

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BENSO OIL PALM PLANTATION LIMITED**

**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 15 to 35 comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the 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.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<i>Biological asset valuation</i>  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 palm oil 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 oil 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.



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**Key audit matters (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><i>Defined benefit obligation</i></p> <p>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.</p>	<p>We tested the accuracy and completeness of the data used in the calculations and reconciled the data to payroll records.</p> <p>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.</p> <p>We assessed the competence of the directors in performing the valuation.</p>

**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.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BENSO OIL PALM PLANTATION LIMITED (continued)**

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**Auditor's responsibilities for the audit of the financial statements (continued)**

- 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.

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**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.

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The engagement partner on the audit resulting in this independent auditor's report is Sarah-Mary Frimpong (ICAG/P/1141).

*PricewaterhouseCoopers*

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



Benso Oil Palm Plantation Limited

Financial statements

For the year ended 31 December 2017

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis)

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

The notes on pages 19 to 35 are an integral part of these financial statements.

Benso Oil Palm Plantation Limited

Financial statements  
For the year ended 31 December 2017

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana cedis)

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

The notes on pages 19 to 35 are an integral part of these financial statements.

The financial statements on pages 15 to 35 were approved by the Board of directors on 5 February 2018 and were signed on its behalf by:



Nene Ofoe Amegatcher  
Director



Santosh Pillai  
Managing Director



Benso Oil Palm Plantation Limited

Financial statements

For the year ended 31 December 2017

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana cedis)

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

The notes on pages 19 to 35 are an integral part of these financial statements.

**Benso Oil Palm Plantation Limited**

**Financial statements**

**For the year ended 31 December 2017**

**STATEMENT OF CASH FLOWS**

(All amounts are in thousands of Ghana cedis)

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

The notes on pages 19 to 35 are an integral part of these financial statements.