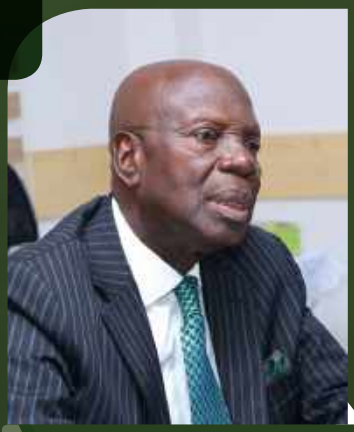
ROUNDTABLE ON SUSTAINABLE PALM OIL CERTIFIED

Benso Oil Palm Plantation Limited

2017 Annual Report & Financial Statements

BOARD OF DIRECTORS



Ishmael Yamson
(Chairman, Non-Executive Director)

Santosh Pillai
(Managing Director)

Samuel Avaala Awonnea
(GM-Executive Director)

Nene Ofoe Amegatcher
(Non-Executuve Director)

Lacina Coulibally
(Non-Executuve Director)

Pierre Billon
(Non-Executive Director)

Neneyo Mate-Kole
(Non-Executive Director)

Bini Kouaku Kossonou
(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 Raybow Hotel, Beach Road, Takoradi on Friday 18th May, 2018 at 11.00 am for the following purposes:

Agenda

1. To receive and consider the report of the directors, the audited financial statements for the year ended 31 December, 2017 and the report of the auditors thereon
2. To declare a dividend
3. To re-elect directors
4. To fix directors' fees
5. To authorize the directors to fix the remuneration of the auditors for the ensuing year
6. To ratify the appointment of Mr. Lacina Coulibaly as a director

This notice is effective the 18th day of April, 2018

BY ORDER OF THE BOARD

Dehands Services Limited

COMPANY SECRETARY

Note

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.

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

Registrar's Office: NTHC Limited, Martco House, D542/4, Okai-Mensah Link, Adabraka P. O. Box Kia 9563, Accra.

CORPORATE INFORMATION

Registered Office

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

Dividend warrants

If the payment of dividend recommended is approved, the warrants will be posted on the 22nd day of June, 2018 to the holders of shares whose names are registered in the Register of members at the close of day on the 18th day of May, 2018.

Board of Directors

I.E. Yamson, Chairman, Santosh Pillai, Managing Director, N. A. Mate-Kole, Pierre Billon, Nene Ofoe Amegatcher, Samuel Avaala Awonnea, Bini Kouakou Kossonou, Lacina Coulibaly

Company secretary

Dehands Services Limited

Board Audit committee

N. A. Mate-Kole, Bini Kouaku Kossonou and Nene Ofoe Amegatcher.

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, Standard Chartered Bank Ghana Limited and Ghana Commercial Bank Limited.

CORPORATE GOVERNANCE

Introduction

Benso Oil Palm Plantation Limited (BOPP), the ''Company'', recognises the importance of good corporate governance as a means of sustaining long term viability of the business and therefore always seeks to align the attainment of the business objectives with good corporate behaviour. In line with this, the Company strives to meet the expectations of the community in which it operates as well as its responsibility to its shareholders and other stakeholders.

In the conduct of its business, BOPP seeks to comply with all statutory requirements, adopt best practices to protect the environment and its employees, 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 financial statements, the business adopts standard accounting practices and ensures sound internal controls to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

Board of directors

The responsibility of good corporate governance is placed with the Board of directors and the management team. The Board comprises two (2) full time executive and six (6) non-executive directors. To ensure effective control and monitoring of the Company's business, the Board has two main committees; the management committee and the audit committee which in turn work through other sub-committees to oversee specific important functions.

Management committee

The Management committee meets monthly to review the performance of the Company and assesses progress against the annual plan.

It reviews programmes, strategies, key issues and assigns responsibilities for achievement of goals. The committee has oversight responsibility for world class agronomic 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 three non-executive directors, one of whom chairs the committee. The committee meets to review the financial performance of the Company, the adequacy of the plan of internal audit, current audit reports, the adequacy of systems of internal controls and the degree of compliance to laid down policies, laws, code of ethics and business practices of the Company.

Internal controls

The Company has a well-established internal control and risk management system, which is well documented and regularly reviewed. This incorporates internal control procedures, which are designed to provide reasonable assurance that the assets are safeguarded and that the risks facing the business are being controlled. The Company's Board of Directors has also established a clear organisational structure, including delegation of appropriate authorities. The internal audit function of the parent company, Wilmar International, plays a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems in the business.

Code of business principles

The Company has a documented code of business principles to guide all employees in the discharge of their duties. This code sets the professionalism and integrity required for business operations which among other things cover the following areas: compliance with the law, conflicts of interest, public activities, product assurance, environmental issues, reliability of financial reporting, bribery and strict adherence to the principles.

FINANCIAL HIGHLIGHTS

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

Year ended 31 December

	2017	2016	% Change
Revenue	89,973	74,278	21.1
Profit before income tax	12,803	10,706	19.6
Income tax expense	(1,882)	(2,616)	(28.1)
Profit for the year	10,921	8,090	35.0
Proposed dividend	2,184	1,618	35.0
Income surplus account	55,020	45,717	20.3
Capital expenditure	6,632	14,069	(52.9)
Depreciation	2,807	2,323	20.8
Total equity	64,649	55,346	16.8
Earnings per share (GH¢)	0.3138	0.2325	35.0
Total assets per share (GH¢)	2.1698	1.9060	13.8
Proposed dividend per share (GH¢)	0.0628	0.0465	35.1

CHAIRMAN'S REVIEW

Political

Ghana remains politically stable with a strong democracy credentials. Over the past two decades, the country has taken major strides in multi-party political system, with an independent judiciary. Ghana consistently ranks in the top three countries in Africa for freedom of speech and press freedom, with strong broadcast media with radio being the medium with the greatest reach. The establishment of greater trust in the nation's independent judiciary and the development of a vibrant parliament that has proven itself an effective forum for legislative activity are factors that provide Ghana with a formidable solid social capital.

Economic environment

Growth in Sub-Saharan Africa is estimated to have rebounded to 2.4 percent in 2017, after slowing sharply to 1.3 percent in 2016. The rise reflects a modest recovery in Angola, Nigeria, and South Africa, the region's largest economies. This was supported by an improvement in commodity prices, favorable global financing conditions, and slowing inflation that helped to lift household demand. However, growth was slightly weaker than expected, as the region is still experiencing negative per capita income growth, weak investment, and a decline in productivity growth.

Ghana's economic performance improved in 2017, after substantial fiscal slippage in 2016. GDP growth momentum was maintained throughout 2017, growing by 9.3 percent in the third quarter, up from 9.0 and 6.6 percent in the second and first quarters of the year respectively, with year-end figure of 7.8 percent.

Inflation dropped from 15.4 percent in December 2016 to 11.8 percent in December 2017.

In 2017, the Ghana cedi remained relatively stable among major currencies recording a cumulative depreciation of 7 percent against the US dollar, compared with 9.6 percent in prior year, 2016. The Ghana cedi consequently depreciated from GH¢4.25:$1.00 in December 2016 to close at GH¢4.530:$1.00 in December 2017. Interest rates generally trended downwards on the money market during the year with the Bank of Ghana policy rate reducing slightly from 25.5 percent in December 2016 to 20 percent in December 2017. The 91-Day Treasury bill saw a significant drop to close at 13.35 percent in December 2016 from 17 percent in December 2017.

Overall business performance

The performance of the business was generally better compared to prior year and was largely impacted by improved palm oil prices on the international market and the aforementioned macro-economic indicators on the domestic front.

Your company delivered profit after tax of GH¢10.92 million compared with GH¢8.09 million the previous year, representing a growth 35 per cent of last year's profit. The level of profitability was however impacted by the growth in the cost of Outside Purchased Fruits (OPF), agricultural inputs and spares, and the general increase in price levels of approximately 11.8 percent. The cumulative production volumes from all fronts including the Nucleus, Smallholder and Outgrower fruits were comparatively better than the prior year.

CPO and PKO price

During the year under review, world market price of crude palm oil (CPO) increased from an average of US$696 in 2016 to US$722 in 2017, representing a 3.7 percent rise in dollar terms. The palm kernel oil (PKO) price however was flat from an average of US$1,260 in 2016 to US$1,243 in 2017.

Production volumes

Total palm fruits processed during the year under review was 108,868 metric tonnes, representing a 3 percent growth compared to 2016. The growth in the volumes was largely attributed to the nucleus as a result of good agronomic practices and improved efficiencies. This was however diluted by a 12 percent decline in volumes from outside purchased fruits compared to prior year mainly due to a drop in the total volumes on the market. Also in 2017, your company purchased 53,470 metric tonnes of fresh fruit bunches at a total cost of GH¢20.61million from smallholders and outgrower farmers in the catchment areas in particular and the Western and Central Region of Ghana in general. Consequently turnover recorded growth of 21 percent for the financial year 2017 on account of a marginal rise in crop production volumes, a relatively improved Crude Palm Oil (CPO) and stable Crude Palm Kernel Oil (CPKO) prices, and the effect of depreciation in the Ghana Cedi against the United States Dollar.

Operating profit

Your company in 2017 also witnessed a rise in operating profit by 38 per cent as a result of the relative rise in CPO prices and increase in both the volume and cost of Fresh Fruit Bunches (FFB) from third party sources (Smallholders and outgrowers). Turnover increased approximately by 21 percent from GH¢74.28 million in prior period to GH¢89.97 million. The combined effect of an increase in the general price level of goods of 11.7 per cent, cumulative Ghana Cedi depreciation of 7 percent and an increase in the prices of outside purchased fruits of 14 per cent had an adverse impact on the cost of sales. In compliance with IFRS, gains arising from changes in the fair value of Biological assets contributed GH¢1,080,000 to the operating profit delivered this year.

Dividend

In 2016 your Company paid a total dividend of GH¢1.62 million (Basic and Diluted EPS GH¢0.2325) out of total profit of GH¢8.16 million (before restatement). The directors of your Company proposed to pay a total dividend of GH¢2.184 million (Basic and Diluted EPS GH¢0.3138) out of a total profit of GH¢10.92 million for the 2017 financial year.

Board changes

Since the last AGM, Mr Kodey Rao has resigned from the board and Mr Lacina Coulibaly was appointed to the board on 15th May and 20th July, 2017 respectively.

Profile of new director

Lacina Coulibaly is a generalist engineer who graduated in 1989 from INSET (National High Institute of Technical Education) in Cote d'Ivoire. He has always worked in the FMCG (Fast Moving Consumer Goods) environment at various positions in different countries.

In 1989 he joined Unilever-CI as "Projects Engineer" and was successively appointed as "Procurements Manager", "Maintenance Manager", "Production Manager" and "Manufacturing Director". In 2005 he was moved to South Africa as "Regional Supply Chain Director" for South-AMET (Africa, Middle East & Turkey), then to Dubai in the position of "Technology Director" for AMET. He, then joined "Dubai Cooperative Society" in the position of "Supply Chain Director". In parallel, he studied Business Administration with University of Leicester and in 2014.

He moved back to Africa as General Manager at Societe Burkinabe des Filieres Agricoles which produces and sells fruit juices and potable drinking water in bottles. Since 2016, he worked as General Manager of Wilmar Africa Limited, based in Ghana.

Safety, health, environment and quality issues

Safety, health, environment and quality issues continued to engage the serious attention of your Company. In 2017, the Total Recordable Injury Rate (RIR) in respect of industrial accidents was 1.10 against 0.91 in 2016. The company recorded one (1) fatality, six (6) lost time accidents (LTA), zero (0) restricted work case (RWC) and Ten (10) medical treated case / first aid cases throughout the year under review.

There was no consumer safety incident involving our products that were supplied to any of our customers in the year under review. There was no environmental accident.

Social responsibility

Your Company's support for the brilliant but needy students within the community through educational scholarships as at 2017 stands at twenty three (23) in four (4) communities at the Senior High School level and a total of sixty (67) beneficiaries since the inception of the scheme in 2007. Your company did not award Senior High School scholarship for 2017/2018 academic year due to the government's Free SHS Education Policy. There were no serious social issues during the year.

During the year under review the company paid out GH¢20.61 million to smallholder and outgrower farmers in the catchment area thus contributing to the socio-economic enhancement of these farmers. More than GH¢241,000 was spent on corporate social responsibility projects.

Awards

The Company went through the 3rd Post-Certification Audit of the Roundtable on Sustainable Palm Oil (RSPO) in August 2017 without any major issues and has since been issued with a new certificate and thus retains the enviable RSPO certification status. Without doubt BOPP has become the model of Best Management Practice (BMP) in the oil palm plantation industry in Africa. Also, under the 4th Western Regional Business and Financial Services Awards – 2017, your company received a "GOLD AWARD" for its immense contribution to the economic development of the Western Region during Ghana's 60 years of independence.

Outlook - 2018

The company's performance is expected to improve over 2017. The implementation of combined harvesting and collection and progressive pruning in the plantation, the upgrade of the mill from 20 tph to 30 tph and the commissioning of the 1MW steam turbine, increased labour productivity and plant efficiency will be contributing significantly towards the overall business profitability and sustainability as crop production is expected to increase from the nucleus in particular and the 3rd party sources in general. The projected volatilities in the international commodities market especially, CPO prices may impact topline performance. These indicators are expected to set the milieu for 2018 along with the forecasted stability of macro-economic pointers by the managers of the economy.

REPORT OF THE DIRECTORS

In accordance with section 132 of the Companies Act, 1963 (Act 179), the directors have the pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 December 2017.

Parent company

The Company is a subsidiary of Wilmar Africa Limited, a company incorporated in Ghana. The ultimate controlling party is Wilmar International, a company incorporated in Singapore.

Principal activities

The Company is engaged in the business of growing oil palm and the processing of palm fruits to produce palm oil and palm kernel.

There was no change in the nature of the Company's business during the year under review.

Board Changes

The directors wish to inform members of the following changes in the board. Mr Kodey Rao resigned from the board on 15th May 2017 while Mr. Lacina Coulibaly was appointed as a board member with effect from 20th July, 2017.

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

Financial results

The Company's profit for the year is GH¢10.92 million.

Dividend

The directors recommend the payment of dividend per share of GH¢0.0628 for the year ended 31 December 2017 amounting to GH¢2.18 million.

Directors

The directors who held office during the year and to the date of this report were:

Ishmael Yamson	Chairman, non-executive
Santosh Pillai	Managing Director
Samuel Avaala Awonnea	Executive director (General Manager)
Lacina Coulibally	Non-executive director
Pierre Billon	Non-executive director
Nene Ofoe Amegatcher	Non-executive director
Neneyo Mate-Kole	Non-executive director
Bini Kouaku Kossonou	Non-executive director

The directors to retire by rotation in accordance with the regulations of the Company are Nene Ofoe Amegatcher and Bini Kouaku Kossonu who being eligible, offer themselves for re-election.

Directors' interests in contracts

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

Auditor

In accordance with Section 134 (5) of the Companies Act, 1963 (Act 179), the Company's auditor, Messrs PricewaterhouseCoopers, has expressed willingness to continue in office as auditor of the Company.

BY ORDER OF THE BOARD

Nene Ofoe Amegatcher	**Santosh Pillai**
Director	**Managing Director**
Date: 8 February 2018	Date: 8 February 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 1963 (Act 179).

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.

Nene Ofoe Amegatcher

Director

Date: 8 February 2018

Santosh Pillai

Managing Director

Date: 8 February 2018

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. The committee is chaired by Nene Ofoe Amegatcher, a non-executive director. The Finance Manager sits in attendance at meetings of the committee and periodically, the internal and external auditors may be invited to make presentations to the committee.

Role of the audit committee

The audit committee meets to review:

* The financial performance of the Company;
* The adequacy of the plan of internal audit;
* Current statutory and internal audit reports;
* The adequacy of internal controls; and
* The degree of compliance to laid down policies, laws, code of ethics and business practices of the Company.

In 2017, Benso Oil Palm Plantation Limited's audit committee met four (4) times on 23 January, 13 April, 10 July and 16 October 2017.

Review of the financial performance of the Company

At the 23 January 2017 meeting, the committee reviewed the financial performance of the Company for the financial year ended 31 December 2016. On 16th October 2017, the committee also reviewed the final internal audit report submitted by Wilmar International (Africa Audit Team), which disclosed no major issues. The committee was updated on the Company's 2017 performance during its quarterly meetings held during the year, and reviewed the target implementation dates from the internal audit.

External audit

At the 16 October 2017 meeting, the committee considered a presentation by the external auditor, Messrs PricewaterhouseCoopers Chartered Accountants on the audit plan for the Company for the 2017 financial year ended 31 December 2017.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Benso Oil Palm Planation Limited as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

What we have audited

We have audited the financial statements of Benso Oil Palm Planation Limited (the "Company") for the year ended 31 December 2017.

The financial statements on pages 18 to 45 comprise:

- statement of financial position as at 31 December 2017;
- statement of comprehensive income for the year then ended;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Biological asset valuation The company uses a fair value model to determine the valuation of biological assets. The valuation of the biological asset involves complex and subjective judgements about the oil palm yield, long term crude palm oil price and discount. This requires management estimates and assumptions as explained in note 25 to the financial statements.	We tested the reasonableness of palm yields forecast by comparing the palm yield used in the prior year valuation to the actual yields in the current year. We tested the underlying data applied in determining the discount rate and long term crude palm oil price used in the cash flow model taking into consideration available data from independent sources. We tested the mathematical accuracy of the model and inspected the data inputs into the model relating to plantation size, number of trees and actual yield.
Defined benefit obligation Measurement of the Company's liabilities relating to post employment and other long-term employee benefits, requires judgement in determining appropriate assumptions. Changes in key assumptions disclosed in note 32 of the financial statements can have a material impact on the liability recorded.	We tested the accuracy and completeness of the data used in the calculations and reconciled the data to payroll records. We tested the methods applied by the directors in determining key assumptions used and tested the reasonableness of the assumptions by comparing them with independent benchmarks and observable data. We assessed the competence of the directors in performing the valuation.

Other information

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

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

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

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii) the Company's balance sheet (Company's statement of financial position) and Company's profit and loss account (part of the Company's statement of comprehensive income) are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Sarah-Mary Frimpong.

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2018/028)
Chartered Accountants
Accra, Ghana
19 March 2018

pwc

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis)

		Year ended 31 December	
	Note	**2017**	2016
Revenue	4	**89,973**	74,278
Cost of sales	5	**(71,341)**	(57,733)
Net gains/(loss) from changes in fair value of biological assets	25	**1,084**	300
Gross profit		**19,716**	16,845
Administrative expenses	6	**(8,508)**	(7,051)
Other income	8	**1,218**	383
Operating profit		**12,426**	10,177
Finance income	9	**377**	529
Profit before income tax		**12,803**	10,706
Income tax expense	10	**(1,882)**	(2,616)
Profit for the year		**10,921**	8,090
Other comprehensive income		**-**	-
Total comprehensive income for the year		**10,921**	8,090
Basic and diluted earnings per share (GH¢)	27	**0.3138**	0.2325

The notes on pages 22 to 45 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana cedis)

		At 31 December	
	Note	2017	2016
Assets			
Non-current assets		**51,477**	46,619
Intangible assets	16	**15**	41
Property, plant and equipment	15	**47,501**	43,701
Biological assets	25	**3,961**	2,877
Current assets		**24,030**	19,708
Inventories	17	**7,281**	4,984
Trade and other receivables	18	**8,448**	5,957
Amounts due from related companies	22	**5,625**	5,110
Current income tax asset	11	**126**	–
Cash and cash equivalents	21	**2,550**	3,657
Total assets		**75,507**	66,327
Liabilities			
Current liabilities		**8,872**	9,615
Trade and other payables	19	**7,640**	5,133
Amounts due to related companies	22	**503**	3,778
Current income tax	10(a)	**–**	29
Dividend payable	12	**729**	675
Non-current liabilities			
Deferred income tax liability	11	**1,986**	1,366
Equity		**64,649**	55,346
Stated capital	13	**2,000**	2,000
Capital surplus account	14	**7,629**	7,629
Income surplus account	23	**55,020**	45,717
Total liabilities and equity		**75,507**	66,327

The notes on pages 22 to 45 are an integral part of these financial statements.

The financial statements on pages 18 to 45 were approved by the Board of directors on 8 February 2018 and were signed on its behalf by:

Nene Ofoe Amegatcher
Director

Santosh Pillai
Managing Director

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana cedis)

	Stated capital	Capital surplus account	Income surplus account	Total
Year ended 31 December 2017				
At 1 January 2017 - as previously reported	2,000	7629	45,717	**55,346**
Profit for the year	-	-	10,921	**10,921**
Total comprehensive income	2,000	7,629	56,638	**66,267**
Transactions with owners				
Dividend declared for 2016	-	-	(1,618)	**(1,618)**
At 31 December 2017	**2,000**	**7,629**	**55,020**	**64,649**
Year ended 31 December 2016				
At 1 January 2016 - as previously reported	2,000	7629	50,857	**60,486**
Impact of change in accounting policy	-	-	(11,599)	**(11,599)**
As restated	2,000	7,629	39,258	**48,887**
Profit for the year	-	-	8,090	**8,090**
Total comprehensive income	2,000	7,629	47,348	**56,977**
Transactions with owners				
Dividend declared for 2015	-	-	(1,631)	**(1,631)**
At 31 December 2016	2,000	7,629	45,717	**55,346**

The notes on pages 22 to 45 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis)

Cash flows from operating activities	Notes	2017	2016
Cash generated from operations	20	**8,113**	14,832
Interest received	9	**377**	529
Tax paid	10	**(1,417)**	(1,433)
Net cash generated from operating activities		**7,073**	13,928
Cash flows from investing activities			
Purchase of property, plant and equipment	15	**(6,632)**	(13,461)
Interest paid	9	**-**	(585)
Purchase of intangible assets	16	**-**	(23)
Proceeds from sale of property, plant and equipment	15	**16**	49
Net cash used in investing activities		(6,616)	**(14,020)**
Cash flows from financing activities			
Dividend paid to the shareholders	12	**(1,564)**	(1,489)
Net cash used in financing activities		**(1,564)**	(1,489)
Decrease in cash and cash equivalents		**(1,107)**	(1,581)
Cash and cash equivalents at 1 January	21	**3,657**	5,238
Cash and cash equivalents at 31 December	21	**2,550**	3,657

The notes on pages 22 to 45 are an integral part of these financial statements.

NOTES

1 General information

Benso Oil Palm Plantation Limited is incorporated and domiciled in Ghana under the Companies Act, 1963 (Act 179) as a public limited liability company, and listed on the Ghana Stock Exchange. The address of its registered office is Adum Banso Estate, P. O. Box 470, Takoradi. The principal activities of the Company is to grow oil palm and produce palm oil and palm kernel.

For Companies Act reporting purposes the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in Note 3.

2.1.1 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12, and
- Disclosure initiative – amendments to IAS 7.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. Most of the amendments will also not affect the current or future periods. The amendments to IAS 7 require disclosure of changes in liabilities arising from financing activities.

2.1.2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations are set out below.

(i) IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. While the Company has yet to undertake a detailed assessment of the classification and measurement of financial assets, there are no debt instruments currently classified as available-for- sale (AfS) and hence there will be no impact on the financial statements. There are also no equity instruments or debt instruments held by the company as financial assets.

Accordingly, the Company does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets. There will be no impact on the Company's

NOTES (continued)

2 Summary of significant accounting policies (continued)

accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed. The new standard also introduces expanded disclosure requirements and changes in presentation.

The standard must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Company does not intend to adopt IFRS 9 before its mandatory date.

(ii) IFRS 15 Revenue from Contracts with Customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the effects of applying the new standard on the Company's financial statements and has concluded that there are no separate performance obligations which will materially affect the timing and recognition of revenue going forward.

The standard is mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Company: 1 January 2018.

(iii) IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of GH¢1,067,000, see note 29. However, the Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Company does not intend to adopt the standard before its effective date.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item

NOTES (continued)

2 Summary of significant accounting policies (continued)

can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on property, plant and equipment is calculated to write off the value of assets on a straight line basis over the expected useful lives of the assets concerned. Depreciation commences when assets are available for use. The principal annual rates used are:

Roads, bridges, buildings and houses	2.5%
Vehicles – light passenger and lorries	25.0%
Vehicles – heavy roadmaking equipment, tractors and trailers	16.7%
Plant and machinery	7.0%
Oil Palm Trees	4.5%
Computers	20.0%
Software	33.3%
Furniture, fittings and office equipment	25.0%

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

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

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

Oil palm trees are classified as immature until the produce can be commercially harvested. At that point they are reclassified and depreciation commences. Immature palm oil trees are measured at accumulated cost.

2.3 Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets if; there is the technical feasibility to complete the software product for use; there is an ability to use the product; the software product will generate probable future economic benefits; and the expenditure attributable to the software development costs can be measured reliably.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software development costs recognised as intangible assets are amortised over their estimated useful life not exceeding three years.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

The cost of finished goods and work in progress comprises the fair value less estimated point-of-sale costs of agricultural produce at the point of harvest, the cost of raw materials and direct labour, and other direct costs and related production overheads. It excludes borrowing cost.

Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

NOTES (continued)

2 Summary of significant accounting policies (continued)

The fair value less estimated point-of-sale costs of harvested fresh palm fruits is determined based on the market prices of the final product, taking into account conversion costs.

2.5 Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

2.6 Trade payables

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

2.7 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.8 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.9 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. At initial recognition, the company classifies its financial instruments in the following categories:

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The company's loans and receivables comprise trade receivables and cash and cash equivalents, and are included in current assets due to their short-term nature. Loans and receivables are initially recognised at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortised cost using the effective interest method less a provision for impairment.

NOTES (continued)

2 Summary of significant accounting policies (continued)

Financial liabilities at amortised cost:

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

Impairment of financial assets:

The criteria used to determine if objective evidence of an impairment loss exists include:

- significant financial difficulty of the debtor;

- delinquencies in payments; and

- it becomes probable that the debtor will enter bankruptcy or other financial reorganisation.

If such evidence exists, the company recognises an impairment loss, as follows:

Financial assets carried at amortised cost: The loss is the difference between the amortised cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.10 Income tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

NOTES (continued)

2 Summary of significant accounting policies (continued)

2.12 Revenue recognition

Revenue is recognised upon delivery of products and customer acceptance and also upon customer request to store the products invoiced. Turnover 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. 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.

2.13 Biological assets

Biological assets are measured at fair values less estimated costs to sell. Palm oil trees are bearer plants and are therefore presented and accounted for as property, plant and equipment. However, the fresh fruit bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Harvested FFB are transferred to inventory at fair value less costs to sell when harvested. Any gains or losses arising on subsequent changes in fair values less estimated cost to sell are recognised in profit or loss in the year in which they arise

All costs of upkeep and maintenance of biological assets are recognised in profit or loss under cost of production in the period in which they are incurred.

2.14 Stated capital

Ordinary shares are classified as “stated capital” in equity. All shares were issued at no par value.

2.15 Foreign currency translation

(a) Functional and presentation currency

Transactions items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Ghana cedis, which is the Company’s presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the Ghana Cedis using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.16 Employment benefits

(a) Post employment obligations

The Company operates both defined benefit and defined contribution plans for its employees. The Company contributes to a national pension scheme (Social Security Fund) as well as a provident fund scheme.

A defined contribution plan is a pension scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company’s contributions to the defined contribution schemes are recognised as an employee benefit expense when they fall due. The Company has no further payment obligations once the contributions have been paid.

NOTES (continued)

2 Summary of significant accounting policies (continued)

(b) Bonus

(i) The Company recognises a liability and an expense for bonuses taking into consideration the profit attributable to the Company's shareholders. The Company recognises there is sufficient historical experience to determine this obligation.

(c) Other long-term employee benefit obligations

Retirement benefits

The Company pays superannuation awards to members on retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans.

Long service awards

To recognise and reward members of staff for continuous and dedicated service, the Company makes awards to all employees . Employees are rewarded for 10, 15, 20, 25, 30, 35 and 40 years of service. Liabilities for long service awards are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Defined benefit obligation

The company operates a defined benefit plan for employees under a collective bargaining agreement and conditions of services. The level of benefits provided under the defined agreement and conditions depends on the employees' length of services and their salary at the time of retirement.

With the exception of inflationary risk, the company's legal or constructive obligation is limited to the amount due when the employee is on retirement or at the next level of long service award.

2.17 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 (net of incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.18 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of economic resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating profits.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee that makes strategic decisions.

NOTES (continued)

3. Critical accounting estimates and judgements

The preparation of the Company's financial statements requires directors to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. Critical accounting estimates, assumptions and judgements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

(i) Accounting and measuring of biological assets

The fair value of growing oil palm fresh fruit bunches (FFB) is determined using a discounted cash flow model based on the expected oil palm yield, the market price for crude palm oil and palm kernel oil. The selling price of the oil can only be estimated and the actual yield will not be known until it is completely processed and sold. Estimates and judgements in determining the fair value of the FFB growing on palm trees include the volume and stages of maturity of FFB at balance date, palm oil yield, the long term crude palm oil price, palm kernel oil price and the discount rates after allowing for harvesting costs, contributory asset changes for the land and palm trees owned by the entity and other costs yet to be incurred in getting the fruit bunches to maturity. Assumptions impacting biological assets are given in more detail in Note 25.

(ii) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost include the discount rate, future salary increases, and mortality rates. Any changes in these assumptions will impact the carrying amount of employee benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 32.

NOTES (continued)

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

4. Revenue

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

	2017	2016
By type:		
Sale of crude palm oil	70,055	57,563
Sale of palm kernel oil	19,918	16,715
	89,973	74,278
By customer:		
Third parties	5,621	103
Related parties (Note 22)	84,352	74,175
	89,973	74,278

5. Cost of sales

Cost of sales include:		
Material costs	20,605	19,409
Fertilizer	9,020	5,167
Depreciation	2,585	1,851
Staff costs (Note 7)	12,835	10,075
Harvesting costs	6,498	4,733
Power and energy	909	1,052
Spares and inventory consumed	5,110	3,569

6. Administrative expenses

Administrative expenses include:		
Registrar and related expenses	139	124
Depreciation and amortisation	223	472
Staff costs (Note 7)	3,943	2,931
Listing fees	20	20
Directors remuneration	365	306
Auditors' remuneration	125	115
Service fees	529	314
Insurance	182	144
Land rent	87	61
Bank charges	38	81

7. Staff costs

Salaries, wages, bonuses and other allowances	13,405	11,550
Provision for defined benefit plan	1,650	–
Contribution to pension schemes	1,723	1,456
	16,778	13,006

NOTES (continued)

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

7. Staff costs (continued)

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

	2017	2016
Cost of sales	12,835	10,075
Administrative expenses	3,943	2,931
	16,778	13,006

The average number of persons employed by the Company during the year was 557 (2016:564).

8. Other income

(Loss)/gain on disposal of property, plant and equipment	(32)	47
Sundry income	1,250	336
	1,218	383

9. Finance income

Interest income on fixed deposits	69	481
Interest income on intercompany receivables	308	48
	377	529

During the year, the company capitalised no borrowing costs for 2017 (2016:GHS 585,000) on qualifying assets.

10. Income tax expense

Current income tax	1,262	1,250
Deferred income tax charge	620	1,366
Income tax expense	1,882	2,616

10a. Current income tax expense

	As start of year	Charge for the year	Payments	At end of year
Year ended 31 December				
Up to 2016	29	–	–	29
2017	–	1,262	(1,417)	(155)
	29	1,262	(1,417)	(126)
Year ended 31 December 2016				
2016	212	1,250	(1,433)	29
	212	1,250	(1,433)	29

NOTES (continued)

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

10. Income tax expense (continued)

The tax on the company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2017	2016
Profit before income tax	12,803	10,706
Tax calculated at the statutory income tax of 12.5% (2016:12.5%)	1,600	1,338
Tax effects of:		
Adjustment in respect of prior years	(59)	1,182
Interest income subject to final tax – 25%	94	66
Investment income subject to final tax – 8%	4	–
Expenses not deductible for tax purposes	37	30
Income tax expense	1,676	2,616

The current income tax charge is in respect of provision for the year's corporate tax and returns from monies held in fixed deposits. The Company is involved in agro processing activities are taxed at 12.5%, being an agro processing business operating outside a regional capital.

11. Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 12.5% (2016:12.5%). The movement on the deferred income tax account is as follows:

	2017	2016
At the beginning of year	1,366	–
Charge to profit or loss	620	1,366
	1,986	1,366

Deferred income tax assets and liabilities and deferred income tax charge in the income statement, are attributable to the following items:

	Balance at start of year	Charge to profit or loss	Balance at end of year
Deferred income tax liabilities			
Year ended 31 December 2017			
Accelerated capital allowance	1,243	620	1,863
Other timing differences	123	–	123
	1,366	620	1,986
Year ended 31 December 2016			
Deferred income tax liabilities			
Accelerated capital allowance	–	1,243	1,243
Other timing differences	–	123	123
	–	1,366	1,366

NOTES (continued)

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

12. Dividend payable

	2017	2016
At 1 January	675	533
Dividend declared for 2015	–	1,631
Dividend declared for 2016	1,618	–
Payment during the year	(1,564)	(1,489)
At 31 December	729	675

Payment of dividend is subject to the deduction of withholding taxes at the rate of 8%. At the next Annual General Meeting, the directors will propose a dividend for the year ended 31 December 2017 of GH¢ 0.0628 per share (2016: GH¢0.0465) amounting to GH¢2,148,000(2016: GH¢1,618,134)

13. Stated capital

	2017		2016	
	No. of ordinary shares of no par value	Proceeds	No. of ordinary shares of no par value	Proceeds
Authorised shares	50,000,000		50,000,000	
For cash consideration	322,000	3	322,000	3
Transfer from income surplus account in accordance with Section 66 (1c) and 74(1) of the Companies Act, 1963 (Act 179) by a special resolution.	34,478,000	1,997	34,478,000	1,997
Issued ordinary shares at 31 December	34,800,000	2,000	34,800,000	2,000

There is no unpaid liability on any shares and there are no calls or instalments unpaid. There are no treasury shares. There was no movement in stated capital during the year.

14. Capital surplus account

	2017	2016
At 1 January and 31 December	7,629	7,629

The capital surplus arose as a result of the revaluation of certain assets including land, buildings and plant and machinery in 2003 by Architectural and Engineering Services Limited (AESL). In accordance with the requirements of the Companies Act, 1963 (Act 179), the capital surplus is not distributable.

NOTES (continued)

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

15. Property, plant and equipment

Year ended 31 December 2017

	Mature Oil Palm Trees	Immature Oil Palm Trees	Capital work-in-progress	Land, Roads and Bridges	Buildings and Housing	Motor Vehicles Plant and Machinery	Computers, Furniture and Fittings and Equipment	Total
Cost								
At 1 January 2017	14,662	11,484	10,318	1,616	3,958	15,758	1,005	**58,801**
Adjustments	–	–	(4)	–	666	(3,738)	(36)	**(3,112)**
Additions	–	42	3,941	–	–	2,419	230	**6,632**
Disposals	–	–	–	–	–	(408)	(188)	**(596)**
Transfers	11,474	(11,474)	-	-	–	–	-	**–**
At 31 December 2017	26,136	52	14,255	1,616	4,624	14,031	1,011	**61,725**
Accumulated depreciation								
At 1 January 2017	2,410	-	-	418	1,915	9,582	775	**15,100**
Adjustments		-	-	-	(4)	(3,105)	-	**(3,109)**
Charge for the year	1,188	-	-	1	95	1,375	122	**2,781**
Disposals	-	-	-	-	-	(360)	(188)	**(548)**
At 31 December 2017	3,598	-	-	419	2,006	7,492	709	**14,224**
Net book value								
At 31 December 2017	**22,538**	**52**	**14,255**	**1,197**	**2,618**	**6,539**	**302**	**47,501**

Year ended 31 December 2016								
Cost								
As previously stated	-	-	-	1,616	4,637	15,619	937	22,809
Impact of change in accounting policy	10,346	11,639	3,345	(6)	(2,339)	(1,001)	-	21,984
As restated	10,346	11,639	3,345	1,610	2,298	14,618	937	44,793
Additions	–	4,161	9,480	–	-	331	74	14,046
Disposals	–	–	–	–	–	(32)	(6)	(38)
Transfers	4,316	(4,316)	(2,507)	6	1,660	841	–	–
At 31 December 2016	14,662	11,484	10,318	1,616	3,958	15,758	1,005	58,801
Accumulated depreciation								
At 1 January 2016 as previously stated	-	-	–	417	1,802	8,399	669	11,287
Impact of change in accounting policy	1,744	–	–	-	-	–	–	1,744
As restated	1,744	0	0	417	1,802	8,399	669	13,031
Charge for the year	666	–	–	1	113	1,217	108	2,105
Disposals	–	–	–	–	–	(34)	(2.00)	(36)
At 31 December 2016	2,410	–	–	418	1,915	9,582	775	15,100
Net book value								
At 31 December 2016 as restated	12,252	11,484	10,318	1,198	2,043	6,176	230	43,701

NOTES (continued)

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

15. Property, plant and equipment (continued)

There are no restrictions on any title, or property, plant and equipment pledged as security for liability.

The company capitalised no borrowing costs for 2017 Nil (2016: GHS585,000) on qualifying assets during the year.

Profit on disposal of plant and equipment

	2017	2016
Gross book value	596	38
Accumulated depreciation	(548)	(36)
Net book amount	48	2
Sales proceeds	(16)	(49)
Loss/ (gain) on disposal of plant and equipment	32	(47)

16. Intangible assets

Year ended 31 December		
Computer Software		
Cost		
At 1 January	677	654
Additions	-	23
At 31 December	677	677
Amortisation		
At 1 January	636	418
Charge for the year	26	218
At 31 December	662	636
Net book amount		
At 31 December	15	41

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

17. Inventories

Palm oil	-	19
Palm kernel	225	17
Palm kernel oil	-	20
Non-trade stock	7,056	4,928
	7,281	4,984

The inventory recognised as expense in cost of sales during the year amounted to GH¢3,795,000 (2016:GH¢ 3,569,000).

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

There were no inventories pledged as security for liabilities as at 31 December 2017 (2016 : Nil).

NOTES (continued)

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

18.Trade and other receivables

	2017	2016
Trade receivables	2,669	–
Amount due from officers	232	258
VAT receivables	186	259
Amounts due from smallholder farmers	3,894	3,664
Amount due from other staff	38	73
Other receivables	1,429	1,703
	8,448	5,957

The maximum amount due from officers during the year did not exceed GH¢232,000 (2016:GH¢258,000).

19. Trade and other payables

Trade payables	574	23
Amount due to directors and officers	–	–
VAT payable	957	727
Sundry payables and accrued liabilities	6,109	4,383
	7,640	5,133

Trade payables are non-interest bearing.

20. Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	12,803	10,706
Adjustments for:		
Depreciation and amortisation (Note 15 & 16)	2,807	2,323
Changes in fair value of biological asset (Note 25)	(1,084)	(300)
(Loss)/Profit on disposal of property, plant and equipment (Note 15)	32	(47)
Net effect of adjustments to property, plant and equipment (Note 15)	3	-
Increase in inventories	(2,297)	(340)
Increase in trade and other receivables	(2,491)	(1,623)
Increase in amounts due from related companies	(515)	(111)
Increase in trade and other payables	2,507	1,508
(Decrease)/Increase in amount due to related companies	(3,275)	3,245
Interest income	(377)	(529)
Cash generated from operations	8,113	14,832

21. Cash and cash equivalents

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

Cash in hand	12	7
Cash at bank	2,538	3,650
	2,550	3,657

NOTES (continued)

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

22. Related party transactions

Wilmar Africa Limited, incorporated in Ghana owns 76.63% of the Company's issued ordinary shares. The ultimate parent company is Wilmar International, incorporated in Singapore. There are other companies that are related to the Company through common control. There is a cash pooling agreement between the Company and Wilmar Africa Limited where sales made to Wilmar are paid within thirty days, after which interest is accrued.

Sales to Wilmar during the year was based on world market prices. All other transactions were made on normal commercial terms and conditions.

The following transactions were carried out with related parties:

Service fee	**2017**	2016
Service fee paid to Wilmar International during the year	**366**	454
Sale of goods		
Wilmar Africa Limited	**84,352**	74,175
Interest income		
Wilmar Africa Limited	**308**	48
Purchase of goods and services:		
Wilmar Africa Limited	**517**	158
Ishmael Yamson & Associates	**50**	–
Outstanding balances arising from purchase of goods/services:	**567**	158
Amounts due from related parties:		
Wilmar Africa Limited	**5,535**	4,824
Minsec Engineering Services	**–**	280
SIFCA – MOPP	**90**	6
Outstanding balances and amounts due to related parties:	**5,625**	5,110
Loan from Wilmar Africa Limited:		
Beginning of the year	**3,571**	–
Loans received	**–**	5,151
Loans payments made	**(3,571)**	(1,580)
Interest charged	**–**	585
Interest paid	**–**	(585)
End of year	**–**	3,571

The unsecured borrowing attracts interest at 28% per annum and repayable by July 2017.

NOTES (continued)

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

22. Related party transactions (continued)

Amounts due to related parties:

	2017	2016
Wilmar Africa Limited	–	158
Wilmar PGEO Edible Oil SDN BHD	40	49
Minsec Engeneering Services	88	–
Wilmar Trading PTE Ltd	9	–
Wilmar International Limited	366	–
	503	207

Key management personnel compensation

Short term employee benefits	365	306
Of which:		
Executive directors	288	247
Non – executive directors	78	59
	365	306

Short term employee benefits include pension contribution for executive directors amounting to GHC47,000 (2016: GHC39,000)

23. Income surplus account

At 1 January	45,717	39,258
Profit for the year	10,921	8,090
Dividend approved for 2015	–	(1,631)
Dividend approved for 2016	(1,618)	–
At 31 December	55,020	45,717

24. Commitment and contingent liabilities

The company entered into an agreement with the Chiefs and people of Trebuom for the development of a 1,400 hectares of land. The company will fund the development of the plantation and the costs will be recovered from the fruits to be supplied from the plantation once developed. The agreement when concluded will be for a period of 25 years. (2016: nil)

NOTES (continued)

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

25. Biological assets

a) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its biological assets into the three levels below. An explanation of each level is provided below.

	2017	2016
At 1 January	2,877	34,416
Impact of change in accounting policy	–	(31,839)
As restated	2,877	2,577
Change in fair value due to biological transformation	808	207
Changes in fair value due to price changes	276	93
Fair value adjustments	-	–
At 31 December	3,961	2,877

The following table presents the Company's biological assets that are measured at fair value at 31 December 2017.

	Level 1	Level 2	Level 3	Total
Oil Palm FFB on trees				
At 31 December 2017	-	–	3,961	3,961
At 31 December 2016	-	–	2,877	2,877

The Company's biological assets are measured at fair value and are all classified under level 3 of the fair value hierarchy (valuation not based on observable market data). There are no items in level 1 (valuation based on quoted prices) or level 2 (valuation based on observable market data) and there were no transfers between levels.

(b) Analysis of oil palm production

The Company harvested 55,228 tonnes (2016: 47,516 tonnes) of fresh fruit bunches (FFB) and sold 21,943 metric tonnes of palm oil (2016: 21,238 metric tonnes) during the year.

(c) Valuation of inputs and relationships to fair value

The fair value of biological assets has been determined based on valuations by the directors using discounted cash flows of the underlying biological assets.

The fair value of the biological assets at year end was GH¢3,961,000 (2016: GH¢2,877,000).

NOTES (continued)

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

25. Biological assets (continued)

The following table summaries the quantitative information about the key unobservable inputs used in the fair value measurements of the palm fruit bunches on the trees:

Unobservable Inputs	Range of inputs (Probability – Weighted average)		Relationship of unobservable inputs to fair value
	2017	2016	
Palm Oil Fruit Yield – Tonnes per hectare	Range – 10.5-12.2 The average yield per hectare used for the valuation was 11.6 tonnes per hectare"	Range – 8.5-12.2 The average yield per hectare used for the valuation was 10.22 tonnes per hectare	The higher the palm yield, the higher the fair value
Fresh fruit bunches (FFB) Price	Range – GH¢397 – GH¢550.71 The average price of FFB used for the valuation was GH¢ 489 per tonne	Range – GH¢354 – GH¢458 The average price of FFB used for the valuation was GH¢ 458 per tonne	The higher the market price, the higher the fair value
Discount Rate	Range – 20.73% – 25.33% The discount rate used for the valuation was 23.03%	Range – 24% – 35% The discount rate used for the valuation was 33.91%	The higher the discount rate, the lower the fair value

The main level 3 inputs used by the company are derived and evaluated as follows:

* Palm plantation covers a total of 4,733 hectares with an average of 130 palm trees per hectare.

* Palm oil yield is determined based on the age of the plantation, historical yields, climate-induced variations such as severe weather events, plant losses and new areas coming into production.

* Crude palm oil prices and palm kernel oil prices are quoted prices from the world market.

* Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(d) Financial risk management strategies for biological assets:

The company is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The company has in place relevant agricultural practises to mitigate against diseases. The company has environmental policies and procedures in place to comply with environmental and other laws.

The company is exposed to risks arising from fluctuations in the price and volume of palm oil. The company has contracts in place for supply of palm oil to its main customer. The company actively manages the working capital requirements to meet the cash flow requirements.

26. Financial instruments and treasury risk management

Financial risk management

The Company's activities expose it to financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rates risk, credit risk.

Market risk

Foreign exchange risk may arise from future commercial transactions, recognised assets and liabilities. All sales are denominated in the Company's functional currency.

NOTES (continued)

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

26. Financial instruments and treasury risk management (continued)

(i) Foreign exchange risk

The company is not exposed to foreign exchange risk as there are no material transactions denominated in foreign currency.

As at 31 December 2017, if the Cedi had weakened/strengthened by 10% against the US dollar and all other variables held constant. The recalculated post tax profit for the year will have been GH¢16,000 (2016:GH¢13,700) lower/higher as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents.

(ii) Price risk

The Company is not exposed to equity securities price risk because it has no investments in equity securities . The Company is not exposed to commodity price risk. This is because the Company does not have commodity purchase contracts that meet the definition of a financial instrument under IAS 39.

(iii) Interest rate risk

The company's main interest rate risk arises from borrowings with variable rates, which expose the company to cash flow interest rate risk. The company's policy is to maintain borrowings at a fixed interest rate. During 2017, the company's borrowings, denominated in cedis, were at fixed rates and carried at amortised cost (2016: Nil).

Credit risk

The Company has policies in place to ensure that sales are made to customers with an appropriate credit history. Credit risk arises from cash at bank and short term deposit with banks, as well as trade and other receivables. The Company also has policies that limit the amount of credit exposure to any financial institution.

The Company's maximum exposure to credit risk by class of financial assets is shown below:

	2017	2016
Trade and other receivables (excluding prepayments)	8,417	5,469
Amount due from related companies	5,625	5,110
Cash and cash equivalents (excluding cash in hand)	2,538	3,650
	16,580	14,229

There is no off balance sheet credit risk exposure. The Company sells most of its products to Wilmar Africa Limited which owns 76.63% of its shares. No collateral is held for any of the above assets. None of the above assets are impaired. Receivables which are past due are less than 3 months old.

Impairment analysis of trade and other receivable balances is shown below:

	2017	2016
Neither past due nor impaired	8,185	5,211
Past due but not impaired	232	258
Carrying amount	8,417	5,469

None of the related party balances are past due. There were no new related party balances and no defaults in amounts due from related parties.

NOTES (continued)

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

26. Financial instruments and treasury risk management (continued)

Fair values of financial assets and financial liabilities

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

	Fair value 2017	Fair Value 2016
Financial assets		
Trade and other receivables	8,417	5,469
Amounts due from related companies	5,625	5,110
Cash and cash equivalents	2,538	3,650
	16,580	14,229
Financial liabilities		
Trade and other payables	6,683	3,343
Amounts due to related companies	503	3,778
	7,186	7,121

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves and calling on short term borrowing and funding from related parties. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below analyses the Company's financial liabilities that will be settled on a net basis based on the remaining period at the reporting date to the contractual maturity. The amounts disclosed in the table below are the contractual undiscounted cash flows, all amounts will be settled by the end of the year.

	2017	2016
Trade and other payables	6,683	3,343
Amount due to related companies	503	4,013
	7,186	7,356

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividend paid to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as the net debt divided by the total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

NOTES (continued)

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

26. Financial instruments and treasury risk management (continued)

The Company's cash and cash equivalents exceed its borrowings:

	2017	2016
Total borrowings	–	(3,571)
Cash and cash equivalents (Note 21)	2,550	3,657
Net Debt	2,550	86
Total equity	64,649	55,346
Net Debt	64,649	55,346
Gearing ratio	0%	0%

27. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2017	2016
Profit for the year attributable to ordinary equity holders (GH¢'000)	10,921	8,090
Weighted average number of ordinary shares ('000)	34,800	34,800
Basic earnings per share (Ghana pesewas)	0.3138	0.2325

There were no potentially dilutive shares outstanding at 31 December 2017 or at 31 December 2016. Diluted earnings per share are therefore the same as basic earnings per share.

28. Segmental reporting

The directors consider that there is only one business segment and that all its trading is conducted in Ghana. The main product of the Company is crude palm oil. The company sold 93.75% of its goods to Wilmar Africa Limited, the parent company.

29. Leases

The Company leases land under non-cancellable operating lease agreement. At the reporting date the Company had land with the total future minimum payments as follows:

	2017	2016
Lease rental expensed for the year	40	40
Not later than one year	40	40
Later than one year and not later than five years	160	160
Later than five years	827	867

The land lease rental is for a period of fifty years. There are no restrictions imposed by the lease arrangements on dividend or additional debt.

NOTES (continued)

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

30. Events after the reporting date

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

31. Provisions

As at 31 December 2017, there was no pending legal suit for which a provision has to be made. The pending legal suit as at end of 31 December 2016 was struck out by the courts during 2017.

32. Employee benefit obligation

The company also operates an employee benefit plan for its employee based on the length of service and at the time of retirement. With the exception of inflationary risk, the company's legal or constructive obligation is limited to the amount due when the employee is on retirement or at the next level of long service award. The expense recognised in the current period in relation to these obligations was GHS1,650,000 (2016:Nil).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(a) Present value of obligation

	2017	2016
Obligation as start of year	**–**	
Interest cost charge to profit and loss	**354**	–
Current service cost charged to profit and loss	**83**	–
Long service cost charge to profit and loss	**1,213**	–
Obligation at close of year	**1,650**	–

(b) Significant estimates with acturial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	2017	2016
Discount rate	**23.00%**	–
Inflation	**11.70%**	–
Mortality rate	**24.90%**	–

The sensitivity of the employee benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption			Decrease in assumption		
	2017	2016		2017	2016		2017	2016
Discount rate	5.00%	–	Decrease	9.00%	–	Increase	15.00%	–
Inflation	5.00%	–	Increase	22.00%	–	Decrease	15.00%	–
Mortality rate	2.00%	–	Decrease	1.24%	–	Increase	1.24%	–

NOTES (continued)

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

32 Employee benefit obligation (continued)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(c) Risk exposure

The most significant risk faced by the company is inflationary risk. A significant proportion of the company's employee benefit obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

SHAREHOLDERS' INFORMATION

Shareholding distribution as at 31 December 2017.

Holding	No. of shareholders	Holders %	No. of shares	% of Holding
1-1,000	8,132	94.06	2,197,556	6.31
1,001-5,000	412	4.77	771,424	2.22
5,001-10,000	47	0.54	334,954	0.96
OVER 10,000	55	0.64	31,496,066	90.51
	8,646	**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 2017:

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

Mr Ishmael Yamson owns the shares jointly with others.

20 Largest shareholders at 31 December 2017

Shareholders		Number of shares	% Holding
1	WILMAR AFRICA LIMITED	26,665,507	76.63
2	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	1,500,000	4.31
3	SCGN/'EPACK INVESTMENT FUND LIMITED	676,000	1.94
4	ADUM BANSO STOOL	419,746	1.21
5	SCGN / ENTERPRISE LIFE ASS. CO. POLICY HOLDERS	205,110	0.59
6	SCGN/GHANA MEDICAL ASS. PENSION FUND	191,920	0.55
7	NTHC LTD ITF – GOVERNMENT OF GHANA	149,254	0.43
8	DAMSEL / OTENG-GYASI, ANTHONY	139,120	0.40
9	METLIFE CLASSIC A/C, STD NOMS TVL PTY/METLIFE GOLD PLAN FUND MICAC	132,700	0.38
10	SCGN/DATABANK BALANCED FUND LIMITED	123,400	0.35
11	HFCN/ EDC GHANA BALANCED FUND LIMITED	111,600	0.32
12	MIHL/GOLD FUND UNIT TRUST,	104,153	0.30
13	GLICO GENERAL INSURANCE CO. LTD	101,400	0.29
14	STATE INSURANCE COMPANY PROVIDENT FUND ACCOUNT	86,096	0.25
15	NTHC SECURITIES LIMITED	77,000	0.22
16	STAR ASSURANCE COMPANY	70,180	0.20
17	HFC EQUITY TRUST	58,473	0.17
18	STD NOMS/ENTERPRISE TIER 3 PROVIDENT FUND 2	51,200	0.15
19	ANIM-ADDO, KOJO	48,500	0.14
20	STD NOMS TVL PTY/DATA BANK ARK FUND	47,027	0.14
		30,958,386	**88.96**
Others		**3,841,614**	**11.4**
		34,800,000	**100**

FIVE YEARS FINANCIAL SUMMARY
(All amounts are in thousands of Ghana cedis)

	2017	2016	2015	2014	2013
Results					
Revenue	**89,973**	74,278	58,077	52,164	35,438
Profit before income tax	**12,803**	10,706	3,333	11,170	6,130
Income tax expense	**(1,882)**	(2,616)	(212)	(130)	(324)
Retained profit	**10,921**	8,090	3,121	11,040	5,806
Financial position					
Intangible Assets	**15**	41	236	454	-
Property, plant and equipment	**47,501**	43,701	31,762	30,818	10,751
Biological assets	**3,961**	2,877	2,577	1,119	19,756
Cash and cash equivalents	**2,550**	3,657	5,238	7,393	7,391
Other current assets	**21,480**	16,051	13,977	11,314	8,026
Total assets	**75,507**	66,327	53,790	51,098	45,924
Total liabilities	**10,858**	10,981	4,903	2,874	2,264
Stated capital	**2,000**	2,000	2,000	2,000	2,000
Capital surplus account	**7,629**	7,629	7,629	7,629	7,629
Income surplus account	**55,020**	45,717	39,258	38,595	34,031
Total equity and liabilities	**75,507**	66,327	53,790	51,098	45,924

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PROXY FORM

ANNUAL GENERAL MEETING TO BE HELD at 11.00 a.m. on Friday, 18th May, 2018 at Raybow Hotel, Takoradi

Serial No.

I/We……
(Insert full name)

of…….
(Insert full address)

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

……
(Insert full name)

or failing him the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf as the Annual General Meeting of that Company to be held on Friday 18th May 2018 and at any and every adjourment thereof.

For Company's Use	*No. of Shares*	
RESOLUTION	**FOR**	**AGAINST**
To declare a Dividend		
To re-elect Nene Ofoe Amegatcher		
To re-elect Bini Kouaku Kossonou		
To ratify the appointment of Mr. Lacina Coulibaly 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.

Dated this …….. day of May, 2018

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 18th April, 2018.

Second fold here

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