



RC 174370

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

PRESCO PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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PRESCO PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors submit their report together with the audited financial statements for the year ended 31 December 2013, which disclose the state of affairs of the Company.

1 PRINCIPAL ACTIVITIES

The principal activities of the Company are the development of oil palm plantations, palm oil milling, palm kernel processing and vegetable oil refining. The products of the Company are: refined bleached and deodorized palm oil, palm olein, palm stearin, palm fatty acid distillate, palm kernel oil (crude and refined) and palm kernel cake.

2 DIVIDEND

In respect of the current year, the directors recommend for approval a dividend of 10 kobo per share amounting to N100 million, subject to the deduction of withholding tax at the appropriate rate and 1 new right issue of 50k each for every 10 shares of 50 kobo (1:10) each held. The right issue, if approved at the AGM, shall rank *pari passu* with the existing shares of the Company, at the price of N35 per share, subject to the approval of the relevant regulatory authorities. At the last AGM, shareholders approved the directors' recommendation of a dividend of 100 kobo per share amounting to N1 billion, subject to the deduction of withholding tax at the appropriate rate.

3 DIRECTORS

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

Mr. Pierre Vandebecck	(Belgian)	Chairman	
Mr. U. Pilani	(Indian)	Managing Director	
Mr. Pieter Vandessel	(Belgian)	Director	
Mr. Georges Piana	(Belgian)	"	(Appointed 19 March 2013)
H. R. H. (Dr.) O. Akenzua, JP		"	(Died on 26 March 2013)
Engr. J. B. Erhuero, JP, mni		"	
Mr. Osa Osunde		"	
Mr. Atedo N. A. Peterside, CON		"	
Dr. Shettima Mustafa, CON		"	
Miss Marie Vandebecck	(Belgian)	"	
Chief Bassey E.O.Edem, MFR			(Appointed 06 December 2013)

4 DIRECTORS' INTEREST IN SHARES

The interest of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 275 of the Companies and Allied Matters Act, CAP C20 LFN 2004, and disclosed in accordance with the Listing Rules of the Nigerian Stock Exchange is as follows:

Names of Directors	As at 31 December 2013 (No. of shares)
H. R. H. (Dr.) O. Akenzua, JP	462,000
Engr. J. B. Erhuero, JP, mni	624,000
Mr. Atedo N. A. Peterside, OON	25,000,000
Dr. Shettima Mustafa, OFR, CON	167,500
Mr. Osa Osunde	1,000

PRESCO PLC
DIRECTORS' REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

5 SUBSTANTIAL SHAREHOLDERS

The following shareholders held 5% and above of the issued share capital of the Company as at 31 December 2013.

	Shareholding	
	Number	%
Sa Siat nv	600,000,000	60
First Inland Bank/Fidelity Fin. Co. (TRDG)	81,633,788	8

6 Share Range Analysis

The range of the distribution of the shares of the Company as at 31 December, 2013 is as follows:

			Shareholders		Shareholding	
	Share Range		Number	%	Number	%
	1	1,000	2,605	27.67	1,760,004	0.18
	1,001	5,000	3,831	40.69	10,336,649	1.03
	5,001	10,000	1,282	13.62	10,372,581	1.04
	10,001	50,000	1,294	13.74	30,396,531	3.04
	50,001	100,000	213	2.26	16,925,927	1.69
	100,001	500,000	141	1.50	30,419,760	3.04
	500,001	1,000,000	16	0.17	10,338,197	1.03
	1,000,001	5,000,000	20	0.21	43,507,082	4.35
	5,000,001	10,000,000	4	0.04	35,976,527	3.60
	10,000,001	50,000,000	7	0.07	128,332,954	12.83
	50,000,001	100,000,000	1	0.01	81,633,788	8.16
	100,000,001	1,000,000,000	1	0.01	600,000,000	60.00
			9,415	100.00	1,000,000,000	100.00

7 Capital Assets

Significant fixed assets expenditure during the year was as follows:

	2013	2012
	N'000	N'000
Work in progress	1,025,834	1,398,498
Building	13,510	165,274
Heavy duty equipment	1,957	269,175
Utilities	11,358	33,957
Furniture and fittings	19,657	13,490
Motor vehicles & wheel tractors	111,954	325,614
Leasehold Land	541,508	-
Processing Equipment	-	837,008
Biological Assets	1,007,446	825,024

8 Major Customers

The Company's products are sold directly to customers comprising wholesalers, consumers and industrial users who are located within the Country. Some of these are: Nestle Nigeria Plc, Lagos; Chikki Foods Industries Limited, Lagos; Friesland Foods WAMCO Nigeria Plc, Lagos; Kraft Foods(Cadbury), Lagos; Kentucky Fried Chicken(KFC), Lagos; Golden Pasta Company Limited, Lagos; Fan Milk Plc, Ibadan; Beloxi Industries Limited, Lagos; Dangote Group, Lagos.

**PRESCO PLC
DIRECTORS' REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

9 COMMUNITY DEVELOPMENT PROJECTS/COMMUNITY RELATIONS

The Company's host communities' development programme continued during the year ended 31 December 2013. The focus is on education, roads, water, electricity and support to out growers. Total expenditure was =N=17,274,450

10 DONATIONS

A donation of N1,000,000 was made to Nigerian Palm Produce Association of Nigeria during the year.

11 Research & Development

The Company commits itself to Research and Development. It is at the fore-front of new planting material development and has been successful in increasing the quality of FFB on Oil per Ha of plantation. We continue to make effort to be a leader in R&D and amount expended on R & D during the year under review was N143,320,849.

12 EMPLOYMENT OF DISABLED PERSONS

The Company maintains a policy of giving fair consideration to applications for employment of disabled persons having regards to their particular aptitudes and abilities. At present there are three disabled persons employed by the Company.

13 HEALTH, SAFETY AND WELFARE

Medical services are provided free of charge for Company employees at the estate clinics. Appropriate personal protective equipment is provided for employees at work. There is a fire-fighting programme, which involves all employees and the use of sophisticated equipment. Welfare facilities provided include housing for employees (or payment of an allowance in lieu) and transport to and fro the work place.

14 EMPLOYEE INVOLVEMENT AND TRAINING

The Company maintains communication and consultation on a regular basis with employee representatives to brief employees on matters affecting them. On-the-job training facilities are provided for all categories of employees with a view to improving their performance, job satisfaction and prospects. External training programme are also undertaken.

15 EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events that occurred after the end of the reporting period.

16 AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act (CAP C20) 2004, Grant Thornton Nigeria (Chartered Accountants) will continue in office as Auditors to the Company having indicated their willingness to do so. A resolution will be proposed to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD



**Patrick Uwadia
Company Secretary
27 March 2014**

PRESCO PLC
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Presco Plc follows the Corporate Governance Guidelines which is in compliance with the code of Corporate Governance in Nigeria 2003 (“The Peterside Code”) and supplemented by the Corporate Governance Guidelines for the Siat Group of which it is a member which is in line with International Best Practice.

THE BOARD

The Board is constituted of ten (10) Directors including the Chairman who has no executive responsibilities. The primary responsibility of the Board is to ensure that the Company’s business strategy is appropriate and implemented effectively. The board is also responsible for the management of the Company's relationship with its various stakeholders.

On appointment, Directors receive a comprehensive induction, including site visits and meetings with senior management to help them build up quickly detailed understanding of the Company. Additional training is arranged as appropriate, by the Company and at the Company’s expense.

INDEPENDENCE & EXECUTIVE STATUS OF DIRECTORS

Mr. Pierre Vandebecck	Non-Executive	
Mr. Uday Pilani	Executive	
Mr. Pieter Vandessel	Executive	
Mr. Georges Piana	Executive	(Appointed 19 Mar. '13)
H. R. H. (Dr.) O. Akenzua, JP	Independent	(Died on 26 Mar. '13)
Engr. J. B. Erhuero, JP, mni	Independent	
Mr. Osa Osunde	Non-Executive	
Mr. Atedo N. A. Peterside, CON	Non-Executive	
Dr. Shettima Mustafa, CON	Non-Executive	
Miss Marie Vandebecck	Non-Executive	
Chief Bassey E.O.Edem, MFR	Non-Executive	(Appointed 06 Dec. '13)

Details of each Director’s experience can be found on the Company’s website.

Information about Directors’ remuneration is covered in the Annual Report.

The average length of service of Directors is six years. However, one third of Directors retires annually by rotation and can present themselves for re-election.

PRESCO PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

BOARD MEETINGS

The Board of Directors met four times during the year, as follows:

Meeting Date	Main Items of Business
19 March 2013	Review and approval of the 2012 draft audited accounts. The Board unanimously agreed to recommend a dividend of N1.00 per share for declaration at the next AGM. The Board unanimously appointed Mr Georges Piana as a director of the Company. The approval of 13 million US dollars Loan from sa SIAT nv and the tenure of the loan is 24 months.
19 July 2013	The Board discussed and deliberated on the unaudited accounts for six months which ends on 30 June 2013. Loan of 13 Million US Dollars from Siat sa had been received.
23 October 2013	Presentation of unaudited financial statements result for nine months ended 30 September 2013. The Company Secretary was authorised to submit the unaudited account to SEC & NSE.
06 December 2013	Presentation of 2013 operations report and draft budget for 2014.

ATTENDANCE AT MEETING BY BOARD MEMBERS

The number of attendance at meetings by Board members during the year under review is as follows:

Names of Directors	Number of Attendance at
Mr. P. Vandebecck (Chairman)	4
Mr. Uday Pilani	4
Mr. Pieter Vandessel	4
Mr. Georges Piana	4
H.R.H. (Dr.) O. Akenzua, JP.	0 (Deceased)
Engr. (Chief) J. B. Erhuero, JP, mni	4
M. O. Osunde	4
Mr. A. Peterside, OON	4
Dr. S. Mustafa, CON	4
Miss Marie Vandebecck	2
Chief Bassey E.O.Edem, MFR	1

PRESCO PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

CONFLICT OF INTEREST

All Directors and employees are expected to avoid direct or indirect conflicts of interest. Where a conflict of interest may arise in a matter to be decided by the Board of Directors, the Director concerned is expected to inform the Board and to abstain from voting. Transactions between the Company and Directors, where they arise, take place at arm's length.

There have been no transactions and other contractual relationships between the Company and its Board members and executive managers, which are not covered by its legal provisions on conflicts of interest.

The Company carries out transactions with its parent Company, sa Siat nv on an arm's length basis. The terms and conditions of transactions are covered by an agreement between Siat and Presco Plc. These transactions are in the nature of secondment of personnel and the purchase and supply of equipment and materials.

TRANSACTION IN SHARES AND COMPLIANCE WITH DIRECTIVES ON MARKET ABUSE

The use of inside or unpublished information about the Company in buying or selling of its shares is strictly forbidden. In order to comply with legislation on insider dealing and market manipulation (market abuse), Directors and executive management are expected to declare transactions on their own account in the shares or other financial instruments of the Company. Where significant, such transactions will be disclosed to the market. There were no such transactions in the year under review.

COMMITTEES

Statutory Audit Committee

Mr. Famous Igbinvbo (Chairman)	Shareholder member,	(Re-elected on July 18, 2013)
Mr. Kingsley Iyekekpolor	Shareholder member	(Re-elected on July 18, 2013)
H.R.H. (Dr.) O. Akenzua, JP	Director member,	(Deceased)
Engr. J. B. Erhuero, JP, mni	Director member	(Re-elected on July 18, 2013)
Engr. M.O. T. Tobun	Shareholder member	(Re-elected on July 18, 2013)
Dr. Shettima Mustafa, CON	Director member	(Re-elected on July 18, 2013)
Osa Osunde	Director member	(Elected on July 18, 2013)

PRESCO PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Attendance at meeting by Statutory Audit Committee members

The number of attendance at meetings by Audit Committee members during the year under review is as follows:

Names of Audit Committee Members	Number of Attendance at Meetings
Mr. Famous I. Igbinvbo (Chairman)	4
Mr. Kingsley Iyekekpolor	4
Engr. M. Olayiwola Tobun	4
H. R. H. (Dr.) O. Akenzua	0 (Deceased).
Chief J. B. Erhuero, JP, mni	4
Dr. S. Mustafa, CON	4
Mr. Osa Osunde	1 (Elected on July 18, 2013).

The Audit Committee met four times during the year, as follows:

Meeting date	Main items of business
18 March 2013	Presentation and consideration of Internal Audit Report.
17 July 2013	Presentation and consideration of unaudited 30 June 2013 accounts prepared by the CFO. Approval of Internal Auditor's report for implementation. Re-election of Mr. Famous Igbinvbo as the Chairman of the Audit Committee.
22 October 2013	Presentation and consideration of internal audit Report for three months (July to September, 2013)
05 December 2013	Presentation and consideration of the Audit Planning Memorandum

Remuneration Committee

A remuneration committee was constituted by the Board during the year under review in line with the requirement of Security and Exchange Commission (SEC).

The members of the committee are:

Mr. Pierre Vandebecck (Belgium)	Non Executive
Engr. J. B. Erhuero, JP, mni OON	Independent
Mr. Osa Osunde	Non Executive
Mr. Atedo N. A. Peterside, CON	Non Executive

PRESCO PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

There is currently no Board Business Development Committee because the full Board reviews the long-term business plan annually.

There is currently no Board Corporate/Public Relations Committee because the full Board regularly reviews and evaluates aspects of the social and business environment and duly guides Executive Management.

Company Secretary

All Directors have access to, and the services of, the Company Secretary and may take independent professional advice at Presco's expense.

The Company Secretary is also responsible for facilitating the induction and professional development of Board members as well as ensuring information flow within the Board, its Committees and between the Non-Executive Directors and senior management.

The Company Secretary is Mr. Patrick Uwadia. He was employed on 8 April 2013.

Executive Management

Under the leadership of the Managing Director, Executive Management is responsible to the Board for the implementation of the strategy and policies approved by the Board, making and implementing operational decisions and running the Company. Non-executive Directors, using their knowledge and experience, challenge, monitor and approve the strategy and policies recommended by Executive Management.

Information Flows

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

Internal Audit

The Company's internal audit function reports to the Managing Director. For its day-to-day and project work the department is guided by the instructions of the Audit Committee and the Company's Internal Audit Procedures Manual. The Internal Auditor is Mr. Michael O.A Onabajo. He has held the position since April 2012.

Environment, Health and Safety

The Company conducts its affairs in a safe and environmentally sustainable manner as well as promotes the health of its employees, contractors, customers and host communities. Presco Plc complies with all applicable environmental, health and safety laws and regulations and aims to improve its performance in these areas. Environmental, health and safety matters are integrated into business decision-making and training is provided to ensure that stakeholders are aware of the requirements of the Company's Corporate Governance Guidelines.

PRESCO PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

The Company commits significant resources towards environmental protection, health and safety. There are independent departments with budgets for same. The Company is a forerunner in the exercise to classify Nigerian Palm Oil under Roundtable for Sustainable Palm Oil (RSPO).

Major Contracts between the Company and Third Parties

There was no major contract with any third party.

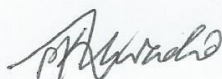
Shareholder Relations

The Company is committed to maintaining good relations with all Shareholders through the annual report, general meetings, website and Presco News. Shareholders are able to put questions to the Board at the Company's Annual General Meeting. Directors are available to talk on an informal basis to Shareholders at the Annual General Meeting.

At least 21 days' notice of the Annual General Meeting is given to Shareholders.

Protection of Shareholders Rights

The board ensures the protection of the statutory and general rights of shareholders at all times, particularly their rights to vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.



Patrick Uwadia
Company Secretary
27 March 2014

PRESCO PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2013

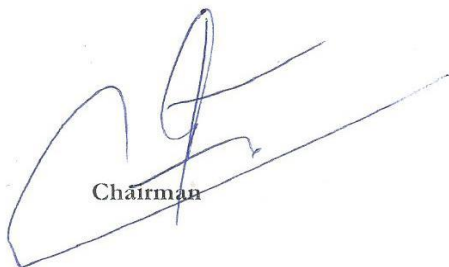
The Companies and Allied Matters Act, Cap C20 LFN 2004 requires the Directors to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Company at the end of each financial year and its profit or loss. The responsibilities include ensuring that the Company:

- Keeps proper accounting records that disclose with accuracy, the financial position of the Company and comply with the requirement of the Companies and Allied Matters Act;
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the International Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit and loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from that date of this statement.



Chairman



Managing Director/CEO

PRESCO PLC
CERTIFICATION PURSUANT TO SECTION 60(2) OF
INVESTMENT AND SECURITIES ACT NO. 29 OF 2007
FOR THE YEAR ENDED 31 DECEMBER 2013

We the undersigned hereby certify the following with regards to our financial reports for the year ended 31 December 2013 that:

- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain:
 - i) Any untrue statement of a material effect, or
 - ii) Omit to state a material fact, which would make the statements, misleading in the light of the circumstance under which such statements were made;
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the period presented in the report.
- d) We:
 - i) Are responsible for establishing and maintaining internal controls
 - ii) Have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - iii) Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - iv) Have presented in the report our conclusions about the effectiveness of the Company's internal controls based on our evaluation as of that date;
- e) We have disclosed to the Auditors of the Committee and Audit Committee:
 - i) All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record process, summarise and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
 - ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;
- f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weakness.



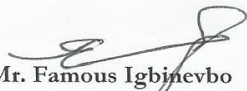
Managing Director/CEO


Chief Finance Officer

PRESCO PLC
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2013

In compliance with the provisions of section 359 (3) to (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the committee reviewed the Audited Financial Statements of the Company for the year ended 31 December 2013 and report as follows:

- 1 The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.
- 2 The scope and planning of the external audit was adequate.
- 3 The Company maintained effective systems of accounting and internal control during the year.
- 4 The Company's management adequately responded to matters covered in the management report issued by the External Auditors


Mr. Famous Igbinevbo
Chairman, Statutory Audit Committee

Members of the Statutory Audit Committee are:

- | | |
|--------------------------------|------------------------------|
| 1 Mr. Famous Igbinevbo | Shareholder - Chairman |
| 2 H.R.H (Dr.) O. Akenzua, JP. | Director - Member (Deceased) |
| 3 Mr. Kingsley Iyeckepolor | Shareholder - Member |
| 4 Engr. J. B. Erhuero, JP, mni | Director - Member |
| 5 Engr. M. O. T. Tobun | Shareholder - Member |
| 6 Dr. Shettima Mustafa, CON | Director - Member |
| 7 Osa Osunde | Director - Member |

The Company Secretary, Patrick Uwadia, acted as secretary to the Committee.



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Report of the Independent Auditors on the Financial Statements

To the members of Presco Plc

Report on the Financial Statements

We have audited the accompanying financial statements of **Presco Plc**, for the year ended 31 December 2013, set out on pages 16 to 19, which have been prepared on the basis of significant accounting policies on pages 21 to 32 and other explanatory notes on pages 33 to 45.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in compliance with **International Financial Reporting Standards (IFRSs)**, **Financial Reporting Council of Nigeria Act, No. 6, 2011** and with the requirements of the **Company and Allied Matters Act, CAP C20 LFN, 2004**.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with **International Standards on Auditing (ISAs)** and **Nigerian Standards on Auditing (NSAs)** issued by **The Institute of Chartered Accountants of Nigeria**. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 December 2013 in compliance with **International Financial Reporting Standards (IFRSs)**, **Financial Reporting Council of Nigeria Act, No. 6, 2011** and the **Companies and Allied Matters Act, (Cap 20) of 2004**.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the Company; and
- iii) The Company's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

Osifo Victor FCA,
FRCN N0/2013/ICAN/00000003612

For: Grant Thornton Nigeria
Lagos, Nigeria
28 March 2014



Partners:
Peter N. Orizu (Executive Chairman)
Isaac E. Esene
Ngozi A. Ogwo
Orji J. Okpechi
Victor O. Osifo
Nkwachi U. Abuka

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PRESCO PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 N'000	2012 N'000
Revenue	6	8,485,143	11,251,521
Cost of sales	7	<u>(3,869,321)</u>	<u>(6,016,135)</u>
Gross profit		4,615,822	5,235,386
Gain/(loss) on biological assets revaluation		(223,045)	998,582
Selling, general and administrative expenses		(1,550,369)	(1,968,941)
Distribution expenses		(159,927)	(181,977)
Other operating expenses			
Other operating income	8	41,933	104,433
Operating profit		2,724,414	4,187,484
Financial income			
Financial expenses	9	(390,444)	(311,862)
Exchange gains/(losses)			
Result before tax	10	2,333,970	3,875,622
Income tax expense (-)	11.1	(996,768)	(387,553)
RESULT OF THE YEAR		1,337,202	3,488,069
Other comprehensive income			
Actuarial gains (losses) on defined benefit plans		(43,231)	61,650
Income tax relating to components of other comprehensive income (-)			
Other comprehensive income, net of tax		<u>(43,231)</u>	<u>61,650</u>
TOTAL COMPREHENSIVE INCOME OF THE YEAR		1,293,971	3,549,719
Earnings Per Share			
Basic		1.29	3.55

The statement of significant accounting policies and notes on pages 24 to 32 form an integral part of these financial statements.

PRESCO PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

ASSETS		2013	2012
	Notes	N'000	N'000
Non-current assets			
Intangible assets	12	303 296	169 024
Biological assets	13	17 503 858	16 839 424
Property, plant and equipment	14	10 686 754	8 534 791
Other non-current assets	15	110	110
		<u>28 494 018</u>	<u>25 543 349</u>
Current assets			
Inventories	16	2 126 962	1 798 846
Trade and other receivables	17	1 914 507	534 827
Cash and cash equivalents	18	127 812	129 483
		<u>4 169 281</u>	<u>2 463 156</u>
TOTAL ASSETS		<u>32 663 299</u>	<u>28 006 505</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	500 000	500 000
Share premium		1 173 528	1 173 528
Retained earnings		15 708 541	15 371 339
Other reserves		-	43 231
		<u>17 382 069</u>	<u>17 088 098</u>
Non-current liabilities			
Provisions		730	730
Provisions for employees' benefits		334 270	260 656
Financial liabilities	20	4 151 080	2 015 474
Deferred tax liabilities	21	6 395 924	5 852 143
		<u>10 882 004</u>	<u>8 129 003</u>
Current liabilities			
Provisions		702 943	63 056
Financial liabilities	22	3 391 864	2 694 339
Trade and other payables	23	97 443	32 009
Current tax liabilities	24	206 974	-
Other current liabilities		4 399 225	2 789 404
		<u>4 399 225</u>	<u>2 789 404</u>
TOTAL EQUITY AND LIABILITIES		<u>32 663 299</u>	<u>28 006 505</u>

The statement of significant accounting policies and notes on pages 24 to 32 form an integral part of these financial statements.

Mr. Pierre Vandebeek
Chairman

Mr. Georges Piana
Chief Finance Officer

Mr. Uday Pilani
Managing Director/CEO

PRESCO PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 N'000	2012 N'000
Cash flows from operating activities			
Cash flows from operating activities			
Profit before taxation		2,333,970	3,875,622
Adjustments:			
Interest paid		390,444	311,862
Amortisation of intangible assets		131	5,042
Amortisation of biological assets		119,967	58,067
Depreciation of property, plant and equipment		680,897	577,616
Unrealised net gain/(loss) arising from fair value changes		(694,896)	(257,192)
Loss/(profit) on disposal of fixed assets		49,698	181,703
Changes in assets and liabilities			
Decrease/(increase) in inventory		(744,588)	48,892
Decrease/(increase) in trade and other receivables		(1,379,680)	239,695
Decrease/(increase) in other current assets		-	181,646
Increase/(decrease) in provision for employees' benefits		73,614	2,703
Increase/(decrease) in financial liabilities(current)		639,887	(713,264)
Increase/(decrease) in trade and other payables		697,525	78,479
Increase/(decrease) in other current liabilities		206,974	1,021,082
Tax paid		(387,553)	(559,408)
Net cash provided by operating activities		1,986,391	5,052,545
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,725,778)	(3,043,016)
Acquisition of intangible Assets		-	(469)
Acquisition of biological assets		(1,007,446)	(825,024)
Proceeds on sale of assets		-	-
Net Cash used in Investing Activities		(2,733,224)	(3,868,509)
Cash flows from financing activities			
Loan received/(repayment) during the year		2,135,606	228,350
Interest paid		(390,444)	(311,862)
Dividend paid		(1,000,000)	(1,000,000)
Net Cash used in Financing Activities		745,162	(1,083,512)
Net increase/(decrease) in Cash and Cash Equivalents		(1,672)	100,524
Cash and Cash Equivalents at 1 January 2013		129,483	28,959
Cash and Cash Equivalents at 31 December		127,812	129,483

The statement of significant accounting policies and notes on pages 24 to 32 Form an integral part of these financial statements.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1 General Information

Presco Plc was incorporated in Nigeria on 24th September, 1991 as Presco Industries Limited, a private limited liability Company, and became a public limited liability Company in February, 2002.

The Company owns oil palm plantations, a palm oil mill and palm kernel crushing plant, vegetable oil refining and fractionation plants and is at present the only fully integrated Company of its kind in Nigeria.

Presco Plc specializes in the cultivation of oil palms and in the extraction, refining and fractioning of crude palm oil into vegetable oil and palm stearin. The Company supplies these specialty fats and oils to the high quality specifications of its customers and assures a reliability of supply of its products all year round, due to the integration of the entire cycle. The Company operates from two States, Obaretin Estate and Ologbo Estate in Edo State and Cowan Estate in Delta State.

The Obaretin Estate was initiated by the then Bendel State Government in the second half of the seventies with financial support from World Bank as part of the State Government oil palm development programme. The implementing agency was the Oil Palm Company Limited (OPCL), a state government concern. In 1985, the Bendel State Government relinquished control of Obaretin Estate to President Industries Nigeria Limited, a textile manufacturing group. Planting activities resumed in 1986 and construction of an integrated processing facility began in 1989.

The President group operated the project, then known as Presco Oil Mill and Plantations, as a division until 1991, when Presco was established as an incorporated Company and all the assets and liabilities of the project were transferred to the new Company.

Societe d'investissement pour l'Agriculture Tropical anonyme ('Siat'), a Belgian Company involved in plantation investment and management in West Africa was invited to participate in the Company as Shareholders and Technical Partners in order to effect an intended broadening of the Company's capital base by bringing in professional managers as shareholders.

President Industries then held 67% of Presco's paid-up share capital of N50,000,000 comprising 50 million ordinary shares of N1 each. Siat sa of Belgium held the balance of 33%. Following a capitalization exercise in 1995, the Siat group increased its shareholding in Presco to 50%. The Siat Group subsequently became the only shareholders in December 1997 when the President Group divested its interest in the Company.

In 2002, the Company became a public limited liability Company and with a successful Initial Public Offer (IPO) completed in October the same year, Presco shares were admitted to quotation at The Nigerian Stock Exchange. Presco Plc's shares are now actively traded on The Nigerian Stock Exchange, with the Siat Group holding 60% while the Nigerian Public holds 40%.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

On re-registration as Public Company in 2002, the authorized share capital of the Company was raised to N250,000,000 divided into 500,000,000 ordinary shares of 50k each. The authorized share capital was raised to N500,000,000 in 2008 divided into 1,000,000,000 ordinary shares of 50k each, issued and fully paid up. There are currently 10,000 shareholders on the Company's register of shareholders.

2 Basis of Preparation

(a) Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and adopted by the Financial Reporting Council of Nigeria (FRC). Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The Financial Statements were authorized for issue by the Board of Directors of Presco Plc on 27 March 2014.

(b) Basis of Measurement

The principal accounting policies applied in the preparation of the above financial statements are set out below.

The financial statements have been prepared on the basis of the historical cost price method. Any exceptions to the historical cost price method are disclosed in the valuation rules described hereafter (such as biological assets).

(c) Functional and presentation currency

These Financial Statements are presented in Nigeria Naira which is the Company's functional currency. Except otherwise indicated, financial information presented in Nigeria Naira has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new IFRS standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9, 'Financial instruments', issued in November 2009 (effective 1 January 2015)

IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

IFRS 10, 'Investment Entities,' Issued: 31 October 2012 (effective 1 January 2014)

IFRS 10 was issued on 31 October 2012. It replaced Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements to:

- provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement.
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries.
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

The Company is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2014.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2013 and not early adopted

A number of new standards and amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IAS 36 Impairment of Assets; Amendments, Issued: 29 May 2013 (effective 1 January 2014)

Amends IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The Company is yet to assess the amendment to IAS 36's full impact and intends to adopt IAS 36 amendment no later than the accounting period beginning on or after 1 January 2014.

IAS 39 Financial Instrument; Amendments, Issued: 27 June 2013 (effective 1 January 2014)

Amends IAS 39 Financial Instruments:

- Recognition and Measurement make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

- A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The Company is yet to assess the amendment to IAS 39's full impact and intends to adopt IAS 39 amendment no later than the accounting period beginning on or after 1 January 2014.

IFRIC 21 Levies, Issued: 20 May 2013 (effective 1 January 2014)

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time.

- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

3 Summary of Significant Accounting Policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the income statement part of the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

(b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(c) Biological Assets

Biological activities are measured at fair value (IAS 41).

Biological assets are recognised at the fair value according to an internal valuation model. This model is based on the discounted cash flow method (DCF).

The main variables in these models concern:

- Production volumes
- Selling price
- Cost price
- Discount rate

A biological asset or agricultural produce is only recognised when it controls the asset as a result of past events, when it is probable that future economic benefits associated with the asset will flow to the Company and when the fair value or cost of the asset can be measured reliably.

A gain or loss arising on initial recognition of a biological asset at fair value less estimated selling costs and from the change in fair value less estimated selling costs of a biological asset is included in net profit or loss in the period in which it arises.

(d) Property, Plant & Equipment

Items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their cost, less accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Unless revised due to specific changes in the estimated useful life, annual depreciation rates are as follows:

- Buildings: 30 years
- Plant, Machinery: 10-20 years
- Furniture: 5-7 years
- Vehicles: 5-10 years
- IT equipment: 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Leases

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a financial liability.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

(f) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

At this moment, the Company does only have financial assets classified as "loans and receivables".

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortised cost, 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 previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis.

The stock finished products (including biological assets after harvest) are valued by adding production cost to the fair value of the biological asset concerned.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Inventories are written down on a case-by-case basis if the estimated net realizable value declines below the carrying amount of the inventories. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale. When the reason for a write-down of the inventories has ceased to exist, the write-down is reversed.

(i) Cash and Cash Equivalent

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

For the purpose of the statements of cash flows, cash and cash equivalents includes cash on hand and deposits held at call or short term maturity with banks (three months or less), net of bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

(j) Shareholders' Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the Company's equity holders.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is reasonably certain that reimbursement will be received and the amount of the receivable can be measured reliably.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

(l) Retirement benefits and other long term employees' benefits

Employee benefits mainly concern:

- retirement benefits: pension plans, termination benefits, other retirement obligations and supplemental benefits;
- other long-term employee benefits: long-service benefits granted to employees according to their seniority in the Group;
- other employee benefits: post-employment medical care.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses are recognised immediately in profit or loss. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(m) Financial Liabilities

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified as either “financial liabilities at fair value through profit or loss” or “other financial liabilities”.

The Company does not hold any financial liabilities at fair value through profit or loss.

Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(n) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(o) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (e.g. differences between carrying amounts under IFRS and the statutory tax bases). Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(p) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognized using the effective interest rate method.

Dividends are recognized when the right to receive payment is established.

(q) Borrowing Costs

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

4 Financial Risk Management

(a) Introduction

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
 - Ensuring significant and relevant skills and services are available consistently to the Company;
 - Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
 -
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall Company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

(b) Significant risks

The Company has exposure to significant risks which are categorised as follows:

- (i) Regulatory (capital adequacy, legal, accounting and taxation);
- (ii) Business environment (reputation and strategic);
- (iii) Operational (people, information technology and internal control processes);
- (iv) Market (equity prices, interest rate and currency); and
- (v) Liquidity

(c) Detailed Discussion of significant risks

(i) Regulatory Risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the Company. In order to manage this risk, the Company is an active participant in the agro allied industry and engages in discussions with policy makers and regulators.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Legal Risk

Legal risk is the risk that the Company will be exposed to contractual obligations which have not been provided for.

The Company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 December 2013, the directors are not aware of any significant obligation not provided for.

Taxation Risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

- Transactional Risk

The risk which concerns specific transactions entered into by the Company, including restructuring projects and reorganizations.

- Operational Risk

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the Company.

- Compliance Risk

The risk associated with meeting the Company's statutory obligations.

- Financial Accounting Risk

The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the Company's taxation risk, the Company tax policy is as follows:

The Company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the Company may have in relation to Company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Compliance with this policy is aimed at ensuring that:

- All taxes due by the Company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
-
- The Company continually reviews its existing operations and planned operations in this context; and
- The Company ensures that, where clients participate in Company products, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

The identification and management of tax risk is the primary objective of the Company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the Company is exposed, in the context of the various types of activities the Company conducts.

Accounting Risk

Accounting Risk is the risk that the Company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the Company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the Company.

(ii) Business Environment

Reputational Risk

Reputational Risk is the risk of loss caused by a decline in the reputation of the Company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Strategic Risk

Strategic Risk is the risk of an unexpected negative change in the Company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

Company Risk identifies and assesses both those risks qualitatively as part of a quartely evaluation. On the basis of this evaluation, Company risk creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the Company and regularly informs directors and management.

(iii) Operational Risk

Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

(iv) Market Risk

Market Risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

The Company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk and market price risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Interest Rate and Market Price Risk

These risks have very different impacts on the various categories of business used in the Company's Assets and Liabilities Management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

Interest Rate Risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

Foreign Currency Risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the Company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term imbalances.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the Company is exposed to credit risk are:

- * Certain classes of financial assets such as bonds, term deposits and cash and cash equivalent; and
- * Certain accounts within trade and other receivables.

Financial Assets

Various debt instruments are entered into by the Company in order to invest surplus shareholder funds. The Company is exposed to the issuer's credit standing on these instruments.

The following policy and procedure is in place to mitigate the Company's exposure to this credit risk:

- * Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the Company's Audit Committee and the Company's board.

Other Receivables

Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company Treasury maintains flexibility in funding by keeping committed credit lines available.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Sensitivities

Management applies a number of sensitivity tests to the earnings of the Company to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the Company is exposed. Management has set the upside and downside movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation date. These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound and interval which may be expected to contain 50% of the changes in the coming year. Management believes this represents in some sense what is "reasonably possible", though it is important to note that this opinion is based on past experience and the tested range is not sensitive to all the relevant information in the market at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:

- * The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints although this may be reviewed in the following year.
- * The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjusted for. This treatment has resulted in the presentation of a clearer view of what could reasonably occur over the following year.

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following areas are areas where key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Useful lives of property, plant and equipment
- Valuation of biological assets at fair value
- Post-employment benefits

	2013	2012
	N'000	N'000
6 Revenue		
Local sales		
Sales of main products	8,458,875	11,251,521
Mill by-products	909	0
Sales of palm seedlings & fertilizers	25,360	0
	8,485,143	11,251,521
7 Cost of sales		
Raw materials consumed	705,445	3,129,954
Upkeep of mature plantings, harvesting & lab.	874,387	645,221
Mill processing, refinery and packaging costs	2,289,490	2,240,960
	3,869,321	6,016,135
8 Other Operating Income		
Live stock sales	1,383	188
Various services	40,548	93,231
Bad debt written off recovered	0	11,013
Financial income	2	1
	41,933	104,433

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	N'000	N'000
9 Financial expenses		
Interests on loans	91,458	283,434
Interests on overdrafts, etc.	201,360	28,428
Other interests	97,626	-
Total interest expenses	390,444	311,862
10 Profit before taxation		
Profit before taxation is stated after charging/ (crediting) the following:		
Depreciation of fixed assets	800,993	640,725
Directors' remuneration	10,437	13,581
Auditors' remuneration	12,000	12,000
Loss/(Profit) on disposal of fixed assets	-	39
Interest on loans, overdraft, etc	222,154	311,862
Management fee	300,000	300,000
Seconded staff cost	485,782	458,482
Exchange (gain)/loss	(69,060)	(17,619)
11 Tax expenses		
11.1 Income tax		
Provision for the year	30,000	258,727
Underprovision for previous year	360,000	41,273
	390,000	300,000
11.2 Education tax		
Provision for the year	62,987	87,553
11.3 Deferred tax		
Provision for the year	192,061	-
Underprovision for previous year	351,720	-
Total deferred tax liability	543,781	-
Total tax expenses	996,768	387,553
12 Intangible assets		
At 1 January 2012		Software
Cost		285,101
Accumulated amortization		(116,078)
Net book value		169,024
Year ended 31 December 2012		
Opening net book value		166,063
Additions		469
Revaluation		7,535
Amortization for the year		(5,042)
Closing net book value		169,024

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

At 31 December 2013

Cost	419,505
Accumulated amortization	(116,209)
Net book value	<u>303,296</u>

Year ended 31 December 2013

Opening net book value	169,024
Additions	-
Transfer	91,574
Revaluation	42,829
Amortization for the year	(131)
Closing net book value	<u>303,296</u>

Amortization of ₦131 (2012 : ₦5,042) is included in cost of sales in the statement of comprehensive income.

The measurement of biological assets at fair value less costs to sell instead of at cost is the most important difference between Nigerian GAAP and IFRS.

13 Biological assets

At 31 December 2012

	N
Cost	17,129,949
Accumulated amortization	(290,525)
Net book value	16,839,424

Year ended 31 December 2012

Opening net book value	15,719,891
Additions	825,024
Amortization for the year	(58,067)
Revaluation of biological assets.	352,576
Closing net book value	<u>16,839,424</u>

At 31 December 2013

Cost	17,894,147
Accumulated amortization	(390,288)
Net book value	<u>17,503,858</u>

Year ended 31 December 2013

Opening net book value	16,839,424
Additions	1,007,446
Transfers	-
Revaluation of biological assets.	(223,045)
Amortization for the year	(119,967)
Closing net book value	<u>17,503,858</u>

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

At 31st December 2013, Presco's material biological asset consists only in palm trees coming from 3 existing estates (Obaretin, Cowan and Ologbo):

- . Mature Palm trees for a total of 9560 hectares;
- . Immature Palm trees for a total of 3,101 hectares and;
- . Pre nursery and Main nursery seedlings available to generate a total of 3,090 hectares of planting.

Since no reliable market-based prices are available to value the biological asset, the calculation method used being called the income method determines the present value of expected net cash flows from the biological asset in its present location and condition, discounted at a current market-determined rate. Net cash flow that the asset is expected to generate in its most relevant market meaning at the earliest point at which a market exists being the price/ MT of FFB used to value the harvest net of cost of up keeping, harvesting, transporting and selling the fruits. Any cash flows for financing the assets, taxation or re-establishing biological assets after harvest have been excluded. The assumptions applied in the valuation were an assumed CPO CIF Rotterdam price incremented by a factor taking into account Nigerian Market specificities, and a discount rate of 23% at 31 December 2013.

	2013	2012
	N'000	N'000
15 Other non-current assets		
Guarantee Paid in Cash	110	110
 16 Inventories		
Supplies	947,155	894,898
Finished Goods	98,045	85,230
Goods in Transit	1,081,763	818,718
	2,126,962	1,798,846

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 N'000	2012 N'000
17 Trade and other receivables		
Trade receivables	679,053	350,805
Payments in Advance	6,370	14,054
Amount Re invoiced	56,749	58,404
Sundry Debtors	1,172,335	111,565
	1,914,507	534,828
18 Cash and cash equivalents		
Cash at bank and on hand	127,812	129,483
Bank overdraft	(702,943)	(63,056)
Cash and cash equivalents	(575,131)	66,427
19 Share Capital	Number of shares	Nominal Value N
Opening balance as at 1 January 2012	1,000,000,000	0.50
Opening balance as at 1 January 2013	1,000,000,000	0.50
Balance as at 31 December 2013	1,000,000,000	0.50
20 Financial Liabilities (Non - Current)	N'000	N'000
UBA CACS Loan	845,548	1,293,612
Zenith Bank Import Finance Facility	221,862	721,862
IBTC PAIF Loan	1,066,070	-
Foreign Loan From Siat sa	2,017,600	-
	4,151,080	2,015,474
21 Deferred Taxation		
Balance as at 1 January	5,852,724	1,610,848
Provision for the year	192,061	-
	6,044,785	1,610,848
Underprovision for the previous year	351,139	4,241,876
	6,395,924	5,852,724
22 Financial Liabilities (Current)		
Bank Overdraft	702,943	63,056
	702,943	63,056

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
23 Trade and Other Payables		
Suppliers	147,697	217,491
Accruals	491,877	823,820
Sundry creditors	2,752,290	157,594
	3,391,864	1,198,905
24 Current Tax Liabilities		
24.1 Income tax		
Opening balance	(100,561)	150,547
Provision for the year	390,000	258,727
Other estimates	-	165
	289,439	409,439
Payment during the year	(300,000)	(510,000)
	(10,561)	(100,561)
24.2 Education tax		
Opening balance	132,570	203,864
Provision for the year	62,987	87,553
Other estimates	-	(95,394)
	195,557	196,023
Payment during the year	(87,553)	(63,453)
	108,004	132,570
Total tax liabilities	97,443	32,009
25 TOTAL COMPREHENSIVE INCOME OF THE YEAR (See page 16)		
	=N='000	
The difference of net income between years 2013 and 2012 is due to the		
a) Decrease of gross profit due to lower sales (no imports in 2013)	(619,564)	
b) Loss on Biological Assets revaluation (IFRS retreatments linked to international CPO quotations)	(1,221,627)	
c) Regularisation of Deferred taxes 2012 +Current year (Revaluation due to massive investments)	(543,781)	

26 Dividend

In respect of the current year, the directors recommend for approval a dividend of 10 kobo per share amounting to N100 million, subject to the deduction of withholding tax at the appropriate rate and 1 new right issue of 50k each for every 10 shares of 50 kobo (1:10) each held. The right issue, if approved at the AGM, shall rank pari passu with the existing shares of the Company, at the price of N35 per share, subject to the approval of the relevant regulatory authorities. At the last AGM, shareholders approved the directors' recommendation of a dividend of 100 kobo per share amounting to N1 billion, subject to the deduction of withholding tax at the appropriate rate.

PRESCO PLC
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013

	Share Capital	Share Premium N	Retained Earnings N	Other Reserves N	TOTAL N
Balance- 1 January 2012	500,000	1,173,528	17,083,877	(18,419)	18,738,986
Net income for the year	-	-	3,488,069	-	3,488,069
Adjustment in intangible asset	-	-	(6,567)	-	(6,567)
Adjustment in PPE	-	-	142,664		142,664
Adjustment in employers benefit	-	-	(71,638)		(71,638)
Adjustment in Biological Assets	-	-	51,498		51,498
Adjustment in Others	-	-	(4,378,215)		(4,378,215)
Dividend paid	-	-	(1,000,000)		(1,000,000)
Other comprehensive income	-	-	61,650	61,650	123,300
Balance - 31 December 2012	500,000	1,173,528	15,371,339	43,231	17,088,098
 Balance - 1 January 2013	 500,000	 1,173,528	 15,371,339	 43,231	 17,088,098
Net income for the year	-	-	1,337,202	-	1,337,202
Dividend paid	-	-	(1,000,000)		(1,000,000)
Actuarial loss on defined benefit plans				(43,231)	
Balance - 31 December 2013	500,000	1,173,528	15,708,541	-	17,382,069

PRESCO PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

14 PROPERTY, PLANT AND EQUIPMENT

	Building =N=	Leasehold Land =N=	Processing Equipment =N=	Heavy Duty Equip =N=	Vehicles & Wheel, Tractors =N=	Furniture & Fittings =N=	Utilities =N=	Spare Parts =N=	Work-In- Progress =N=	Total =N=
Year ended 31 December 2012										
At 1 January 2012	1,264,395	767,802	2,435,200	212,770	341,372	43,275	76,637	-	1,109,643	6,251,094
Additions	165,274	-	837,008	269,175	325,614	13,490	33,957	-	1,398,498	3,043,016
Disposals	-	-	-	(176,705)	(4,998)	-	-	-	-	(181,703)
Depreciation for the period	(30,396)	(58,962)	(269,026)	(79,132)	(109,259)	(12,419)	(18,422)	-	-	(577,616)
Closing net book value	1,399,273	708,840	3,003,182	226,107	552,730	44,345	92,172	-	2,508,141	8,534,791
At 31 December 2012										
Cost	1,689,270	1,274,534	4,997,025	485,139	1,027,012	313,253	279,080	-	2,508,141	12,573,454
Accumulated depreciation	(289,997)	(565,694)	(1,993,843)	(259,032)	(474,282)	(268,907)	(186,908)	-	-	(4,038,663)
Net book value	1,399,273	708,840	3,003,182	226,107	552,730	44,345	92,172	-	2,508,141	8,534,791
Year ended 31 December 2013										
At 1 January 2013	1,399,273	708,840	3,003,182	226,107	552,730	44,345	92,172	-	638,095	8,534,791
Additions	13,510	541,508	-	1,957	111,954	19,657	11,358	-	1,025,834	1,725,778
Transfers	(821,032)	-	1,909,611	176,705	-	7,640	292,882	416,472	(1,657,379)	324,899
Disposals	-	-	-	-	-	-	-	-	(49,698)	(49,698)
Depreciation for the period	(40,392)	(38,637)	(301,952)	(102,140)	(152,380)	(14,544)	(30,852)	-	-	(680,897)
Revaluation Increase/(Decrease)	(22,533)	(21,043)	642,826	129,425	117,219	17,817	(31,831)	-	-	831,880
Closing net book value	528,826	1,190,669	5,253,667	432,054	629,523	74,915	333,730	416,472	1,826,898	10,686,753
At 31 December 2013										
Cost	859,215	1,815,200	7,549,462	793,226.19	1,255,339.21	358,366.84	551,489.70	416,472	1,826,898	15,425,670
Accumulated depreciation	(330,389)	(624,532)	(2,295,795)	(361,173)	(625,816)	(283,451)	(217,760)	-	-	(4,738,917)
Net book value	528,826	1,190,668	5,253,667	432,053	629,523	74,915	333,730	416,472	1,826,898	10,686,753