



Benso Oil Palm Plantation Limited

Upholding Agro-environmental Friendliness
for Sustainable Palm Oil Production

Annual Report & Financial Statements

2 0 0 9



Board Of Directors



From left to right

I. Adam(Finance Director), **Juliana Ohenewaa Torpey**(Company secretary), **S Achio**(Non-Executive Director),
C. A. Cofie(Non-Executive Director), **I. E. Yamson**(Non-Executive Chairman), **N.Mate-Kole**(Managing Director),
V. K. Kiggundu(Non-Executive Director), **Dr. J. A. Poku**(Non-Executive Director), **F. S. O. Koranteng**(Non-Executive Director)
K. Amoasi-Andoh(Non-Executive Director)



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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 Thursday, 5th August, 2010 at 11.00 a.m for the following purposes:

Agenda

1. To receive the report of the directors, the balance sheet as at 31 December, 2009 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.

This notice is effective the 5th day of July, 2010.

By Order of the Board

Juliana Ohenewaa Torpey(Mrs)
Secretary

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

Dividend warrants

If the payment of dividend recommended is approved, the warrants will be posted on the 6th day of September, 2010 to the holders of shares whose names are registered in the Register of members on the 27th day of July, 2010.

Board of directors & secretary

I.E. Yamson, Chairman, N. A. Mate-Kole, Managing Director, K. Amoasi-Andoh, I. Adam, C.A. Cofie, S.Achio, F.S.O. Koranteng, Dr. J.A. Poku, V. Kayaga Kiggundu (Mrs).

Juliana Ohenewaa Torpey(Mrs): Secretary

Board Audit committee

F.S.O. Koranteng, K. Amoasi-Andoh, I Adam, Dr. J.A. Poku.

Auditor

PricewaterhouseCoopers, Chartered Accountants, No 12 Airport City, Una Home 3rd Floor, 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, adopt 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 executives and seven (7) non-executive directors. To ensure effective control and monitoring of the company's business, the board has two main committees, the management committee and the audit committee which in turn work through other sub-committees to oversee specific important functions.

The Management committee

The management committee meets monthly to review the performance of the company and assesses progress against the annual plan. It reviews programmes, strategies, key issues and assigns responsibilities for achievement of goals. The committee has oversight responsibility for world class agronomic practices, financing strategies and human

resource development programmes to ensure excellence in performance. The committee also identifies, assesses the risk profile of the company and assigns responsibilities to various functions to put in measures to mitigate possible adverse impact on the business.

Audit committee

The audit committee is made up of 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 quarterly to review the financial performance of the company, the adequacy of the plan of the internal audit, current audit reports, the adequacy of systems of internal controls and the degree of compliance to laid down policies, laws, code of ethics and business practices of the company.

Internal controls

Benso Oil Palm Plantation Limited has a well-established internal control and risk management system, which is well documented and regularly reviewed. This incorporates internal control procedures, which are designed to provide reasonable assurance that the assets are safeguarded and that the risks facing the business are being controlled. The Board of Benso Oil Palm Plantation Limited has also established a clear organisational structure, including delegation of appropriate authorities. Unilever's 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 Ghana Cedis)

	Year ended 31 December 2009	Year ended 31 December 2008	% Change
Revenue	15,603	20,589	(24.2)
Net profit before tax	1,593	4,993	(68.1)
Restructuring provision released	-	124	-
Tax	59	(59)	-
Net profit after tax	1,652	4,934	(66.5)
Proposed dividend	1,156	2,467	(53.1)
Retained profits	10,671	10,355	3.1
Capital expenditure	881	500	76.2
Depreciation	528	511	3.3
Total equity	20,300	19,984	1.6
Earnings per share (GH¢)	0.0475	0.1418	(66.5)
Net assets per share (GH¢)	0.5833	0.5743	1.6
Dividend per share (GH¢)	0.0332	0.0709	(53.2)

Number of shares used in calculating the above indicators are 34,800,000 as shown in note 8 (Stated Capital).



Chairman's review

Political

The political environment in Ghana continued to be stable and positive after the peaceful change in government in 2009. For Ghana, this is a testament of the progress made in a relatively short span of two decades and a powerful signal to the world that a new and stable political climate has finally emerged in the continent of Africa which has witnessed all models of dictatorship.

The visit of President Barack Obama of the United States of America further showcased the democratic credentials of the country to the rest of the world.

Economic environment

Ghana's macro economic environment in 2009 showed a level of steadfastness and consistency on the part of the government. Inflows from donor partners have been steady, the International Monetary Fund program appears to be on course, officially FDI (Foreign Direct Investment) has performed well, and inflation is responding to policy objectives by dropping from 17.44% in December 2008 to 15.9% by the close of 2009.

The foreign exchange market was volatile for a greater part of the year and became relatively stable towards the last quarter of the year. The nominal rate of depreciation of the Cedi against the US Dollar, the GBP and Euro on the interbank market was 13.2%, 29.4% and 20.2% respectively in 2009 compared to 22.9%, (7.1%) and 19.1% respectively in 2008. The Bank of Ghana prime rate moved from 17% in 2008 to 18% in 2009. However, the 91 Day Treasury Bill rate dropped from prior year rate of 24.66% to close the year at 21.28%.

Interest rates remained high at 31% (average banks base rate) at the end of 2009 in line with the level of inflation. The stock market generally performed poorly throughout the year, with GSE-All share index, the benchmark measure of performance on the Ghana Stock Exchange, recording a negative growth of about 49%.

Overall business performance

Like many other businesses, 2009 was a very challenging year for the company. Your company delivered profit after tax of GH¢1.65 million compared with GH¢4.93 million the previous year, representing approximately a decline of 66.5%. The dip in performance was as a result of declining world market price of crude palm oil (CPO), low production volumes and high input cost.

Turnover

Turnover dropped by 24.2% compared with prior year. This was as a result of significant decline in Crude Palm Oil (CPO) prices and lower volumes.

CPO price

During the year under review, world market price of CPO dropped from an average of \$976 in 2008 to average \$661 in 2009. This represented 32.3% decline in dollar terms. Notwithstanding a 13.2% depreciation of the Cedi against the US Dollar, the earnings of the business from CPO sales were adversely affected as your company's palm oil prices are aligned to the world market prices.

Volumes

Total palm fruits production during the year under review was 71,540 metric tonnes, representing an 18% decline compared with 2008. Replanting (i.e. Plantation Renewal), erratic rainfall pattern over the last couple of years and stiff competition in the area of Outside Purchase Fruits (OPF) contributed significantly to the low crop volumes. During the year under review, your company purchased fresh fruit bunches at a total cost of GH¢3.5million from smallholders and outgrower farmers numbering over 5,000 in the Western and Central Regions of Ghana.

Operating profit

Operating profit dropped by approximately 82% due to the lower CPO prices, lower volumes from erratic rainfall as well as replanting and high input costs. Fertilizer which forms about 60% of field maintenance cost went up by almost 70% during the year under review. Though revenue declined by about 24.2%, operating profit dipped significantly because of high input cost which had an adverse impact on cost of sales.

On the other hand, in compliance with IFRS, gains arising from changes in the fair value of Biological assets contributed significantly to the operating profit delivered this year. However, it is pertinent to highlight that as the area under replanting matures, there could be a turnaround in the company's performance if current prices of CPO are sustained.

Dividend

Dividend payment to shareholders has consistently been done on an annual basis except in 2005 because of adverse impact of leaf miner pest attack on volumes and consequently profitability. In 2008 following the excellent performance of your company, an interim dividend of GH¢1.16 million was paid in December and

Chairman's review

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final dividend of GH¢1.3million paid in 2009 bringing the total dividend paid to GH¢2.4million.

Notwithstanding the challenges your company encountered in 2009, the Directors of the company proposed to pay a total dividend of GH¢1,16million out of the profit after tax of GH¢1,65million.

Board changes

Following the resignation of Mr. Bernard Cheruiyot Lang'at, Mrs. Victoria Kayaga Kiggundu was appointed a member of the board in October 2009.

Profile of new director

Mrs Victoria Kayaga Kiggundu holds an Executive Masters in Business Administration from the Oxford Brookes University, UK and a Bachelor of Commerce (Accounting), from the Makerere University, Kampala. She is also a Fellow of the Association of Chartered Certified Accountants. She joined Unilever Uganda Limited in 1996 as a Management Trainee and ranked through various positions. She then joined Unilever Kenya Limited in 2003 as Audit manager for East Africa. Thereafter she held the position of a Regional Management Accountant for East and Southern Africa. In 2006 she joined Unilever PLC and was based in the London office holding the position of Audit Manager, Asia, Africa, Middle East and Turkey. She was appointed Finance Director of Unilever Ghana Limited on 23rd October 2009 and subsequently, on 26th October 2009 she was appointed by the Board of Benso Oil Palm Plantation Limited as a Director of BOPP.

Safety, health, environment and quality issues

Safety, health, environment and quality issues continue to receive the necessary focus in your company's operations with a view to enhancing self sustain ability. It is worthwhile to highlight that in 2009, the Total Recordable Frequency Rate (TRFR) in respect of industrial accidents was 0.00(zero) as compared to 0.22 in 2008. This means that the company did not record any lost time accident (LTA), restricted work case (RWC) or medical treated case (MTC) throughout the year under review. Twenty three (23) managers and supervisors were trained in behavioural safety audit in the year. These trained managers and supervisors have since been carrying out monthly audits which have contributed in no small measure in the success chalked in safety.

Furthermore, refresher course on defensive driving was held for all company drivers, managers and supervisors who had attended this programme more

than three years. This training was also held for motor cyclists as well as third party drivers on site doing business with the company. The company was audited by Unilever external SHE auditors in August 2009 and achieved B1 rating (86%) in Occupational Health and Safety and B1(97%) in Environmental Care.

The supply of quality and safe products remain paramount to our operations. There was no consumer safety incident involving our products that were supplied to any of our customers in the year under review.

Your company has embarked on an RSPO (Round table on Sustainable Palm Oil) certification process with a view to ensuring sustainable agricultural practices. We consider this certification process very important as it will be endorsing our various agricultural practices as friendly to the environment. Facilitating the programme in Ghana, your company is working with other key players/stakeholders in the oil palm industry to produce a version that is fully consistent with local laws and socio-cultural values of our people.

Social responsibility

Your company continue to attach great importance to its corporate social responsibility by making meaningful contributions to the development of communities within its area of operation. Your company provided free medical screening, medicines and treated mosquito nets at subsidised prices, to the inhabitants of Dominase. Furthermore, your company has completed, commissioned and handed over a 10-seater KVIP at the cost of GH¢18,000 to the Adum Bansa township. Other projects undertaken include road maintenance and construction of footbridge at Asuogya and Dominase.

The promotion of tree planting programmes at Benso and Adum Bansa by providing varieties of tree species on World Environment Day featured prominently in your company's assistance to the communities in its catchment area.

Restructuring of Unilever Ghana portfolio

As you may have read in the news papers, Unilever Ghana has decided to restructure its current portfolio. The restructuring will involve Unilever Ghana exiting its plantations business and focusing on its fast moving consumer goods (FMCG) business. This is aimed at attracting an investor whose core business is in oil palm cultivation to bring technical expertise and other investments into the plantation that will deliver value to shareholders.

Future outlook

It is envisaged that with the current upward trend in CPO prices, increase volume, coupled with cost savings and efficiency improvement measures embarked upon by management, the company's performance would be stronger and more viable in the future.



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 2009 and the balance sheet as at that date.

The profit for the year after tax is GH¢1,652,000 against a profit after tax of GH¢4,934,061 for 2008.

The directors have decided to recommend to members the payment of a dividend of GH¢0.0332 per share.

The directors wish to inform members of the following Board changes: Mrs Victoria Kayaga Kiggundu has been appointed as member of the Board with effect from October 26, 2009.

In accordance with the regulations of the the company and the stock exchange listing regulations, Mrs Victoria Kayaga Kiggundu will retire at the forthcoming annual general meeting and being eligible, offers herself 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 who 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 auditor 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 cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards(IFRS).

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: 18th February, 2010



Report of the audit committee

Membership of the audit committee of the board

The Benso Oil Palm Plantation audit committee comprises 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, audit and general management. The Unilever audit manager is always in attendance and from time to time the external auditor is 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 the Sarbanes Oxley Act on Operational Control Assessment.

Summary of the audit committee's activities in 2009

In 2009, Benso Oil Palm Plantation Limited audit committee met four (4) times on 23 January, 2009, 15 April, 2009, 16 July, 2009 and 16 October, 2009.

Review of the financial performance of the company

At the 23 January 2009 meeting, the committee reviewed the financial performance of the company for the financial year ended 31 December 2008 and also made recommendations on the possible dividend payout for the year. The committee was updated on the company's performance during all the four (4) Committee meetings held in 2009.

Internal audit and risk management

At the January 23, 2009 meeting, the committee reviewed the internal audit plan for 2009. The committee was then updated at the April 15, 2009, July 16, 2009 and October 16, 2009 meetings on the activities of the internal audit team and the status of the Operational Control Assessment (OCA) exercise, the internal audit carried out by the team and the corporate risk matrix. The main highlights are:

1. The company's risk matrix for 2009/10 was completed and presented to the committee. The business risk assessments was done. Key risks were closely monitored by the management team.
2. Operational Control Assessment (OCA) process was completed and involved identifying and challenging the company's processes as well as assessing the design adequacy and operational effectiveness of the controls in place. All exceptions were remediated.
3. The corporate policy compliance assessment was completed.
4. The timeliness for positive assurance letters were met.

External audit

At the 23 January, 2009 meeting, the committee reviewed BOPP's draft accounts for the financial year ended 31 December, 2008 and the findings of the external auditor, PricewaterhouseCoopers (PwC).

At the 16 October, 2009 meeting, the external auditor furnished the committee with a copy of their draft audit plan for the 2009 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 2009 year end audit.

Report of the independent auditor to the shareholders of Benso Oil Palm Plantation Limited

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Report on financial statements

We have audited the accompanying financial statements of Benso Oil Palm Plantation Limited set out on pages 10 to 29. These financial statements comprise the balance sheet as at 31 December 2009 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 information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and with the regulations of the Companies Code, 1963 (Act 179).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation 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 making accounting estimates that are reasonable in the circumstances.

Auditor's 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 of 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 auditor's 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 auditor considers 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 internal controls.

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 at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with requirements of the 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 account 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 account.

Chartered Accountants
Accra

Date: 24th February, 2010

Financial statements

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Profit and loss account for the year ended 31 December 2009

(All amounts are expressed in thousands of Ghana Cedis)

	Notes	2009	2008
Revenue	2	15,603	20,589
Cost of sales	3 & 4	(14,392)	(15,110)
Gains from revaluation of Biological assets	18	824	69
Gross profit		2,035	5,548
Administrative expenses		(1,252)	(1,162)
Operating profit		783	4,386
Restructuring provision released		-	124
Other income	5	810	483
Net profit before tax		1,593	4,993
Current tax	6	59	(59)
Net profit after tax transferred to income surplus account		1,652	4,934
Basic and diluted earnings per share (GH¢)	20	0.0475	0.1418

Income surplus account

At 1 January	10,355	7,074
Net profit for the year	1,652	4,934
Dividend paid	(1,336)	(1,653)
At 31 December	10,671	10,355

The notes on pages 14 to 29 form an integral part of the financial statements.

Financial statements

Benso Oil Palm
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Balance sheet as at 31 December 2009

(All amounts are expressed in thousands of Ghana Cedis)

	Notes	2009	2008
Assets			
Non current assets		15,695	14,525
Property, plant and equipment	10	4,944	5,036
Biological assets	18	10,751	9,489
Current assets		6,465	7,373
Inventories	11	2,610	1,139
Trade and other receivables	12	1,057	2,958
Amounts due from related companies	16	1,482	1,167
Tax	6	18	-
Cash and bank balances	15	1,298	2,109
Total assets		22,160	21,898
Liabilities			
Current liabilities		(1,860)	(1,914)
Trade and other payables	13	(908)	(1,178)
Amounts due to related companies	16	(765)	(148)
Dividends payable	7	(187)	(546)
Current tax	6	-	(42)
Net assets		20,300	19,984
Equity			
Stated capital	8	2,000	2,000
Capital surplus account	9	7,629	7,629
Income surplus account		10,671	10,355
Total equity		20,300	19,984

The notes on pages 14 to 29 form an integral part of the financial statements.

The financial statements on pages 10 to 29 were approved by the Board of Directors on February 18, 2010 and were signed on its behalf by:

Director

Director

Financial statements

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Statement of changes in equity for the year ended 31 December 2009

(All amounts are expressed in thousands of Ghana Cedis)

	Stated capital	Capital surplus account	Income surplus account	Total
Year ended 31 December 2009				
At 1 January	2,000	7,629	10,355	19,984
Net profit for the year	-	-	1,652	1,652
Dividend paid	-	-	(1,336)	(1,336)
At 31 December	2,000	7,629	10,671	20,300
Year ended 31 December 2008				
At 1 January	2,000	7,629	7,074	16,703
Net profit for the year	-	-	4,934	4,934
Dividend paid	-	-	(522)	(522)
Interim dividend paid for the current year	-	-	(1,131)	(1,131)
At 31 December	2,000	7,629	10,355	19,984

The notes on pages 14 to 29 form an integral part of the financial statements.

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Cash flow statement for the year ended 31 December 2009

(All amounts are expressed in thousands of Ghana Cedis)

	Notes	2009	2008
Cash flows from operating activities			
Cash generated from operations	14	1,337	2,591
Interest received		394	475
Interest paid		(20)	(12)
Tax paid	6	(1)	(4)
Net cash generated from operating activities		1,710	3,050
Cash flows from investing activities			
Purchase of plant and equipment	10 & 18	(881)	(500)
Proceeds from sale of plant and equipment	10	55	-
Net cash used in investing activities		(826)	(500)
Cash flows from financing activities			
Dividend paid	7	(1,695)	(1,158)
Net cash used in financing activities		(1,695)	(1,158)
(Decrease)/increase in cash and cash equivalents		(811)	1,392
Cash and cash equivalents at beginning of year		2,109	717
Cash and cash equivalents at end of year	15	1,298	2,109

The notes on pages 14 to 29 form an integral part of the financial statements.

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General Information

Benso Oil Palm Plantation Limited is incorporated in Ghana under the Companies Code as a Public Limited Liability Company, and is domiciled in Ghana. The address of its registered office is Adum Bansa Estate, P. O. Box 470, Takoradi.

The principal activities of the company is to grow oil palm and produce palm oil and kernel oil.

Notes

1 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 preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention except as disclosed in the accounting policy below. The preparation of financial statements under IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changes. Management believes that the underlying assumptions are appropriate and that the company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the company's financial statements are disclosed in Note 18.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less depreciation. Buildings and leasehold land are subsequently shown at market value, less subsequent depreciation for buildings. Depreciation on property, plant and equipment is calculated to write off the value of assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used are:

Buildings and houses, land, roads and bridges	2.5%
Plant	7.0%
Vehicles – light passenger & lorries	25.0%
Vehicles – heavy road making equipment, tractors and trailers	16.7%
Office equipment and fixtures and fittings	25.0%
Computers	20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the profit and loss account.

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

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.

(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 the fair value less estimated

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Notes (continued)

Accounting policies (continued)

point-of-sale costs of agricultural produce at the point of harvest, the cost of raw materials and direct labour, and other direct costs and related production overheads, but excludes interest expense.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. The fair value less estimated point-of-sale costs of harvested fresh palm fruits is determined based on the market prices of the final product, taking into account conversion costs.

(d) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. The amount of provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of provision is recognised in the profit and loss account.

(e) 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.

(f) Income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturities of three or less months and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Revenue recognition

Revenue is recognised upon delivery of products and customer acceptance. Revenue is shown at net of value added taxes and discounts. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales other than by auction are recognised in the period in which the company delivers products to customers and the customer has accepted the products and collectability of the related receivables is reasonably assured;

(ii) Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

(l) Biological assets

Biological assets are stated at fair values less estimated cost to point of sale. Any gains or losses arising on subsequent changes in fair values less estimated point of sales cost are recognised in the profit and loss accounts in the year in which they arise.

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

Accounting policies (continued)

(j) Critical accounting estimates and assumptions

Biological assets

Critical assumptions have been made by the directors in determining the fair value of Biological assets. The key assumptions are set out in Note 18 to the financial statements.

Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in (b) above.

(k) Functional currency and translation of foreign currencies

Transactions are recorded on initial recognition in Ghana Cedis, being the currency of the primary economic environment in which the company operates (the functional currency). Transactions in foreign currencies are converted into Ghana Cedis using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relates to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other (losses)/gains-net'.

(l) Employment benefits

The company contributes 12.5% to Social Security and National Insurance Trust for all employees. The Trust is managed by the government. This cost is charged to the profit and loss account.

(m) Accounting for leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(n) Provisions

Provisions are recognised when a legal or constructive obligation as a result of past transaction exist at the balance sheet date and when the amount of the obligation can be reliably estimated.

(o) New applicable standards

The following standards, amendments and interpretations, which became effective in 2009 are relevant to the company:

Standards/ Interpretation	content	Applicable for financial years beginning on/after
IFRS7	Improving disclosures about financial instruments	1 January 2009
IAS1	Presentation of financial statements	1 January 2009
IAS 23	Borrowing costs	1 January 2009
IFRS 8	Operating segments	1 January 2009

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

Accounting policies (continued)

Amendments to IFRS 7, 'Financial instruments: Disclosures'

The IASB published amendments to IFRS 7 in March 2009. The amendment requires enhanced disclosures about fair value measurements and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

The adoption of the amendment results in additional disclosures but does not have an impact on the financial position or the income statement of the company.

IAS 1 (Revised), 'Presentation of financial statements'

A revised version of IAS 1 was issued in September 2007. It prohibits the presentation of items of income and expenses (that is, non-owner changes in equity) in the statement of changes in equity, 'requiring non-owner changes in equity' to be represented separately from owner changes in equity in a statement of comprehensive income. According to the amendment of IAS 1 in January 2008, each component of equity, including each item of other comprehensive income, should be reconciled between carrying amount at the beginning and the end of the period. Since the change in accounting policy only impacts presentation aspects, there is no impact on retained earnings.

IAS 23, 'Borrowing costs'

A revised version of IAS 23 was issued in March 2007. It eliminates the option of immediate recognition of borrowing costs as an expense for assets that require a substantial period of time to get ready for their intended use. The application of the IAS 23 amendment does not have a material impact on the result or items of the balance sheet.

IFRS 8, 'Operating segments'

IFRS 8 was issued in November 2006 and excluding early adoption would first be applied to company's accounting period beginning on 1 January 2009. The standard replaces IAS 14, 'Segment reporting', with its requirement to determine primary and secondary reporting segments. Under the requirements of the revised standard, the company's external segment reporting will be based on the internal reporting to the company's executive board, (in its function as the chief operating decision-maker), which makes decisions on the allocation of resources and assess the performance of the reportable segments. The application of IFRS 8 does not have any material effect for the company but an impact on segment disclosure and on the measurement bases within segment. The Segment results have been changed accordingly.

The following standards and interpretations have been issued and are mandatory for accounting periods beginning on or after 1 July 2009 or later periods but are not expected to be relevant to the company.

Standard / Interpretation	content	Applicable for financial years beginning on / after
IFRS1 and IAS 27	Cost of an investment in a subsidiary, jointly controlled entity or associate	1 July 2009
IFRS 2	Share-based payment -Vesting conditions and cancellations	1 January 2009
IFRS 3	Business combinations	1 July 2009
IAS 27	Consolidated and separate financial statements	
IAS 39	Financial instruments: Recognition and measurement - eligible hedged items.	
IFRIC 17	Distribution of non-cash assets to owners	1 July 2009
IFRIC 18	Transfers of assets from customers	1 July 2009
IFRS 9	Financial instruments	1 January 2013

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

Accounting policies (continued)

IFRS 1 and IAS 27, 'Cost of an investment in a subsidiary, jointly-controlled entity or associate'

The amended statement allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from ISA 27 and requires an entity to present dividends from investments in subsidiaries, jointly controlled entities and associates as income in the separate financial statements of the investor.

IFRS 2, 'Share-based payment' - Vesting conditions and cancellations

The IASB published an amendment to IFRS 2, 'Share-based payment', in January 2008. The changes pertain mainly to the definition of vesting conditions and the regulations for the cancellation of a plan by a party other than the company. These changes clarify that vesting conditions are solely service and performance conditions. As a result of the amended definition of vesting conditions, non-vesting conditions should now be considered when estimating the fair value of the equity instrument granted. In addition, the standard describes the posting type if the vesting conditions and non-vesting conditions are not fulfilled. There is no material impact on the financial statements by applying the amendment of IFRS 2 at the balance sheet date.

IFRS 3, 'Business combinations'

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice, on an acquisition-by-acquisition basis, to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

IAS 27, 'Consolidated and separate financial statements'

The revised standard requires the effect of all transactions with non-controlling interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost; any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. In the future, this guidance will also tend to produce higher volatility in equity and/or earnings in connection with the acquisition of interests by the company.

IAS 39, 'Financial instruments: Recognition and measurement - Eligible hedged items'

The amendment 'Eligible hedged items' was issued in July 2008. It provides guidance for two situations. On the designation of a one-sided risk in a hedged item, IAS 39 concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations.

IFRIC 17, 'Distribution of non-cash assets to owners'

IFRIC 17 was issued in November 2008. It addresses how the non-cash dividends distributed to shareholders should be measured. A dividend obligation should be recognised when the dividend was authorised by the appropriate entity and is no longer at the discretion of the entity.

This dividend obligation should be recognised at the fair value of the net assets to be distributed. The difference between the dividend paid and the amount carried forward of the net assets distributed should be recognised in profit and loss. Additional disclosures are to be made if the net assets being held for distribution to owners meet the definition of a discontinued operation.

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

Accounting policies (continued)

IFRIC 18, 'Transfer of assets from customers'

IFRIC 18 was issued in January 2009. It clarifies how to account for transfers of items of property, plant and equipment by entities that receive such transfers from customers. The interpretation also applies to agreements in which an entity receives cash from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment, and the entity must then use that item to provide the customer with ongoing access to supply of goods and/or services.

IFRS 9, 'Financial instruments'

IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial asset.

Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost.
- The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features').
- All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value.
- Equity instruments that are held for trading will be measured at fair value through profit and loss.

Early adoption of standards.

The company did not early-adopt new standards in 2009.

Financial statements

Benso Oil Palm
Plantation Limited



Notes

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

2. Revenue

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

By type:

Sale of crude palm oil
Sale of palm kernel oil
Sale of palm nuts

2009	2008
13,154	16,652
2,431	3,937
18	-
<u>15,603</u>	<u>20,589</u>

By customer:

Third parties
Related parties (note 16)

4,089	2,048
11,514	18,541
<u>15,603</u>	<u>20,589</u>

3. Cost of sales

Cost of sale include:

Depreciation
Inventory expensed

2009	2008
502	488
<u>3,764</u>	<u>2,287</u>

3(b). Administrative expenses

Administrative expenses include:

Depreciation
Auditor's remuneration

2009	2008
26	23
<u>36</u>	<u>23</u>

4. Staff cost

Salaries, wages, bonuses & other allowances of employees
Social security cost

2009	2008
2,017	1,882
186	163
<u>2,203</u>	<u>2,045</u>

Contribution to Unilever pension scheme by staff on secondment for the year was GH¢97,000 (2008: GH¢86,000).

Financial statements

Benso Oil Palm
Plantation Limited



Notes(continued)

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

4b. Key management personal compensation

	2009	2008
Short term employee benefits	310	213
Of which:		
Executive directors	286	194
Non-executive directors	24	19
	310	213

The average number of persons employed by the company during the year was 327 (2008:334).

5. Other income

	2009	2008
Profit/(loss) on disposal of property, plant and equipment	48	(8)
Interest received	374	463
Sundry income	80	28
Exchange gains	168	-
Net gains from sale of palm trees	140	-
	810	483

6. Current tax

Income tax	Balance at 1/1/09	Charge to profit and loss	Payments during the year	Balance at 31/12/09
Prior to 2008	(13)	-	-	(13)
2008	55	-	-	55
2009	-	(59)	(1)	(60)
	42	(59)	(1)	(18)

No provision has been made in the financial statements for corporate income tax liability as the company's profit from agro processing business operating outside a regional capital is zero rated.

7. Dividend

	2009	2008
At 1 January	546	51
Dividend declared for 2008/2007	1,336	522
Interim dividend paid	-	1,131
Payment during the year	(1,695)	(1,158)
At 31 December	187	546

Payment of dividend is subject to the deduction of withholding taxes at the rate of 8%. Dividend proposed for 2009 is GH¢0.0332 per share (2008:GH¢0.0709 per share).

Financial Statements

Benso Oil Palm
Plantation Limited



Notes (continued)

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

8. Stated capital

	2009		2008	
	No. of shares of no par value	GH¢'000	No. of shares of no par value	GH¢'000
Authorised shares	50,000,000		50,000,000	
Issued shares	34,800,000	2,000	34,800,000	2,000

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

9. Capital surplus account

	2009	2008
At 1 January and 31 December	7,629	7,629

The capital surplus arose as a result of the revaluation of assets including leasehold land, buildings, plantation and plant and machinery in 2003 by Architectural and Engineering Services Ltd (AESL).

10. Property, plant & equipment

					2009
	Land, Roads & Bridges	Buildings and Housing	Motor Vehicles Plant & Machinery	Computers, Furniture & Fittings and Equipment	Total
Cost/valuation					
At 1 January	1,614	2,978	6,569	339	11,500
Additions	-	-	441	2	443
Disposals	-	-	(113)	(1)	(114)
At 31 December	1,614	2,978	6,897	340	11,829
Accumulated depreciation					
At 1 January	216	1,322	4,680	246	6,464
Charge for the year	40	74	388	26	528
Disposals	-	-	(106)	(1)	(107)
At 31 December	256	1,396	4,962	271	6,885
Net book value at 31 December	1,358	1,582	1,935	69	4,944

Financial statements

Benso Oil Palm
Plantation Limited



Notes(continued)

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

10b. Property, plant & equipment

Cost/valuation					2008
	Land, Roads & Bridges	Buildings and Housing	Motor Vehicles Plant & Machinery	Computers, Furniture & Fittings and Equipment	Total
At 1 January	1,617	2,982	6,586	321	11,506
Adjustments	(3)	(4)	(18)	-	(25)
Additions	-	-	73	18	91
Disposals	-	-	(72)	-	(72)
At 31 December	1,614	2,978	6,569	339	11,500
Accumulated depreciation					
At 1 January	179	1,248	4,388	226	6,041
Adjustments	(3)	-	(18)	(3)	(24)
Charge for the year	40	74	374	23	511
Disposals	-	-	(64)	-	(64)
At 31 December	216	1,322	4,680	246	6,464
Net book value at 31 December	1,398	1,656	1,889	93	5,036

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.

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

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

10c. 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, Roads & Bridges	Buildings and Housing	Motor vehicles Plant & Machinery	Computers, Furniture & Fittings and Equipment	Total
31 December 2009					
Cost	20	1,073	3,597	318	5,008
Accumulated depreciation	(12)	(413)	(2,211)	(271)	(2,907)
Net book value	8	660	1,386	47	2,101

31 December 2008

Cost	20	1,073	3,270	317	4,680
Accumulated depreciation	(12)	(386)	(2,146)	(246)	(2,790)
Net book value	8	687	1,124	71	1,890

Profit on disposal of plant and equipment

	2009	2008
Gross book value	114	72
Accumulated depreciation	(107)	(64)
Net book value	7	8
Sales proceeds	55	-
Profit/ (Loss) on disposal of plant and equipment	48	(8)

11. Inventories

Palm oil	2	56
Palm kernel	4	209
Palm kernel oil	36	19
Non-trade stock	2,568	855
	2,610	1,139

12. Trade and other receivables within one year

Trade receivables	7	1,461
Amount due from officers	54	81
Other receivables and prepayments	996	1,416
	1,057	2,958

The maximum amount due from officers during the year was GH¢ 88,040 (2008:GH¢ 105,432).

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

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

13. Trade payables and accrued liabilities

	2009	2008
Trade payables	3	3
Amount due to directors and officers	2	2
Sundry payables and accrued liabilities	903	1,173
	<u>908</u>	<u>1,178</u>

All trade payables and accrued liabilities are payable within one year

14. Cash generated from operations

	2009	2008
Reconciliation of net profit before tax to cash generated from operations:		
Profit before tax	1,333	4,993
Adjustments for:		
Depreciation	524	511
Changes in fair value of Biological asset	(824)	(69)
(Profit)/loss on disposal of assets	(48)	8
Increase in inventories	(1,471)	(418)
Decrease/(increase) in trade and other receivables	1,961	(2,400)
(Increase)/decrease in amounts due from related companies	(315)	143
(Decrease)/increase in trade and other payables	(278)	167
Increase in amount due to related companies	617	119
Interest paid	20	12
Interest received	(394)	(475)
Cash generated from operations	1,337	2,591

15. Cash and cash equivalents

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

	2009	2008
Cash and bank balances	1,298	2,109

16. Related party transactions

Unilever Ghana Limited, incorporated in Ghana owns 58.45% of the company's shares. The ultimate company of the group is Unilever Plc, incorporated in the United Kingdom. There are other companies that are related to BOPP through common shareholding or directorship. 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. There is a cash pooling agreement between BOPP and Unilever where sales made to Unilever are paid within thirty days, after which interest is accrued.

Financial Statements

Benso Oil Palm
Plantation Limited



Notes (continued)

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

The following transactions were carried out with related parties:

	2009	2008
Service fee		
Service fee paid to Unilever Ghana Limited during the year	292	412
Sale of goods:		
Unilever Ghana Limited	11,514	18,541
Purchase of goods & services:		
Twifo Oil Palm Plantations Limited	1,340	1,808
Outstanding balances arising from sale/purchase of goods/services:		
Receivable from related parties:		
Unilever Ghana Limited	1,482	1,167
Payable to related parties:		
Unilever Ghana Limited	533	99
Twifo Oil Palm Plantations Limited	228	45
Unilever Tea Kenya Limited	4	4
	765	148

17. Contingent liabilities

There were contingent liabilities as at the balance sheet date amounting to GH¢2,500 (2008: GH¢2,500). This relates to a court case for which judgement is yet to be passed and the company may be obliged to incur such costs.

18. Biological assets- fair value

	2009	2008
Opening balance	9,489	9,011
Additions	438	409
Fair value adjustments	824	69
Closing balance	10,751	9,489

Palm trees are carried at fair value less estimated point-of-sale costs. The fair value of the palm trees were determined based on the discounted net present values of expected cash flows from those assets, discounted at a market-determined pre-tax rate.

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

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

The following assumptions were made in determining the fair values of the palm trees:

- * Average yielding life of palm tree is 22 years
- * Climatic conditions will remain same and no anticipation of any disease/pest attacking the trees
- * The 21 year average market price of CPO will remain constant at \$486 per tonne.
- * A discount rate of 17% for Ghana Cedi denominated cost and Unilever cost of capital of 7% for dollar denominated revenue were used.
- * The average discount and exchange rates used are 17% and GH¢1.45:1\$ respectively.
- * None of the biological assets have been used as collateral for bank facility.
- * Palm plantation covers a total of 4,666 hectares with an average of 135 palm trees per hectare.

Fair value disclosure

Biological assets are classified as trading for financial reporting purposes and are carried at fair market value. The company has adopted amended IFRS 7 which requires enhanced disclosures about fair value measurements and liquidity risk. One of the key amendments to IFRS 7 is the requirement for an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

At 31 December 2009, biological assets classified at Level 2 comprise approximately 49% of the total assets measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for the assets, their fair value measures are determined utilising relevant information generated by market transactions. These are based on model pricing techniques that effectively discount prospective cash flows to present value using appropriate industry-adjusted rates. This valuation method has been studied and evaluated by the company and the resulting value determined to be representative of exit values. As disclosed in Note 18 above, the net fair value of biological assets is GH¢ 10.75 million.

19. Financial instruments and treasury risk management

Financial risk management

The company's activities expose it to financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Risk management is carried out by the treasury department under Unilever group policies approved by the Board of directors. Treasury identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rates risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

Market risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities in foreign operations. The company manages foreign exchange risk arising from future commercial transactions and recognised assets and liabilities using forward contracts, but has not designated any derivative instruments as hedging instruments.

Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. The company also has policies that limit the amount of credit exposure to any financial institution.

Fair values of financial assets and financial liabilities

The following table summarises the fair values and carrying amounts of the various financial assets and financial liabilities. The carrying amounts of the following financial assets and liabilities are a reasonable approximation of their fair value, because of their short term nature.

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

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

	Fair value 2009	Carrying amount 2009	Fair value 2008	Carrying amount 2008
Financial assets				
Trade and other receivables	1,057	1,057	2,958	2,958
Amounts due from related companies	1,482	1,482	1,167	1,167
Cash and cash equivalents	1,298	1,298	2,109	2,109
	<u>3,837</u>	<u>3,837</u>	<u>6,234</u>	<u>6,234</u>
Financial liabilities				
Trade and other payables	(908)	(908)	(1,178)	(1,178)
Amounts due to related companies	(765)	(765)	(148)	(148)
	<u>(1,673)</u>	<u>(1,673)</u>	<u>(1,326)</u>	<u>(1,326)</u>

Maturity analysis of financial liabilities

	2009	2008
Less than 1 year		
Trade and other payables	(908)	(1,178)
Amounts due to related companies	(765)	(148)
	<u>(1,673)</u>	<u>(1,326)</u>

Sensitivity analysis

The company has used sensitivity analysis techniques to measure the estimated impact on profit and loss account from an instantaneous 10% strengthening or weakening of the Ghana cedi against major trading currencies.

The fair value of cash and cash equivalents is affected by movement in exchange rates. A hypothetical 10% weakening in the Ghana Cedi will result in reduction of GH¢13,951 in profit after tax(2008:reduction of GH¢10,763 in profit after tax).

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce cost of capital. The company monitors capital on the basis of nil net debt. In the year 2009, total borrowing was nil.

Credit risk

The company sells at least 90% of its goods to Unilever and the remaining to third parties on cash basis, and hence has no credit risk.

20. Basic and diluted earnings per share

The number of shares as at 31 December 2009 used for the computation of the basic and diluted earnings per share was 34,800,000 as denominator for years 2009 and 2008.

The numerator used for the computation was the net profit after tax, GH¢1,652,000 (2008:GH¢4,934,000).

21. Segmental reporting

There is only one business segment and only one geographical segment. Segmental reporting is therefore not adopted in presenting the financial statements.

Financial statements

Benso Oil Palm
Plantation Limited



Notes (continued)

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

22. Leases

At the balance sheet date the company has an operating lease for a heavy duty equipment and leasehold land and the total future minimum payment are as follows:

	Backhoe	Land
(i) Not later than one year:	28	40
(ii) Later than one year and not later than five years:	101	160
(iii) Later than five years:	-	1,186

The lease payment for the backhoe is payable monthly and is for a period of four years and that for the land spans a period of fifty years. There are no restrictions imposed by the lease arrangements on dividend and additional debt.

23. Events after the balance sheet date

No events have occurred after the balance sheet date that requires adjustments or disclosures to the financial statements.

24. Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Shareholders' information

Benso Oil Palm
Plantation Limited



Shareholding distribution as at 31st December, 2009.

Holding	No. of shareholders	Holders %	No. of shares	% of Holding
1 - 1,000	10,261	93.11	2,918,898	8.39
1,001- 5,000	575	5.22	1,098,471	3.15
5,001- 10,000	82	0.74	625,198	1.80
Over 10,000	102	0.93	30,157,433	86.66
	11,020	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, 2009:

Director	Shares
Mr. Neneyo Asare Mate-Kole	11,548
Mr. Francis Solace Oduro Koranteng	5,485

20 Largest shareholders at 31 December, 2009

Shareholders	Number of shares	% Holding
1 Unilever Ghana Limited	20,340,600	58.45
2 BBGN/Barclays Mauritius RE Kura Africa Fund	1,557,886	4.48
3 SSNIT	1,300,000	3.74
4 BBGN/Barclays Mauritius RE Deut Africa Opp. FDIC	1,145,000	3.29
5 State Insurance Company (SIC) Life Business Portfolio	600,000	1.72
6 BBGN/Epac Investment Fund Limited-Transaction account	560,051	1.61
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 BBGN/Barclays Mauritius RE Deut Africa Opp.Fund	299,300	0.86
11 Nimako Kofi Esa	269,310	0.77
12 Twifo Oil Palm Plantation Prov. Fund	221,841	0.64
13 State Insurance Company (SIC) Prov. Fund Portfolio	200,000	0.57
14 SSNIT SOS Fund	200,000	0.57
15 ESL Main Account	195,406	0.56
16 NTHC Limited itf. Gov. of Ghana	149,254	0.43
17 Sterling Asset Management	144,125	0.41
18 Cal Bank Limited	114,730	0.33
19 HFC Equity Fund	111,430	0.32
20 Asante Sylvia Anobea	104,192	0.30
	28,872,271	82.97



Five years financial summary

(All amounts are expressed in thousands of Ghana Cedis)

	2009	2008	2007	2006	2005
	IFRS	IFRS	IFRS	IFRS	GNAS
Results					
Revenue	<u>15,603</u>	<u>20,589</u>	<u>13,115</u>	<u>9,079</u>	<u>7,323</u>
Net profit before tax	1,593	4,993	745	1,305	15
Tax	59	(59)	-	(153)	-
Net profit retained in the year	<u>1,652</u>	<u>4,934</u>	<u>745</u>	<u>1,152</u>	<u>15</u>
Balance Sheet as at 31/12					
Property, plant and equipment	4,944	5,036	5,465	5,729	9,561
Biological asset fair value	10,571	9,489	9,011	8,622	-
Cash and bank balances	1,298	2,109	717	362	321
Other current assets	5,167	5,264	2601	2,373	2,159
Total assets	<u>22,160</u>	<u>21,898</u>	<u>17,794</u>	<u>17,086</u>	<u>12,041</u>
Total liabilities	<u>(1,860)</u>	<u>(1,914)</u>	<u>(1,091)</u>	<u>(764)</u>	<u>(882)</u>
Net assets	<u>20,300</u>	<u>19,984</u>	<u>16,703</u>	<u>16,322</u>	<u>11,159</u>
Stated capital	2,000	2,000	2,000	2,000	2,000
Capital surplus account	7,629	7,629	7,629	7,629	7,848
Income surplus account	10,671	10,355	7,074	6,693	1,311
Total equity	<u>20,300</u>	<u>19,984</u>	<u>16,703</u>	<u>16,322</u>	<u>11,159</u>

The 2009, 2008, 2007 and 2006 financial summaries, labelled as IFRS, have been adjusted accordingly to recognise fair value movements in biological assets.

GNAS- Ghana National Accounting Standards
IFRS - International Financial Reporting Standards



Proxy Form

ANNUAL GENERAL MEETING TO BE HELD at 11.00 a.m. on Thursday, 5th August, 2010 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 Thursday 5th August, 2010 and at any and every adjournment thereof.

Dated this day of August, 2010

For Company's Use	Serial No.	
	No. of Shares	
RESOLUTION	FOR	AGAINST
To declare a Dividend		
To re-elect Mrs. V. Kayaga Kiggundu as a Director		
To re-elect Mr. I. E. Yamson as a Director		
To re-elect Dr. J.A. Poku as a Director		
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.		

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 3rd August, 2010.



Financial Highlights

Annual Report 2023



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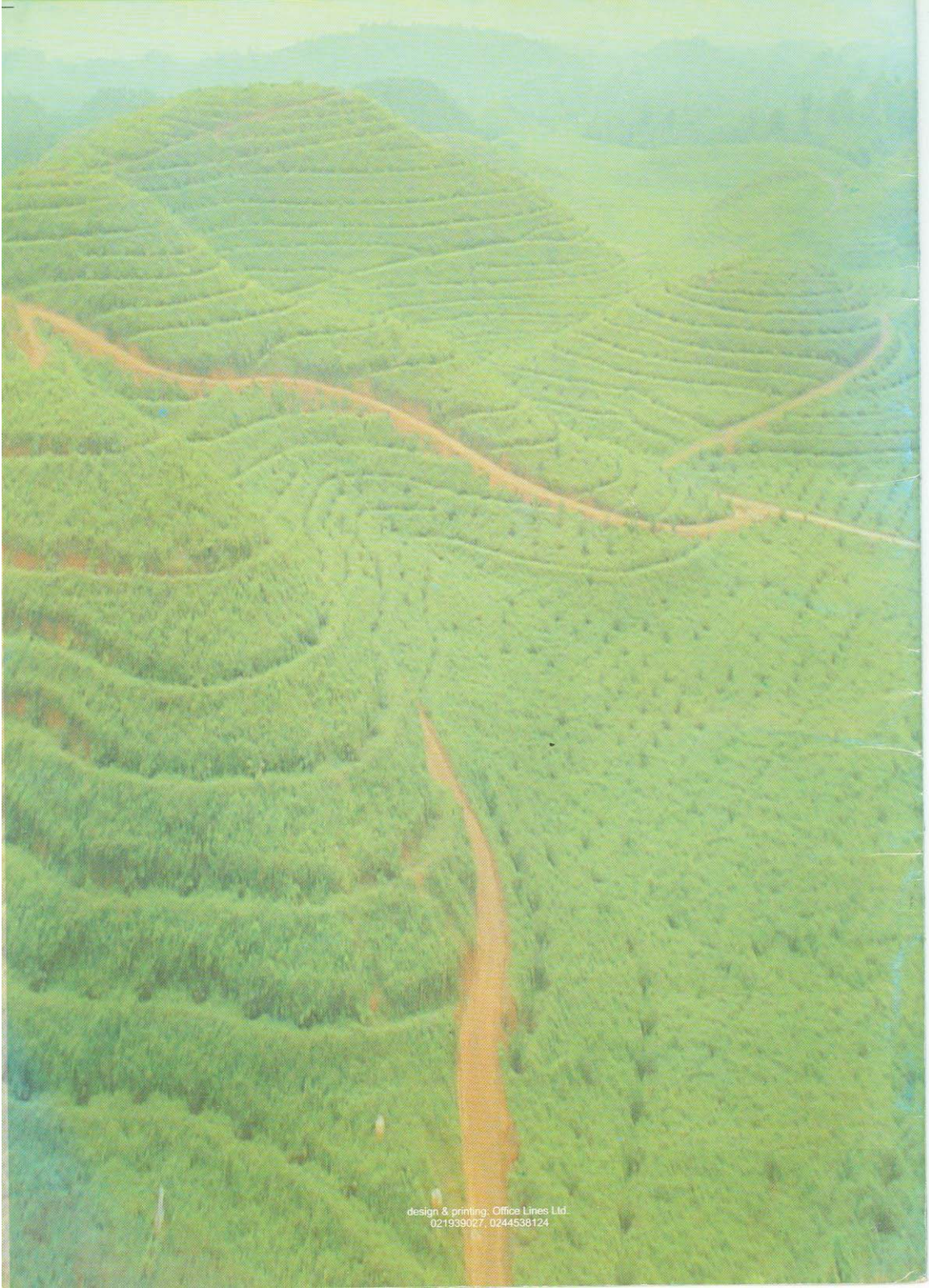
**The Registrar
NTHC Limited
Martco House, D542/4,
Okai-Mensah Link
P. O. Box KIA 9563
Adabraka, Accra,**

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