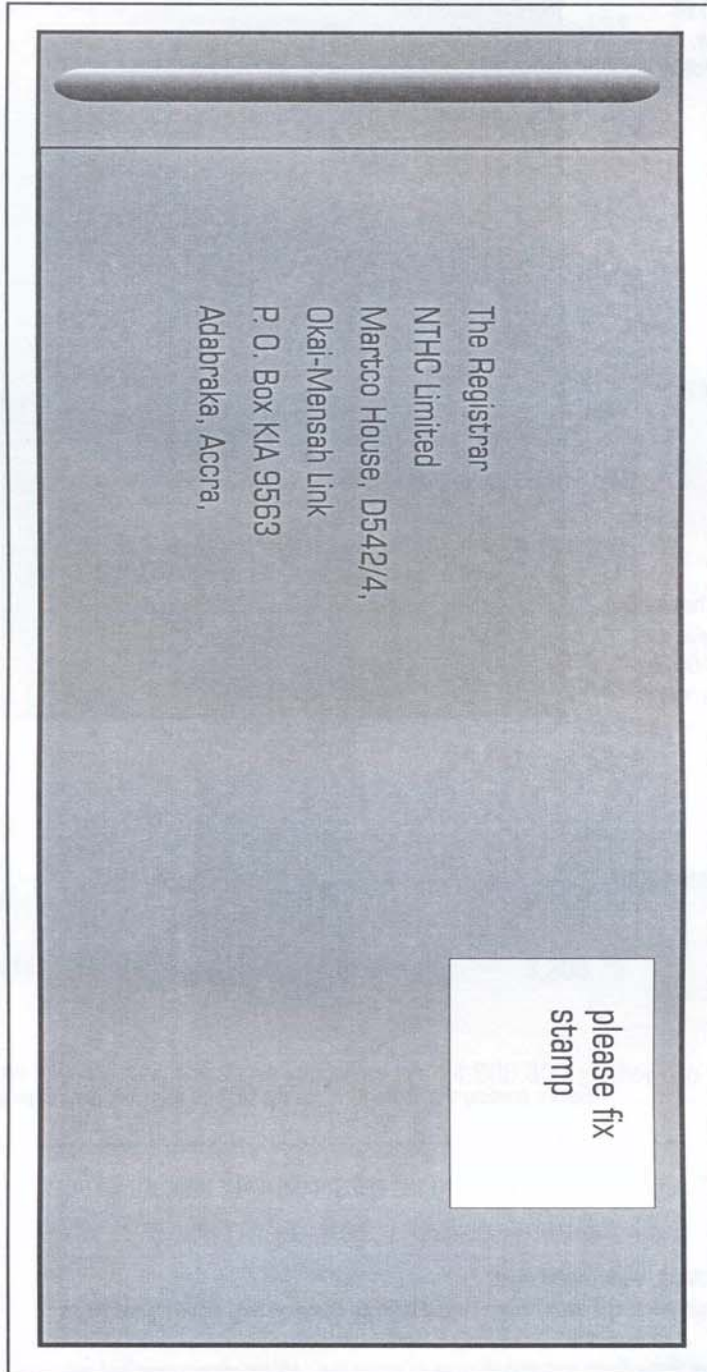
THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTRARS IF THE MEMBER WILL BE ATTENDING THE MEETING

- 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 4th May, 2007.

For Company's Use	Serial No.	
	No. of Shares	
RESOLUTION	FOR	AGAINST
To re-elect Mr. K. Amoasi-Andoh as a Director		
To re-elect Mr. F. S. O. Koranteng as a Director		
To declare a Dividend		
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 abstain from voting at his discretion.		



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First fold here

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