



Growing Food for an Emerging Nation

## **PAMOL PLANTATIONS Plc.**

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Social Administratif  
Lobe Oil Palm Estate  
PMB 03, Ekondo Titi  
South West Region  
Republic of Cameroon

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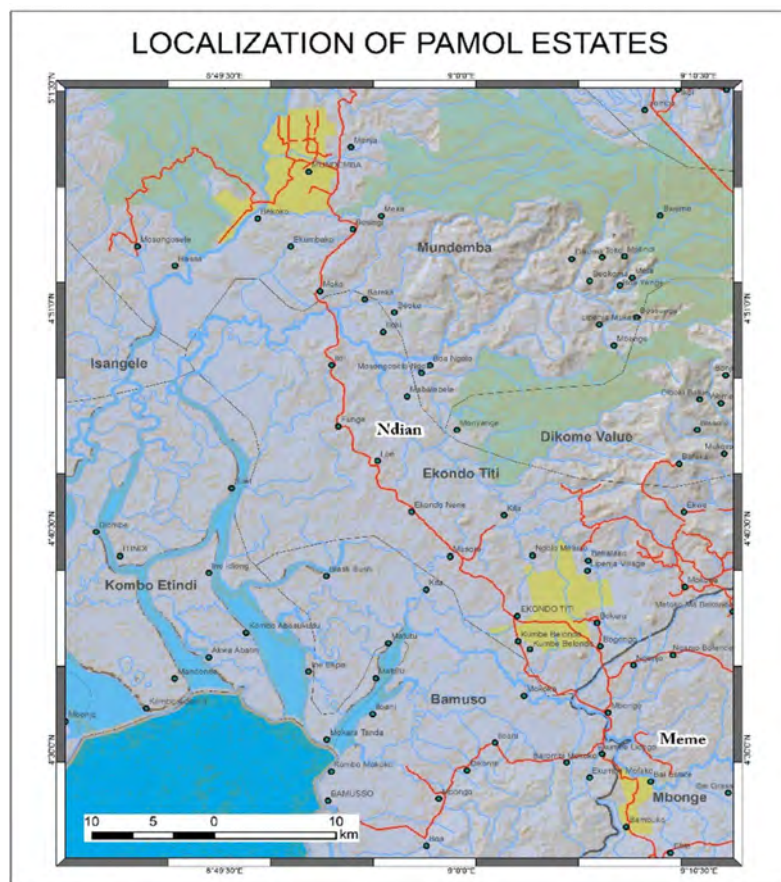
# **ANNUAL REPORT 2020**

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# 1. PRESENTATION OF THE COMPANY

Pamol Plantations Plc is located in the rich and fertile soils of the South West Region of Cameroon along the Atlantic coast of central Africa with Head office at Lobe Estate in Ekondo-Titi subdivision, Ndian Division. The plantations are planted mainly on old and riverine alluvial deposits as well as old and young volcanic soil on the northern side of Mt. Cameroon. It is the third largest Agro-industrial company operating within the oil palm sector in Cameroon.



**LEGEND**

- Places
- Road
- Rivers
- PAMOL
- Limit\_Region
- Limit\_Department
- Limit\_Sub-district
- Hydrology
- Protected area

Sources : WRI, CIFOR, PAMOL  
 Projection: WGS\_1984\_UTM\_Zone\_32N

CIFOR Mars. 2014

PAMOL has four main products to its credit (as presented in the figure below) which includes: palm oil, rubber, oil palm seeds and soap. The key by-products include palm kernel, palm kernel oil and also commercialize oil palm seedlings.



The red palm oil has been traditionally favoured for domestic use within Cameroon. This is because it is very liquid and rich in carotene. PAMOL palm oil has a very low melting and solidification range coupled with its significantly higher un-saturation and lower tri-saturates content. These palm oil characteristics so described makes PAMOL palm oil very attractive to both industrial and domestic consumers.

## 1.1 Vision

PAMOL by 2028, will be serving as a model for economic growth through improved production capacity, profits, environmental protection and mutualisation of benefits with customers, employees, shareholders and hosts communities.

### *Policies to implement the PAMOL's vision*

- The development, maintenance and full exploitation of its oil palm and rubber plantations.
- The updating and expansion of the production capacity of PAMOL's transformation units.
- The extension of oil palm and rubber plantations.

### *Primary goal and specific objectives supporting PAMOL'S policies*

**The Primary Goal** of PAMOL is to continuously improve and expand its products and plantations so as to ensure its survival thereby making sufficient profits to pay off the loan secured for the acquisition of the new oil mill; distribute dividends to shareholders and improve livelihoods of her personnel and host communities.

### **Specific objectives**

- To encourage smallholders of oil palms to establish around PAMOL estates, with the aim of buying their crop for transformation i.e. 60% of Fresh Fruit Bunches (FFB) from smallholders while PAMOL produces only 40%.
- To improve research in developing better field management protocols to realize the maximum yield potential of PAMOL's planting material.
- To embark on vertical integration with the production of refined palm oil and soap.
- To improve on horizontal integration through diversification into rubber and other products.
- To continuously share strategic information with stakeholders and shareholders for motives of sustainable development.

- To reduce cost to reasonable level at various cost centres (oil mills etc.).
- To promote good governance at all levels of decision making and taking.
- To diversify and broaden the customer base.
- To enhance an operational performance management and monitoring system and plan along products value chain.
- To respect all the policies and regulatory change linked to environmental protection and sustainable development.
- To promote stakeholder engagement, labour standards, societal health, safety and wellbeing.
- To continuously improve customer satisfaction, loyalty and profits.
- To promote good business ethics and conducts and serve as a role model for the agro-industry in Cameroon.
- To improve the distribution and marketing plan for all products.
- To promote human capital development at all levels.

## 1.2 Board members, General Assembly and Management

PAMOL is governed by a Board of Directors of 12 members representing government ministries, parastatals and the private sector.

<b>MEMBERS OF THE BOARD OF DIRECTORS</b>					
<b>S/N</b>	<b>NAME</b>	<b>ORGAN REPRESENTING</b>	<b>RANK</b>	<b>NOMINATION DATE</b>	<b>ADDRESS</b>
<b>MEMBERS</b>					
1	H.E. OKALIA BILAI Bernard	THE STATE	Chairman	Aug-16	Buea
2	Prof. MANU Ibrahim NFORMI	PM's OFFICE	Member	2017	Yaounde
3	Mrs. OVA OWONO Marie Nöelle Epse NKO'O	MINFI - CTR	Member	Sep-20	Yaounde
4	Mr. SOUAIBOU Bagoura	CNPS	Member	2018	Yaounde
5	Mr. OBAMA OBAMA Raymond Patrice Furier	S.R.C	Member	2021	Yaounde
6	Mrs. ACHIDI NGU née TAGHO Valerie	MINADER	Member	2017	Yaounde
7	Mr. NDONGO-ETOLO Bominique Roger	CORLAY	Member		Douala
8	Mr. EGBE Samuel EGBE	MINMIDT	Member	Dec-19	Yaounde
9	Mr. EBUNE Bertrand	MINFI - DGI	Member	Sep-20	Yaounde
10	Mr. BUINDA Godlove NSAKABO	MINEPAT	Member	Oct-20	Buea
11	Mr. MBILE TAPEA Solomon	PAMOL PLANATIONS Plc.	General Manager	Oct-20	Lobe
12	Mr. NKWAIN Charles TOHNAIN	PAMOL PLANATIONS Plc.	Employee Representative		Lobe

<b>MEMBERS OF THE GENERAL ASSEMBLY</b>				
<b>S/N</b>	<b>NAME</b>	<b>ORGAN REPRESENTING</b>	<b>NOMINATION DATE</b>	<b>ADDRESS</b>
<b>MEMBERS</b>				
1	H.E. OKALIA BILAI Bernard	THE STATE	Aug-16	Buea
2	Prof. MANU Ibrahim NFORMI	PM's OFFICE	2017	Yaounde
3	Mrs. OVA OWONO Marie Nöelle Epse NKO'O	MINFI - CTR	Sep-20	Yaounde
4	Mr. SOUAIBOU Bagoura	CNPS	2018	Yaounde
5	Mr. OBAMA OBAMA Raymond Patrice Furier	S.R.C	2021	Yaounde
6	Mrs. ACHIDI NGU née TAGHO Valerie	MINADER	2017	Yaounde
7	Mr. NDONGO-ETOLO Bominique Roger	CORLAY		Douala
8	Mr. EGBE Samuel EGBE	MINMIDT	Dec-19	Yaounde
9	Mr. EBUNE Bertrand	MINFI - DGI	Sep-20	Yaounde
10	Mr. BUINDA Godlove NSAKABO	MINEPAT	Oct-20	Buea
11	Mr. KUVE Donald Ekema	CDC		Bota - Limbe
12	Mr. Mengue MENDOUGA Joseph	SOCAPALM		Douala
13	Mr. MBILE TAPEA Solomon	PAMOL PLANATIONS Plc.	Oct-20	Lobe
14	Mr. NKWAIN Charles TOHNAIN	PAMOL PLANATIONS Plc.		Lobe

The company is managed by a General Manager and Deputy General Manager, running six departments viz:- Finance, Plantations, Technical, Research and Development, Human Resources and Internal Audit.

<b>N°</b>	<b>NAME</b>	<b>DEPARTMENT / POSITION</b>	<b>APPOINTMENT DATE</b>
1	Mr. MBILE TAPEA Solomon	<b>General Manager</b>	07/10/2020
2	Mr. MANGHE Donatus ASU	<b>Deputy General Manager</b>	07/10/2020
3	Mr. Henry NANJE MOTIA	<b>Finance</b> Finance Manager	22/06/2017
4	Dr. Etta Culbertson Enow	<b>Research</b> Senior Research & Development Officer	02/02/2015
5	Agbortoko Baiye	<b>Plantation</b> Plantations Manager	22/06/2017
6	Vacant	<b>Technical</b> Technical Manager	-
7	Hermann Mbella Ikome	<b>Human Resource</b> Human Resource manager	August 2015
8	Kelvin Tarh Ofu Ojong	<b>Internal Audit</b> Internal Audit Manager	08/12/2020

### 1.3 Legal Status and Share Capital

Pamol is a fully incorporated Para Public Company on the 10th July, 1996 and registered under the laws of Cameroon Registration No.:RC/MUN/2008/A/012, at Mundemba. The company operates in the agricultural sector and governed by the OHADA Treaty. It is under the supervision of the Ministry of Agriculture and Rural Development. It is a Public liability company with its own memorandum of articles of association. Following the resolutions of the 2<sup>nd</sup> Extraordinary General Meeting of Shareholders dated 6<sup>th</sup> December 2018The share capital of PAMOL stands at 5,954,440,000 (Five billion, nine hundred and fifty-four million, four hundred and forty thousand) francs CFA. The various shareholders are represented as follows:

S/N	NAME OF SUBSCRIBER	NO. OF SHARES	PERCENTAGE
1	The State of Cameroon	563.539	94.64181350%
2	National Social Insurance Fund (CNPS)	14.324	2.40559986%
3	Société de Recouvrement du Cameroun(SRC)	11.015	1.84988009%
4	SOCAPALM	4.087	0.68637857%
5	Corlay Cameroun S.A (FormerShell)	1.597	0.26820322%
6	Cameroon Development Corporation (CDC)	542	0.09102451%
7	SAFACAM	332	0.05575671%
8	SPFS	8	0.00134354%
	<b>TOTAL INTEREST</b>	<b>595.444</b>	<b>100.00000%</b>

The total value of shares making up the share capital is five billion nine hundred and fifty-four million four hundred and forty thousand (5 954 440 000) CFAF as presented in the amended memorandum and Articles of Association of Pamol prepared by the Notary Public dated 13<sup>th</sup> of August 2019.

## 1.4 Personnel situation

### *The personnel plan from 2016 to 2025*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Management											
<b>Category 10 - 12</b>	1.3	26	28	26	28	32	32	33	35	36	38
Staff											
<b>Category 3 - 9</b>	34.0	674	724	685	734	840	840	870	923	933	983
General. Labour											
<b>Category 1 - 2</b>	64.7	1,283	1,378	1,304	1,396	1,599	1,599	1,656	1,757	1,775	1,870
<b>TOTAL</b>	100	1,983	2,130	2,015	2,158	2,471	2,471	2,559	2,715	2,744	2,891

The above table our personnel plan envisaged under normal operating conditions. However, the socio-political crisis has greatly impact our personnel numbers. Before the beginning of the crisis in 2018, our personnel number was approximately 2056. This figure figure has decline down to 380 persons in 2020.

The table below shows the personnel situation from 2018 to 2020.

<b>Year</b>	<b>Active</b>	<b>Recruited</b>	<b>Retired</b>	<b>Dead</b>	<b>Vacant</b>
<b>2020</b>	380	1	34	16	1
<b>2019</b>	254	0	19	16	0
<b>2018</b>	2056	2	12	18	0

## **2 PERFORMANCE REPORT FOR YEAR-END DECEMBER 2020**

Like the past couple of years, the year 2020 has not been different in terms of challenges in carrying out effective operations due to the socio-political crisis in the North West and South West, compounded by the outbreak of the COVID-19 pandemic.

Our operations have been seriously affected by the two reasons cited above so much that it has caused the delay in reporting. Getting and consolidating data from the plantations have been very difficult due to security threats. Which is why our financial statements for 2020 have not been reported. However, this will be finalized by the end of June 2021. This report will therefore present highlights of main activities we managed to carried out during the year 2020, as well as key figures of financials of year-end December 2019 and proposed budget for year 2021.

### **2.1 Market Conditions and Sales**

The Country's reported crude palm oil deficit is averagely 130,000 tons yearly for the past 10 years. This is greatly attributed to the shortfall of production by key producers. However, investments have risen significantly in the transformation industry for over a decade now. Even though some actors in the palm oil sector continue to break-even despite fairly low homologated prices, our scenario is different. We still experience very low yields per hectare, coupled with the ageing factories and increasing cost of production.

There was practically no plantation or factory activities in our estates since June 2018, when we stopped operations due to security threats. Before activities were halted, we had about 2,343 tons of palm oil in our storage facilities in both Ndian and Lobe. We had 2,113 tons in Lobe and 230 tons in Ndian before the tanks were vandalized and some losses incurred.

Sadly, we couldn't move the products to the markets due to poor roads and insecurity. Taking into consideration the storage duration, the quality of oil has fallen below standard.

Analysis of palm oil samples was made and it reveal a decline in quality and the stock was valued at a gross price of 450 CFAF per kg, inclusive of taxes which is below the market price.

As we plan to relaunch operations, there was the need to empty our storage facilities both in Lobe and Ndian Estates. Hence, we had no other choice than to sell at valued price (i.e., 450 CFAF tax inclusive), and equally incurring huge costs in handling and transportation and handling by maritime means. This in an effort to make the produce available to our customers who can no longer access the production sites due to lack of access and insecurity Table 1 shows the sales recorded since the beginning of the year.

**Table 1: Turnover Statitics from January to December 2020**

	Palm Oil		Palm Kernel		Oil Palm seeds		Turnover (CFAF) HT
	Quantity (kg)	Price (CFAF)	Quantity (tons)	Price (CFAF)	Quantity (units)	Price (CFAF)	
<i>Jan-20</i>	-	-	-	-	12,130	2,426,000	2,426,000
<i>Feb-20</i>	-	-	7,000	902,287	15,530	3,106,000	4,008,287
<i>Mar-20</i>	-	-	-	-	18,575	3,715,000	3,715,000
<i>Apr-20</i>	-	-	-	-	9,750	2,015,000	2,015,000
<i>May-20</i>	-	-	-	-	13,555	2,761,000	2,761,000
<i>Jun-20</i>	-	-	-	-	9,535	1,922,000	1,922,000
<i>Jul-20</i>	-	-	-	-	10,150	2,180,000	2,180,000
<i>Aug-20</i>	35,834	1,143,451	-	-	2,250	507,500	1,650,951
<i>Sep-20</i>	988,093	373,075,628	-	-	8,058	3,777,000	376,852,628
<i>Oct-20</i>	271,495	102,453,634	8,755	728,067	8,955	1,814,750	104,996,451
<i>Nov-20</i>	505,398	212,390,212	8,755	728,067	6,525	1,355,000	214,473,279
<i>Dec-20</i>	778,118	310,451,556	-	-	5,404	1,183,500	311,635,056
<b>TOTAL</b>	<b>2,578,938</b>	<b>999,514,481</b>	<b>24,510</b>	<b>2,358,420</b>	<b>120,417</b>	<b>26,762,750</b>	<b>1,028,635,652</b>

So far, we were able to sell 2,578,938 kilograms of palm oil, 24,510 kilograms of Kernel, and 120,417 palm seeds under difficult conditions incurring huge costs of sales and losses. Even though minimal production started. In September 2019 operating below 40% capacity no sale was made until the month of August 2020. The sale of oil palm seeds (OPS) was consistent, though in very limited quantities. As we envisage a high demand for OPS, we have constructed a seed processing unit of a capacity of 1,000,000 seeds in our Douala office, to support the supply from the research unit in Lobe which is subjected to continuous power failure.

## **2.2 Plantation Operations**

In addition to the fact that our operations are significantly affected by the crisis, we were able to brave at Ndian and timidly re-launched operations in September 2019.

Today, just 35% of the entire plantations at Ndian Estate is being exploited due to limited resources and insecurity. It has been very difficult for us to exploit fields in Lobe Estate due to constant threats from unknown gunmen.

We have not been able to exploit the rubber plantations at Bai Estate throughout the ongoing crisis period. Although we continuously strive to implement best agronomic practices, our greatest challenge of exploiting the rest of the fields in all our estates (Lobe Ndian, Bai, Bakassi) remains that of security concerns and lack of resources to embark on standard agricultural practices.

The plantations are in a deplorable state as they have overgrown into secondary forests.

## **2.3 Factories**

The poor state of our factories is not a new phenomenon. Materials and spares form part of our huge cost centres. As the acquisition of the New 30MT palm oil mill from Malaysia is still in process, there is urgent need to rehabilitate the factory so as to process FFB harvested from the fields on timely basis.

FFB processing is dependent on the supply from the fields. Despite the age of the Ndian mill, it is however, still operating below capacity due to lack of sufficient crop to process.

From September to December 2019, only 460 tons of Palm oil were produced from, 2366 tons of FFB milled. We also managed to obtain 11.67 tons of palm kernel during the same period.

From January to December 2020, a total of 1411 tons of palm oil was obtained in milling 7,092 tons of FFB at an extraction rate of 19.9%.

**Table 2: Summary of production for the year 2020 (all in tons) - Ndian Estate**

Month	FFB			FFB Milled	Palm Oil	% O.E.R	Palm Kernel	% K.E.R
	Company	Purchase	Total					
<i>January</i>	368.750	230.190	598.940	639.040	135.208	21.2	9.180	1.4
<i>February</i>	143.975	185.205	329.180	306.740	65.400	21.3	8.700	2.6
<i>March</i>	129.360	149.612	278.972	300.505	628.280	20.9	-	-
<i>April</i>	749.132	378.645	1,127.777	1,002.964	205.642	20.5	-	-
<i>May</i>	838.450	408.993	1,247.443	1,360.723	282.722	20.8	26.380	1.9
<i>June</i>	581.125	363.845	944.970	940.153	196.187	20.9	21.000	2.2
<i>July</i>	293.775	200.184	493.959	504.776	99.384	19.7	-	-
<i>August</i>	288.096	121.581	409.677	387.480	70.425	18.2	54.000	1.4
<i>September</i>	200.121	125.265	325.386	352.583	61.950	17.6	2.790	0.8
<i>October</i>	185.357	121.858	307.215	309.942	51.984	16.8	13.725	4.4
<i>November</i>	307.627	184.390	492.017	486.017	83.268	17.1	8.510	1.8
<i>December</i>	333.156	174.938	508.094	501.094	95.692	19.1	2.000	0.4
<b>TOTAL</b>	<b>4,418.924</b>	<b>2,644.706</b>	<b>7,063.630</b>	<b>7,092.017</b>	<b>1,976.142</b>	<b>234.100</b>	<b>146.285</b>	<b>16.900</b>

## 2.4 Research and Development

Due to security concerns, we are unable to access and exploit the fields where we have specialized palm fruits that produce material for the seed processing unit. Coupled with the consistent failure of power supply, there has been a decline in oil palm seed production (see values of OPS in table 1 since June 2020). However, we have established a seed processing unit in our Douala office premises where power is relatively stable to meet the conditions required for viability of seeds and also to match the high demand from our customers. This SPU has the capacity to produce 1,000,000 seeds per month. The project has costed close to 5 million CFAF and is ready to go operational.

## 2.5 Personnel and Workforce

The greatest impact of the socio-political crises is felt on our work force. In 2018, we had 2,068 workers on our payroll. This number drastically declined to 253 workers in 2019 as many workers abandoned the operational areas due to insecurity. There is a slightly increased by 100 workers in October 2020. In November 2020, it went up to 372 personnel. This trend shows the effect of the socio-political crisis between 2018 and 2019. In 2020, 34 retirement cases have been notified and 13 death cases reported.

From September 2019 till date, there has been a steady increase in labour numbers. However, this still remains a major challenge as we are not quite sure to get same workers and skills required. Thus, there will be the need for continuous training and to bring in some fresh talents. Nevertheless, we still have critical issues to re-visit such as

- Workers' Pension contributions (CNPS) from April 2004 to July 2016 amounting to 2 275 940 778 CFAF) which was requested by Pamol for the Government to assist in its payments. Also, from August 2016 to December 2019, the contributions have amounted to 1 369 728 545 billion CFAF based on control conducted by CNPS. From January to December 2020, the company's debt with CNPS stands at 150 000 000 million CFAF.
- Joint collective agreement for workers (for salary re-classification) is in progress.
- Turnover and salary related taxes (PIT, LBT, NEF, CRTV) from January to December 2020, amount to approximately 266 050 124 CFAF, have also been declared on time but still remain unpaid due to lack of funds.

Human Resource is our most valuable asset. In an attempt to foster our operations particularly during this 'take off' phase along-side guaranteeing high and steady performance in all sections, there is need for a review or modification of our current or existing structure (staffing designation and job specification), to suit and reflect the current realities.

## **2.6 Government support review**

Prior to 2017, the company's capital was 7.15 billion CFAF. In year 2018, tax liabilities as at December 2017 worth 11.6 billion CFAF were written off and converted to State shares. Increase in shares would improve net equity, then reduction will clear losses.

The effect was that the capital was increased to 18,8 billion CFAF and at the same time reduced to 5.9 billion when losses worth 12.8 billion CFAF were absorbed.

The new share register was submitted at the Autonomous Sinking fund pending a fee of approximately 14.8 million CFAF. It was advised that each shareholder account be opened in a bank of their choice.

### **2.6.1 Funds from the State**

This section is presenting a report on funds from the State of Cameroon and their usage. It will be divided into two (2), funds Ex-Joint investment plan State of Cameroon / PAMOL Plantations Plc. ("Contrat-Plan") and funds destined to the acquisition of the new palm oil mill for PAMOL.

During the year 2020, the company also received subvention from MINFI worth 756 million being part of a 1,5 billion salary arrears engaged. This was paid to workers.

#### *a) Funds Ex-Joint Investment Plan*

The State of Cameroon within the framework of the Joint Investment Plan engaged the sum of 6.6 billion CFAF for PAMOL. In executing this plan, 6.5 billion CFAF were disbursed. The difference of 100 million CFAF came from MINADER who actually engaged 1.9 billion instead 2.0 billion CFAF previewed. We wish to happily announce that this difference of 100 million CFAF was covered by the surplus 120 million CFAF of the year 2019 MINADER engagement for the acquisition of the new mill.

The funds 6.5 billion CFAF ex Joint Investment Plan were fully disbursed but were not all converted into shares as per the provisions of the Joint Investment Plan. Please see table below:

No.	Description of event	Amount (CFAF)
1	Funds Ex Joint Investment Plan	6 500 000 000
2	Subvention received from MINFI before The introduction of the Joint Investment Plan	500 000 000
	<b>Total</b>	<b>7 000 000 000</b>

No.	Description of event	Amount (CFAF)
3	1 <sup>st</sup> Conversion of State's funds into State's shares in PAMOL (2 <sup>nd</sup> Extraordinary Board and 2 <sup>nd</sup> Extraordinary General Meetings for year 2014 of 25 <sup>th</sup> July 2014)	2 300 000 000
4	2 <sup>nd</sup> Conversion of State's funds into State's shares in PAMOL (3 <sup>rd</sup> Extraordinary Board and 3 <sup>rd</sup> Extraordinary General Meetings for year 2015 of 9 <sup>th</sup> October 2015)	2 300 000 000
	<b>Total</b>	<b>4 600 000 000</b>

*Funds awaiting conversion 2 400 000 000 CFAF.*

*b) Funds for the acquisition of the new palm oil mill*

The cost of acquisition of the new palm oil mill for Ndiain estate is eight billion five hundred million (8,500,000,000) CFAF. So far two billion (2,000,000,000) CFAF were made available by MINFI within the framework of the Joint Investment Plan leaving a difference of six billion five hundred million (6,500,000,000) CFAF. The State of Cameroon took the engagement to make available the remaining balance and following the instruments PM's correspondence B70/e-3 dated 5th April 2018. The funds were to be made available following the schedule as presented in the table below.

ORGAN	Year 2018	Year 2019	Total (CFAF)
MINADER	1 000 000 000	1 000 000 000	2 000 000 000
MINEPAT	2 000 000 000	2 000 000 000	4 000 000 000
PAMOL	250 000 000	250 000 000	500 000 000
<b>TOTAL</b>	<b>3 250 000 000</b>	<b>3 250 000 000</b>	<b>6 500 000 000</b>

However, due to inflation and other market factors, the new factory has been re-estimated to cost 7 250 000 000 CFAF allocated as follows.

- *Ex- MINFI Chapitre 93* 2 000 000 000
- *BIP MINADER year 2018* 1 250 000 000
- *MINEPAT engaged in year 2018* 2 000 000 000
- *MINEPAT engaged in year 2019* 2 000 000 000

Except for MINEPAT engagement in 2019 of 2 000 000 000 CFAF which is to be disbursed by progress payment directly to supplier (SAWIPAC). All the above funds have been disbursed

As it stands, the follow-up about the acquisition of the new palm oil mill is on two folds. The technical visit to Malaysia and obtention of a tax clearance certificate to facilitate the duty clearance documents.

The delay in implementation of this project is significantly influencing its initial cost as it is subject to inflation. This could likely lead to a review of the cost of the new factory.

*c) Summary of Pamol triennial investment budget with MINADER (billions)*

S/N	Description	2019	2020	2021	Total
1	Acquisition of new oil mill in Ndian.	1,130	0	0	1,130
2	Rehabilitation of Lobe oil mill.	0	1,150	0	1,150
3	Acquisition & Application of fertilizers.	0,644	0,744	0,856	2,243
4	Acquisition of heavy-duty equipment.	0	0	0,710	0,710
5	Replanting of palms at Lobe & Bai	0,547	0,440	0,661	1,648
6	Construction of workers' houses in Lobe, Ndian, Ekondo Nene, Bai and Bakassi Estates.	0,150	0,125	0,125	0,400
7	Rehabilitation of oil palm seed production & research infrastructure.	0,383	0,130	0,121	0,634
8	Acquisition of tractors c/w trailers (six in number).	0	0	0,240	0,240
9	Acquisition of 1 generator 500kva.	0	0	0,075	0,075
	<b>TOTAL</b>	<b>2,854</b>	<b>2,588</b>	<b>2,789</b>	<b>8,231</b>

There wasn't any execution of the investment budget in year 2020.

## 2.7 Review of year 2019 Accounts

As earlier mentioned in the beginning of this report, the company is faced with a lot of security challenges to carry out her normal activities. Hence the delay in operations which is why the 2020 accounts are still to be presented to the Board of Directors. However, the company managed to produce the 2019 under difficult conditions. Below are some key highlights

### ANALYSIS OF INCOME AND EXPENSES

Account		2,019	2,018	Difference	%
<b>Income</b>					
70	Sales	47,291,925	1,324,708,851	-1,277,416,926	-96
71	Subvention	1,230,379,783	0	1,230,379,783	0
72	Production	0	419,207,483	-419,207,483	-100
73	Stock variation	-335,244,289	1,672,834,601	-2,008,078,890	-120
75	Other income	8,876,785	48,411,570	-39,534,785	-82
77	Interest income	9,021,918	39,820,920	-30,799,002	-77
78	Other charges	991,044	35,666,050	-34,675,006	-97
79	Provisions	20,420,662	55,779,802	-35,359,140	-63
84	Other income	2,275,940,778	1,383,536,263	892,384,515	-64
86	Write back	0	4,674,600	-4,674,600	-100
				-	
<b>Total A</b>		<b>3,257,678,606</b>	<b>4,984,640,140</b>	<b>1,726,981,534</b>	<b>-35</b>
<b>Expenses</b>					
60	Purchases	336,927,438	558,585,861	-221,658,423	-40
61	Transport	33,815,194	199,759,993	-165,944,799	-83
62	Services	110,993,757	497,826,389	-386,832,632	-78
63	Other services	258,142,351	150,571,960	107,570,391	71
64	Rates & taxes	7,763,522	26,820,568	-19,057,046	-71
65	Other charges	361,895,706	428,076,434	-66,180,728	-15
66	Personnel	2,054,343,386	1,947,786,149	106,557,237	5
67	Financial charges	0	9,201,521	-9,201,521	-100
68	Depreciation	774,184,128	1,133,796,236	-359,612,108	-32
69	Provisions	30,000,000	243,648,631	-213,648,631	-88
89	Income tax	929,000	28,115,890	-27,186,890	-97
				-	
<b>Total B</b>		<b>3,968,994,482</b>	<b>5,224,189,632</b>	<b>1,255,195,150</b>	<b>-24</b>
<b>Profit/loss = A - B</b>		<b>-711,315,875</b>	<b>-239,549,492</b>	<b>-471,766,385</b>	<b>-197</b>

The table above shows the analysis of income and expenses for 2019 and 2018.

From the table it may be noticed that income decreased by 35% while expenses decreased by 19%; the loss for the year amounting to 711 315 875 CFAF represents an increase of 24% against the loss of 239,549,492 CFAF an accumulated loss for 2018 and 2019 of 950,865,367 CFAF.

Highlights of the above analysis include outside expenses which reduced from 648,398,349 CFAF in 2018 to 369,136,108 CFAF in 2019, representing a reduction of 279,262,241 CFAF in absolute terms or 43% in relative terms.

Included in these expenses are amounts paid to contractors in respect of follow up services, leading to the recovery of about 3,425,000,000 CFAF of subvention and other payments from the State; such charges approximate about 4% of funds recovered.

We observe that the increase and decrease in capital which took effect in the accounts for the year ended 31 December 2017, leading to a capital of 5,954,440,000 CFAF may not have been notarized yet as funds estimated to amount to 27 million CFAF or about 0.25% of the capital increase has not been approved and made available to management for execution.

This action should be carried through quickly so as to update the company's records with the courts and the Caisse Autonome d'Amortissement which manages dematerialized shares of public limited liability companies.

Personnel charges booked in 2019 increased by 106,557,237 CFAF or 5% in relative terms from 1,947,786,149 CFAF in 2018 to 2,054,343,386 CFAF in 2019.

The level of personnel charges shown above for 2019 includes 1,486,457,856 CFAF relating to the company's portion of family allowance, workmen compensation and age-old pension accrued in 2019; this means that the level of the other components of personnel charges has actually decreased between 2018 and 2019.

The Minister of Finance approved in June 2018 the payment of operating subvention of 1,230,379,783 CFAF to Pamol to enable the latter pay the salaries of its employees for the period from December 2017 to June 2018. The sum of 1,175,298,279 CFAF was paid into Pamol's account in March and November 2019 and the balance amounting to 55,081,504 CFAF was withheld at source in February 2020 to pay payroll taxes for the employees.

Details annual financial statements are presented in the auditor's report to the Board of Directors.

### 3 MAJOR CHALLENGES

- ✓ Continuous threats from separatist fighters preventing full scale operation.
- ✓ During the socio-political crises, company personnel properties were vandalised.
- ✓ Plantation maintenances stopped, which led to overgrown field yields, no crop thus leading to low factory throughput.
- ✓ The irony about palm production is that the yields are not evenly distributed over the 12 months of the year. In the case of Pamol, 70% of the crop can be produced in 6 months (Jan-June) thus requiring a larger capacity and performing factory to cope with this peak crop production.
- ✓ The old mills cannot process the potential field yields. What we present as field yields in our records is what the current mills have processed. Crop loss due rampant suspension of harvesting to avoid overloading the factory is not included in the yields recorded.
- ✓ Poor roads to evacuate finished goods (palm Oil).
- ✓ Finally, the incapacity of the oil mills to process the entire crop affects the financial results of the company.
- ✓ Stagnant price of palm oil since year 2008.
- ✓ Inflation has rendered spares very expensive.
- ✓ Deplorable road network has caused us to store standard products for too long does reducing the quality to substandard. As a result, we are obliged to sell slightly below the official Government price to lure buyers.
- ✓ Deplorable state of fields which imposes high cost of maintenance of our plantations.

#### 4 PERSPECTIVES.

The impact of the Anglophone (North West and South West) crises has negatively affected our operations with common issues like;

- Difficulty to evacuate finished goods (Palm Oil) due to poor nature of the roads.
- Loss of employee as many flee away for security reasons.
- Workers molested and tangible assets vandalised
- Initial survival has principally been through minimal revenue received from sales of Oil Palm seeds.

In managing the circumstances above, we plan to make some structural adjustments with the labour numbers we presently have and bring in more onboard as needs arise and as funds permit. We intend to operate as follows;

- ✓ To resume fertilizer application (abandoned during the socio-political crises) to improve on field yields.
- ✓ To rehabilitate farm-to-factory and farm-to-market roads to facilitate the movement of raw materials and finished goods.
- ✓ For new plantations extension to increase crop production.
- ✓ For vulgarization of the small holders' scheme to increase their crop supply to Pamol.
- ✓ For replanting old plantations to improve on yields,

In this perspective the budget for year 2021 was designed to cater for some of the issues faced with the company.

#### **4.1 Parameters for 2021 budget.**

The Company's budget for the year 2021 is conceived within the framework of the Growth and Employment Strategy Paper (G.E.S.P.) taking into consideration the Rural Sector Development Strategy Paper (RSDSP) of the Ministry of Agriculture and Rural Development.

The company has virtually not been operating during the past three years because of security concerns. The last two budgets (2019 and 2020) were therefore only partially executed. Consequently, our plantations have overgrown because of no maintenance and the palm oil mills operating at very minimal capacity. Due to this circumstance, the plantations, factories, houses of workers and administrative buildings have seriously deteriorated. It is therefore incumbent upon us to take the bold step to fully resume plantation operations in 2021. In order to achieve this goal, we have to take stringent and calculative measures to launch back all activities. This entails bringing forth our experience and best management practices in executing the budget in 2021 within the context of companies operating in an economic disaster zone. There would be need to fully deploy the necessary mechanisms to realize the above vision and above all, there will be heavy dependence on financing from the Government.

Considering the various measures taken by Government for a return to normalcy in the North West and South West Regions, management prepared the present budget with optimism that full activities will resume in 2021. This decision was inspired particularly from the Prime Minister's letter instructing the General Manager to carry on with the project for the construction of the new palm oil mill. Recognizing that the state of the company is deplorable, particularly the plantations and factories we have planned to engage in intensive upkeep operations within three (3) months from November to January 2021. This is to enable us achieve maximum crop during the peak harvesting season running from mid-February to mid-May 2021. Consequently,

- Plantation management has conceived a strategic plan to start the maintenance from the areas of high production and nearer the factories.
- The Ndian factory is already operational albeit limping while the Lobe factory is presently under some maintenance works ahead of resumption of operations.
- The plantations and factories need to be rehabilitated.

We have considered a full year budget knowing that it could be adjusted as the security situation unfolds. There will be need for an addendum during the year where necessary.

The 2020 budget was prepared based on the following assertions;

- Forecasts were made from analysis of budgeted and actual figures of main products during the crisis period.
- The Company standard budget policy related to field and other operations was considered. For example, standard maintenance and harvesting cycles.
- Prices of products.
- Production cost (Field inputs, spares and labour)

The year 2021 budget is conceived on strategy Paper for Growth and Empowerment and Rural Sector Development Strategy paper of MINADER.

The budget ranges for a period of 12 months (1 year), and may last up to 36 months (3 years) depending on the nature of activities involve.

The budget formulation considered the fact that;

- Huge damage was done on Company property in 2018 following the North West and South West Anglophone crises.
- Rehabilitation cost of 2021 has been incorporated in the Capital expenditure.

The budget for 2021 is balanced in Revenue and Expenditure at 20 414 548 000 CFA Francs, allocated as follows;

<i>Recurrent (Operation) expenditure</i>	9 444 737 000	46.26%
<i>Investment (Capital) expenditure</i>	10 969 810 000	53.74%
<b>Total</b>	<b>20 414 548 000</b>	<b>100.00%</b>

Recurrent budget means operating estimate while investment budget refers to the estimate of capital expenses. The investment budget is associated to huge investment expenses on rehabilitation which will be capitalised. The rehabilitation cost is estimated at 6,7 billion CFAF.

In the 2021 budget, our envisaged operating surface area is distributed as follows:

- *Mature (in production)* = 9091Ha
- *Immature* = 2041 Ha
- *Unplanted* = 969 Ha
- *Awaiting replanting* = 2200 Ha.

We projected to produce about 80,000 metric tons (MT) FFB, which will be transformed to 16,500 MT of crude palm oil (CPO); 3,230 MT of palm kernel at extraction rates of 20.5% and 4.0% respectively. About 1,102,400 units of oil palm seeds and 1,556 MT of rubber cup lumps will be produced. We had a motivated workforce of 2731 persons before the crises disrupted operations in 2018 and now plan to call back the workforce progressively as our activities build up and as the needs dictate.

#### 4.1.1 Sources of funds

We intend to source a total of 20 414 548 000 CFAF. Through our products and other income generating activities, we estimate to make a turnover of 8 611 880 000 CFAF. Out of the turnover value, we expect to generate 70 000 000 CFAF for soap factory rents and 203 589 000 CFAF from contract with MINTP for farm-market road maintenance. The balance of the total turnover 8 338 291 000 CFAF will be generated through the sales of our products. Table 1 shows sales forecast for different products.

<b>Product</b>	<b>Qty (000s)</b>	<b>Price/unit</b>	<b>Tax @ 19.25%</b>	<b>Gross (000s)</b>	<b>Net (000s) CFAF</b>
Palm Oil	16,133	450	87	8,657,371	7,259,850
Palm kernel	3,230	126	24	484,500	406,289
Palm kernel Oil	736	25	5	22,093	18,527
Rubber (DRC @ 60%)	934	440	85	489,860	410,784
Oil Palm Seeds	984	247	48	289,587	242,841
<b>Total</b>	<b>22,017</b>	<b>1,288</b>	<b>248</b>	<b>9,943,413</b>	<b>8,338,291</b>

As engagement from the state (for the new factory), we have estimated 7 250 000 000 CFAF.

We also expect a sum of 4 552 668 000 CFAF from the state distributed as follows;

- *Reimbursement from MINEPAT (Re-Bakassi)* 2 000 000 000
- *Exceptional subvention (Salary arrears)* 2 552 668 000

	<b>2021</b>	<b>2020</b>	<b>Difference</b>	<b>% difference</b>
<b>OPEX</b>	9,444,737,000	9,212,544,000	232,193,000	<b>2.52%</b>
<b>CAPEX</b>	10,969,810,000	15,004,120,000	(4,034,310,000)	<b>-26.89%</b>
<b>TOTAL</b>	20,414,547,000	24,216,666,020	(3,802,117,000)	<b>-15.70%</b>

	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>	<b>% exploited</b>
<b>OPEX</b>	9,212,544,000	3,961,210,703	5,251,333,297	<b>43.00%</b>
<b>CAPEX</b>	15,004,120,000	2,949,293,667	12,054,826,333	<b>19.66%</b>
<b>TOTAL</b>	24,216,664,000	6,910,504,369	17,306,159,631	<b>28.54%</b>

Compared to year 2020 budget there is an overall increase by -15.70% the operational and capital budgets with that of year 2021.

The recurrent budget is the functional or operating estimate. It covers direct and indirect costs such as salaries, factory and field upkeep, telephone consumption, stationaries and other inputs. In year 2020, only 43% of the budget was available for implementation.

The operating or recurrent expenses are expected to be up by 2.52% compared to 2020. This is because more purchase of raw materials (FFB) and other spares is envisaged especially as we plan to re-launch activities in Lobe. Other charges such as staff training and other consultancy services will be required.

Details of these cost allocations are presented and explained in annexes 1 and 2 on page 31 and 32.

Capital expenses are estimated for fixed assets; for example, buildings, palm oil mill, heavy duty equipment, replanting etc. Only 19.66% of the budget of the year 2020 has been achieved compared to the actual.

The budgeted cost of operations has increased by 2.52% compared to that of year 2020 due to increase in the areas envisaged to be exploited. The investment cost is down by 26.88% compared to year 2020 because the rehabilitation funds of the plantations (fields and factories) that which was included in the 2020 budget was not realized as request is still pending approval by the Government.

Comparing the budgeted and actual figures for year 2020, it is clearly noticed that there were insufficient funds to carryout total implementation.

## ***Projected results***

Projected net result is minus 210 543 195 CFAF (see details in annex 7, page 40).

<i>Net profit/ (Loss) before tax</i>	<i>(21 072 844)</i>
<i>Company taxes</i>	<i>(189 461 352)</i>
<b><i>Net result</i></b>	<b><i>(210 534 195)</i></b>

The justification for the net loss is attributed to the fact that we envisage huge capital expenses (53.74% of budget) to be incurred within the first years of operations especially on plantation operations and factory spares which have all been affected by the socio-political crises.

The Board of Directors, at their 50<sup>th</sup> sitting that took place on the 6<sup>th</sup> December 2018 adopted a resolution authorizing management to capitalize the cost of rehabilitation of plantations operations worth 1 428 922 404 CFAF. This however, could not be implemented because no operations took place as a result of the ongoing socio-political crises and lack of funds.

The crisis caused a lot of destruction of our assets. For us to effectively resume our operations, much has to be done and will require huge expenditures.

However, in line with the Government rehabilitation plan for the crises affected Institutions and establishments, we have forwarded correspondences to MINEPAT detailing the assets to be rehabilitated listed under four main departments.

Table 3 shows the breakdown of the estimated rehabilitation cost of our plantation, factory, research and medical assets worth 6 790 376 230 CFAF.

<b>Table 3: Estimated rehabilitation cost</b>	
	<b>Cost (CFAF)</b>
<b>Plantations</b>	2,389,479,230
<b>Factories</b>	3,850,000,000
<b>Research &amp; seed production</b>	427,476,000
<b>Medical</b>	123,421,000
<b>TOTAL</b>	<b>6,790,376,230</b>

The plantations are all overgrown and have developed into secondary forests. The rehabilitation of plantations shall include almost all the aspects of operations, maintenance, road grading, bridges and culverts. The objective here will be to bring back the plantations to “normal”. (See details in annex 3, page 32)

The two factories are in a very poor state and operating below capacity. Thus, they require to be refurbished. The research and medical departments have suffered damages from unknown armed men and require full rehabilitation.

Allocating the cost of rehabilitation of plantations to direct production cost in subsequent years shall be reviewed, capitalized, and depreciated accordingly.

Fertilizer application is vital to improve yields. We plan to resume the acquisition and application of fertilizers as we foresee a huge deficit in the supply of fresh fruits bunches (FFB) to the new palm oil mill in Ndian Estate by 2022. This is a timely agricultural practice that need to be done. As this is a high-cost center, only selected fields with high-expected yields (fields that are less than 20 years old) will be fertilized.

For our Smallholders, a more aggressive smallholder policy will be put in place so that in subsequent years, they will be producing enough FFB to adequately supply the factories. This justifies our allocation of 1.256 billion FCFA to purchase 25,123 MT of FFB from Smallholders.

We also considered our downstream operations of soap production and Palm kernel crushing which will continue to be factorized or contracted in the short term till when we must have consolidated our main plantation operations.

Through the directives of the State, we made huge investments in the Bakassi project and by 2018, three hundred and eighty-six (386) hectares of oil palms were planted, houses for workers built. Military and a gendarmerie posts were also constructed to provide security in the zone. This project is a priority to us and therefore we will engage in the upkeep of all planted areas and maintenance of the infrastructure in place as soon as full activities resume.

## 5 Conclusion

Despite the difficulty faced, a lot of efforts have been made by the Government and management to ensure the survival of the company.

The government have been making efforts to support the company through contributions towards the new factory, salary arrears grants to workers and looking forward to initiate the rehabilitation process.

Management on the other hand have ensure continuity of work as it is fully going on at the Douala office and partial in our Lobe and Ndian Estates. Regular factory maintenance has been carried on to ensure production takes place amid security treats. There has been full collaboration with security to protect existing assets and ensure production runs smoothly.

Conclusively, it is obvious that we cannot run our day-to-day activities without a running capital. We find it difficult to move our products to the markets. In as much as we are expecting support from the Government, we are equally praying that the situation should normalised and work should fully resume in all our locations.

## 6. Annexes

### Annex 1

SOURCES OF FUNDS	
SOURCES	AMOUNT (000s)FCFA
<b>TURNOVER</b>	
<b>Output Sold:</b>	
<b>Palm Oil</b>	<b>7,259,850</b>
Palm kernel	406,289
<b>Palm kernel Oil</b>	<b>18,527</b>
Rubber	410,784
<b>Oil Palm Seeds</b>	<b>242,841</b>
<b>Sub Total</b>	<b>8,338,291</b>
<b>Other Sources:</b>	
Rent of Soap Factory	70,000
<b>MINTP Contract</b>	<b>203,589</b>
<b>Sub total</b>	<b>273,589</b>
<b>TOTAL REVENUE</b>	<b>8,611,880</b>
<b>FUNDS EXPECTED FROM THE STATE</b>	
<b>Acquisition of New Palm Oil Mill</b>	
<b>Ex-MINFI Chapter 93</b>	<b>2,000,000</b>
BIP MINADER year 2018	1,250,000
MINEPAT engaged in year 2018	2,000,000
MINEPAT year 2019, will be direct progress payments in year 2020 from MINEPAT to Sawipac	2,000,000
<b>Sub Total</b>	<b>7,250,000</b>
<b>Subventions (Requested for)</b>	
2016 & 2017 MINEPAT debt to Pamol on Bakassi Phase II	2,000,000
Exceptional Subvention for workers' Salary Arrears (July 2018 - Jan. 2019)	2,552,668
<b>Sub total</b>	<b>4,552,668</b>
<b>TOTAL FUND Ex - STATE</b>	<b>11,802,668</b>
<b>GRAND TOTAL (All Sources)</b>	<b>20,414,548</b>

ALLOCATION OF FUNDS	
RECURRENT (OPERATIONAL) EXPENDITURE (all in FCFA)	
COST CENTER	AMOUNT (000s)
Raw materials and stores consumed	2,882,249
Transport	228,305
External Services third parties services	1,798,608
Rates & Taxes	44,753
Other Charges	133,244
Personnel Expenses	1,582,440
Interest Expenses	85,000
Taxes	189,461
<b>Sub total</b>	<b>6,944,059</b>
<b>INVESTMENT (CAPITAL) EXPENDITURE</b>	
Plantations	504,517
Building & Construction	145,400
Transport Equipment	471,000
Industrial Equipment, New Palm Oil Mill & Others	971,650
New Ndian Mill	6,871,007
Heavy Duty Equipment	1,550,000
Staff Buildings	229,500
Administrative Buildings	33,600
Research Rehabilitation	10,846
Medical Rehabilitation	123,421
Office Equipment	58,870
<b>Sub total</b>	<b>10,969,810</b>
Loans from Afriland & NFC re-Bakassi	2,076,753
Net Cashflow	423,926
<b>GRAND TOTAL (All allocations)</b>	<b>20,414,548</b>

<b>Annex 2. Explanatory notes on budget summary</b>		
1	Fixed Assets	An item or property, plant and equipment owned and controlled by a company which is valuable and is able to meet debts, commitments and can generate revenue (Mill, Head Office Building, Generator)
2	Raw Material & Stores consumed	Include purchase of FFB from smallholders, store items consumed (FFB, Wires, Cables)
3	Transport	Include transport used to carry day to day activities and transport FFB (Wheel loader, New Folk Lift, 4WD Tractors for Bakassi Oil Palm Project, Trucks, Motorbikes etc.)
4	External services	Goods and services provided by external parties such as transportation of FFB to the mill, weeding of the fields, repairs and acquisition of spare parts for the mills.
5	Rates & taxes	Taxes on land, on Non-commercial revenues.
6	Other charges	Also called "Other charges" include charges on items not foreseen such as natural disasters, fire.
7	Personne expenses	Include salaries, CNPS payments, Payee taxes.
8	Interest expenses	These are charges from the banks for various financial transactions, they include bank transfer charges, Monthly bank Charges, Interests and commissions on discounted bills of exchange.
9	Plantation	Include development of plantations that are still less than 4years old such as Mana 2016 Nursery, 2016 Oil Palms nursery - Mosongiseli - 5,000 seedlings, 2016 Oil Palms Nursery- Idibanyanga - 30,000 seedlings, 2017 Oil Palms Nursery -Idibanyanga - 40,000 seedlings, 2017 Rubber Nursery for 100 Has Rubber Planting project, 2017 - 68 Has Rubber Planting - Development - Soke.
10	Building & Construction	Include construction of houses, construction of roads such as Construction of 10 rooms for Ngolo/Lipenja, Construction of Window Protectors for Management Houses, Construction of 10 long pit toilets - Kokundu/Lipenja - 5 doors, Repairs of Camp Houses, Construction of Low Cost Rooms for Centre B workers, Mosongiseli Oil Palms Development - Roads/Culverts/Bridges, Construction of 2 Bridges Kokundu Division, Construction of 4 Culverts Kokundu Division, Construction of 4 Pit Toilets Kokundu Division
11	Transport equipment	Include items such as 8-Bikes for Lobe Estate and Divisions, Motorcycles for Engineering Supervisory Staff Lobe, Supervision vehicles for Engineering Managers, Engineering van, Tipping Trucks, One Supervision Pick-up Hilux for DPLM, One Motorcycle for Senior Supervisor Small Holding Ndian, One Motorcycle for Overseer, Small Holding Lobe
12	Industrial equipment	Include items such as Mill Conveyors and Beams, Water Filtration unit for Dosing pumps/chemical Lobe Estate, Babcock Boiler Rehabilitation, Fire Fighting Equipment/PPE for Boiler Firemen, Milling Machine and accessories, Lathe Machine Mech W/S and accessories, Mill Processing Spares, Power Hacksaw machine and accessories, Pedestal Grinder and accessories, Pillar Drilling Machine and accessories.
13	Infrastructure	Include items such as solar energy, water catchments, bore holes etc.

<b>Annex 3: Plantations costs to be capitalised</b>						
<b>Dept.</b>	<b>N°</b>	<b>Description</b>	<b>Qty</b>	<b>U. Cost</b>	<b>Total Cost</b>	<b>Sub-Totals</b>
<b>Path and Ring weeding</b>						
Lobe	1	Path/R. Manual weeding, Mature area 1983-1991 Kok. Kog., Lip	2,811	13,500	37,948,500	
	2	Path & Ring, Manual weeding, Mature area Ngolo 2010-2013	557	14,300	7,965,100	
	3	Path & Ring, Manual weeding, Ngolo immature 2014-2017	883	21,450	18,940,350	
	4	Path/R Blanket chemical weeding Ngolo Dev't area 2010-2017	1,440	35,750	51,480,000	
	5	Path/R. Chemical weeding, Mature area 1983-1991 Kok. Kog., Lip	2,811	20,250	56,922,750	
	6	Manual Ring Weeding Lip. Underplanted area 2015, 2016, 2017	350	14,300	5,005,000	178,261,700
Ndian	7	Path & Ring Manual weeding Mature area 1989-2013	5,061	13,500	68,323,500	
	8	Path & Ring Chemical weeding Mature area 1989-2013	5,061	21,450	108,558,450	176,881,950
Bai	9	Path & Ring Manual weeding Mature area 1985-1986	398	13,500	5,373,000	
	10	Path & Ring Chemical weeding Mature area 1985-1986	398	20,250	8,059,500	
	11	Path/R Blanket chemical weeding Rubber Dev't area	168	35,700	5,997,600	19,430,100
Ekondo-N.	12	Path & Ring Manual weeding Mature area 2009-2010	422	14,300	6,034,600	
	13	Path/R Blanket chemical weeding Dev't area 2013	45	35,750	1,608,750	7,643,350
Bakassi	14	Path & Ring Manual weeding Mature area 2015-2016	385	50,050	19,269,250	
	15	Path & Ring Manual weeding Mature area 2015-2016	385	21,450	8,258,250	27,527,500
		<b>Sub-Total Path &amp; Ring</b>			<b>409,744,600</b>	<b>409,744,600</b>
<b>Interline weeding</b>						
Lobe	16	Interline weeding Mature area	3,368	35,750	120,406,000	
	17	Interline weeding immature area	883	50,050	44,194,150	164,600,150
Ndian	18	Interline weeding Prime mature area 2000-2013	2,902	50,050	145,245,100	
	19	Interline weeding 1989-19999	2,159	33,750	72,866,250	218,111,350
Bai	20	Interline weeding, 566 ha	566	33,750	19,102,500	19,102,500
Ekondo-Nene	21	Interline weeding, 555 ha	555	50,050	27,777,750	27,777,750
Bakassi	22	Interlin weeding, 385 ha	385	57,200	22,022,000	22,022,000
		<b>Sub-Total Interline weeding</b>			<b>451,613,750</b>	<b>451,613,750</b>
<b>Pruning and Stacking</b>						
Lobe	23	Pruning/Stacking Kokundu, Kokorunge and Lipenja	2,811	70,200	197,332,200	
	24	Pruning/Stacking Ngolo 2010-2013	577	37,180	21,452,860	218,785,060
Ndian	25	Pruning/Stacking 2000-2013	2,902	37,180	107,896,360	
	26	Pruning/Stacking 1989-1999	2,159	70,200	151,561,800	259,458,160
Bai	27	Pruning/Stacking Bai 1985-1986	398	70,200	27,939,600	27,939,600
Ekondo-N.	28	Pruning/Stacking 2009-2012	422	37,180	15,689,960	
	29	Pruning/Stacking 2013	45	37,180	1,673,100	17,363,060
		<b>Sub-Total Pruning &amp; Stacking</b>			<b>523,545,880</b>	<b>523,545,880</b>
<b>Roads Grading</b>						
Lobe	30	Road grading	125	1,560,000	195,000,000	195,000,000
Ndian	31	Road grading	111	1,560,000	173,160,000	173,160,000
Bai	32	Road grading	48	1,560,000	74,880,000	74,880,000
Ekondo-N.	33	Road grading	26	1,560,000	40,560,000	40,560,000
Bakassi	34	Road grading	29	1,560,000	45,240,000	45,240,000
		<b>Sub-Total Road grading</b>			<b>528,840,000</b>	<b>528,840,000</b>
<b>Bridges and Culverts</b>						
Lobe	35	Twenty eight (28) roads and twenty five (25) culverts			121,200,000	121,200,000
Ndian	36	Eighteen (18) roads and twenty five (25) culverts			115,140,000	115,140,000
Bai	37	Four (4) roads and eight (8) culverts			39,390,000	39,390,000
Ekondo-N.	38	Three (3) roads and Three (3) culverts			18,225,000	18,225,000
Bakassi	39	One (1) roads and Two (2) culverts			8,035,000	8,035,000
		<b>Sub-Total Bridges and Culverts</b>			<b>301,990,000</b>	<b>301,990,000</b>
<b>Others</b>						
Pamol	40	Recruitment for all estates			32,500,000	32,500,000
Pamol	41	Rebuild colapsed houses for all estates			65,000,000	65,000,000
Pamol	42	Tools for all estates			76,245,000	76,245,000
		<b>Sub-Total Others</b>			<b>173,745,000</b>	<b>173,745,000</b>
<b>TOTAL PLANTATIONS</b>					<b>2,389,479,230</b>	<b>2,389,479,230</b>

<b>Annex 4: Factories costs to be capitalised</b>					
<b>Dept.</b>	<b>N°</b>	<b>Description</b>	<b>Qty</b>	<b>U. Cost</b>	<b>Total Cost</b>
Lobe mill	43	J-Type Vertical sterilizer 20t/h c/w inlet/outlet conveyors, Civil works			700,000,000
	44	Clarification Station, SS Lamela type			650,000,000
	45	Depericarping Station			120,000,000
	46	Kernel Station			400,000,000
	47	Boiler 15t/h cMw turbine 750 Kw			1,200,000,000
	48	Raw & Boiler water treatment plant Lamena type 30m <sup>3</sup> /hr c/w			250,000,000
	49	tower tank, Storage of both raw and treated water			
	50	Acquisition of a Wheel loader 225 Hp			160,000,000
	51	Acquisition of a Generator 500 Kva			70,000,000
	52	Acquisition of a eight bridge 60 MT Size 3x18m			70,000,000
		<b>Sub Total Lobe mill</b>			<b>3,620,000,000</b>
Ndian mill	53	Acquisition of a Wheel loader 225 Hp			160,000,000
	54	Acquisition of a Generator 500 Kva			70,000,000
	55	<b>Sub Total Ndian mill</b>			<b>230,000,000</b>
<b>TOTAL FACTORIES</b>					<b>3,850,000,000</b>

<b>Annex 5: Research costs to be capitalised</b>			
<b>Dept.</b>	<b>N°</b>	<b>Description</b>	<b>Total Cost</b>
Pamol	56	Pollination Bags	80,000,000
	57	Metallic Ladders c/w chains & locks	42,000,000
	58	Steoro Microscope	4,000,000
	59	Microscope accessories	1,100,000
	60	Laboratory oven	5,000,000
	61	Analytical Electronic balance	5,625,000
	62	Laboratory Freezers	2,550,000
	63	Vacuum freeze dryer for pollen	5,724,000
	64	Extension and renovation of bunch reception and fermentation	16,800,000
	65	Vertical depulpers	17,600,000
	66	Shredding machine (Bunch splitter)	8,400,000
	67	Weighing scales	3,000,000
	68	Seed drying counters	3,000,000
	69	Counting tables	2,250,000
	70	Plastic baskets	13,120,000
	71	Extension and renovation of fresh seed store	36,000,000
	72	Seed storage counters	3,000,000
	73	Plastic semi hematic containers for storage and heating of seeds	10,000,000
	74	Air conditioners	3,000,000
	75	Thermometers	2,700,000
	76	Construction of water tanks for soaking seeds	3,000,000
	77	Construction of seed drying hall	12,000,000
	78	Seed drying counters	3,000,000
	79	Construction and renovation of germination rooms	15,000,000
	80	Extension, renovation and electrification of heat treatment rooms	28,000,000
	81	Aerothermic Heater for heat treatment rooms	3,000,000
	82	Temperature Monitoring Equipment and alarm system	4,000,000
	83	Moisture meter	2,330,000
	84	Maximum and Minimum Thermometers	1,000,000
	85	Electricity generating plant	50,000,000
	86	Giant soxhlet extractor	11,000,000
	87	Extraction thimbles	10,377,000
	88	Laboratory Oven	5,000,000
	89	Weighing scales	3,000,000
	90	Analytical Electronic balances	3,750,000
	91	Laboratory tables	2,500,000
	92	Splitting counters	2,400,000
	93	Polystyrene sheets and balls	3,250,000
<b>TOTAL RESEARCH</b>			<b>427,476,000</b>

## Annex 6: Medical costs to be capitalised

Dept.	N°	Description	Qty	U. Cost	Total Cost
Pamol	94	PP machines	3	45,000	<b>135,000</b>
	95	Weigh Scales	2	38,000	<b>76,000</b>
	96	Examination Beds	2	250,000	<b>500,000</b>
	97	Height Device	2	75,000	<b>150,000</b>
	98	Boby weigh scales	2	50,000	<b>100,000</b>
	99	Stetoscopes	4	20,000	<b>80,000</b>
	100	Microscopes	2	450,000	<b>900,000</b>
	101	8 cube centrifuge	2	350,000	<b>700,000</b>
	102	6 Micro Pipettes	1	100,000	<b>100,000</b>
	103	Blood Analysers 19 parametres	1	5,800,000	<b>5,800,000</b>
	104	Biochemistry Analyser	1	3,500,000	<b>3,500,000</b>
	105	Coagulometer	1	2,400,000	<b>2,400,000</b>
	106	Blood Glucose Machines	2	45,000	<b>90,000</b>
	107	Gynaecological Examination Table	1	450,000	<b>450,000</b>
	108	Electropholysis Machine	1	3,800,000	<b>3,800,000</b>
	109	Eliser System	1	4,800,000	<b>4,800,000</b>
	110	Operation tables	2	2,800,000	<b>5,600,000</b>
	111	Mobile theatre lamps 4 arrow	4	1,200,000	<b>4,800,000</b>
	112	Two valve Anaestaser Machine	1	8,800,000	<b>8,800,000</b>
	113	Patient Monitors	2	1,500,000	<b>3,000,000</b>
	114	Electro surgical units - 400 watts	2	2,600,000	<b>5,200,000</b>
	115	Surgical Aspirators (2l)	2	520,000	<b>1,040,000</b>
	116	Surgical boxes	8	650,000	<b>5,200,000</b>
	117	Autoclave (100l)	1	2,700,000	<b>2,700,000</b>
	118	Autoclave (24 litres)	1	450,000	<b>450,000</b>
	119	Hot Air Oven (50l)	1	780,000	<b>780,000</b>
	120	Sterilizing drums	6	40,000	<b>240,000</b>
	121	Beds	50	225,000	<b>11,250,000</b>
	122	Ward screens	10	190,000	<b>1,900,000</b>
	123	Dressing Trolleys	5	170,000	<b>850,000</b>
	124	Baby Courts + mattresses	20	170,000	<b>3,400,000</b>
	125	Delivery Beds	2	450,000	<b>900,000</b>
	126	Neonatal Incubator	1	3,700,000	<b>3,700,000</b>
	127	Neonatal radiant warmer	1	2,800,000	<b>2,800,000</b>
	128	Neonatal Aspirators	2	150,000	<b>300,000</b>
	129	Simple delivery kits	6	200,000	<b>1,200,000</b>
	130	Complete delivery kit	2	480,000	<b>960,000</b>
	131	Episotomy box	2	150,000	<b>300,000</b>
	132	Circumsition box	1	100,000	<b>100,000</b>
	133	Ecography Machine with wheels (black & white) + printer	1	10,500,000	<b>10,500,000</b>
	134	Mobile X-ray Machine complete with all accessories	1	22,000,000	<b>22,000,000</b>
	135	12 Channel ECG Machines	1	1,700,000	<b>1,700,000</b>
	136	Doppler	2	85,000	<b>170,000</b>
		<b>TOTAL MEDICAL</b>			<b>123,421,000</b>

<b>Annex 7: Projected results</b>			
<b>Finished Products</b>		<b>Results (FCFA)</b>	
1	Palm oil	(302,591,038)	
2	Oil palm seed	85,688,895	
3	Rubber	(28,293,632)	
4	Others	MINTP	199,589,020
		Soap factory	24,533,911
	Gros Result	(21,072,844)	
	Company tax (2.2% of TO)	(189,461,352)	
	<b>Net Result</b>	<b>(210,534,195)</b>	

<b>Annex 8: TRADING ACCOUNT</b>			
<b>PRODUCE: PALM OIL</b>	<b>TOTAL</b>		
	<b>M. TONS</b>	<b>FCFA</b>	<b>FRS/TON</b>
OPENING STOCKS: 01/01/2021	-	-	-
Estate Production Cost	16,150	(7,152,739,158)	442,905
Purchased Palm Oil		-	
Selling expenses		(185,865,230)	12,447
Export Duty		-	
Export Charges		-	
Other Trade Items		(573,242,472)	
Palm Kernel Credit		406,289,308	
Sales Proceeds - Export (C.I.F.)		-	
- Local	(14,933)	6,719,850,000	450,000
- Local Sales PKO		18,526,792	
- To Soap Factory - PO	(1,200)	540,000,000	450,000
Gain / (Loss) in weight - Ocean		-	
- Local	(10)	-	
CLOSING STOCKS: 31/12/2021	7	2,926,715	442,905
TRADING RESULTS		(224,254,044)	
<b>Cy Production Cost</b>		<b>(489.91)</b>	
		73	
		<b>562.91</b>	

PRODUCE: PALM KERNEL	TOTAL		
	M. TONS	FCFA	FRS/TON
OPENING STOCKS: 01/01/2021	-	0	125,786
Estate Production Cost	3,230	-	-
Purchased Palm Oil		-	
Selling Expenses 1,579 MT		(5,000,000)	
Export Duty		-	
Export Charges		-	
Other Trade Items		-	
Palm Kernel Credit		(406,289,308)	
Sales Proceeds - Export (C.I.F.)		-	
- Local	(1,389)	174,704,403	125,786
- Industrial		-	
- Transfers	(1,841)	231,584,906	125,786
Gain / (Loss) in weight - Ocean		-	
- Local	-		-
CLOSING STOCKS: 31/12/2021	-	0	125,786
TRADING RESULTS		(5,000,000)	
		<b>406,289,308</b>	

PRODUCE: PALM KERNEL OIL	TOTAL		
	M. TONS	FCFA	FRS/TON
OPENING STOCKS: 01/01/2021	-	-	-
Estate Production Cost		-	-
Purchased Palm Oil		-	
Selling Expenses 1,975 T		-	
Export Duty		-	
Export Charges		-	
Other Trade Items		-	
Palm Kernel Credit		(18,526,792)	
Sales Proceeds - Export (C.I.F.)		-	
- Local	-	18,526,792	-
- Industrial		-	
- Transfers	-	-	-
Gain / (Loss) in weight - Ocean		-	
- Local	-	-	-
CLOSING STOCKS: 31/12/2021	-	-	-
TRADING RESULTS		-	
Note: Palm Kernel Result is transferred to Palm Oil Trading Account.			
Palm Kernel Oil Result is transferred to Palm Oil Trading Account.			

PRODUCE: RUBBER	TOTAL		
	KILOS	FCFA	FRS/TON
	(WW)		
OPENING STOCKS: 01/01/2021	-	-	#DIV/0!
Estate Production Cost	1,556,000	(382,944,301)	246.11
Selling Expenses 1.830.000		(14,790,000)	9.51
Export Duty		-	
Export Charges		-	
Other Trade Items		(30,642,689)	
Sales Proceeds - Export (C.I.F.)		-	
- Local	(1,556,000)	410,784,000	264.00
- Industrial		-	
- Discounts		-	
Gain / (Loss) in weight - Ocean		-	
- Local	(500)	-	
CLOSING STOCKS: 31/12/2021	(500)	(132,000)	264.00
TRADING RESULTS		(17,724,990)	
<b>Production Cost</b>		-275	
		2	
		<b>277</b>	

PRODUCE: OIL PALM SEEDS	TOTAL		
	SEEDS	FCFA	FRS/SEED
OPENING STOCKS: 01/01/2021	-	-	-
Production Cost	983,862	(133,061,293)	135.244
Selling Expenses 978.780		(3,500,000)	3.557
Export Duty		-	
Export Charges		-	
Other Trade Items		(18,114,839)	
Sales Proceeds - Export (C.I.F.)		-	
- Local	(983,862)	242,840,500	246.824
- Industrial		-	
- Discounts		-	
Gain / (Loss) in weight - Ocean		-	
- Local	-	-	
CLOSING STOCKS: 31/12/2021	0	28	110.000
TRADING RESULTS		88,164,396	
Production Cost		106,180,986	
Indirect Expenses		21,762,026	
Total Production Cost		127,943,012	
		28	
Production Cost		(154)	

**Annex 8: COMPARISON 2021 BUDGET Vs 2020 BUDGET ('000)**

	DESCRIPTION OF OPERATION	Year 2021	Year 2020	DIFFERENCE	
		BUDGET	BUDGET	AMOUNT	%
<b>A)</b>	<b>PRODUCTION</b>				
	FFB ESTATE (M. Tons)	55,625	48,949	6,676	13.64
	FFB PURCHASED (M. Tons)	25,123	22,825	2,298	10.07
	<b>TOTAL FFB (M. Tons)</b>	<b>80,748</b>	<b>71,774</b>	<b>8,974</b>	<b>12.50</b>
	PALM OIL (M. Tons)	16,150	14,355	1,795	12.50
	PALM KERNEL (M. Tons)	3,230	1,794	1,436	80.01
	RUBBER CUP LUMPS (M. Tons)	1,556	1,887	(331)	(17.54)
	OIL PALM SEEDS (Seeds)	983,862	763,982	219,880	28.78
	SOAP carton 200gm/80	-	-	-	-
	SOAP carton 400gm/60	-	-	-	-
	Extraction Rates				
	Palm Oil %	20.00	20.00	-	0.00
	Palm Kernel %	4.00	2.50	1.50	60.00
<b>B)</b>	<b>REVENUE</b>				
	<b>SALES</b>				
	PALM OIL (M. Tons)	14,933	13,155	1,778	13.52
	SLUDGE PALM OIL (M. Tons)	736	358	378	105.43
	PALM KERNEL (M. Tons)	1,389	770	619	80.44
	PALM KERNEL OIL (M. Tons)	736	358	378	105.43
	RUBBER CUP LUMPS (M. Tons)	1,556	1,886	(330)	(17.50)
	OIL PALM SEEDS (Seeds)	983,862	549,300	434,562	79.11
	SOAP Cartons of 200gm/80	-	-	-	-
	SOAP Cartons of 200gm/40	-	-	-	-
	SOAP Cartons of 400gm/60	-	-	-	-
	<b>TRANSFERS TO SOAP FACTORY</b>				
	PALM OIL (M. Tons)	1,200	1,200	-	0.00
	PALM KERNEL (M. Tons)	1,841.10	1,024	817	79.75
<b>C)</b>	<b>INCOME : '000 FCFA</b>				
	Output sold -Palm oi	6,719,850	5,788,200	931,650	16.10
	Output sold -Sludge	-	-	-	-
	Output sold -Palm kernel	174,704	96,821	77,883	80.44
	Output sold -Palm kernel oil	0	-	18,527	-
	Output sold -Rubber	410,784	678,960	(268,176)	(39.50)
	Output sold -Oil palm seed	242,841	115,860	126,981	109.60
	Gran Ex Presidency	0	-	-	-
	Soap Factory - Rents	70,000	70,000	-	0.00
	MINTP Contract	203,589	203,589	-	0.00
	<b>TOTAL REVENUE</b>	<b>7,821,768</b>	<b>6,953,430</b>	<b>886,865</b>	<b>12.75</b>
	<b>TRANSFERS TO SOAP FACTORY</b>				
	PALM OIL	540,000	540,000	-	0.00
	PALM KERNEL TRANSFER	231,585	128,839	102,746	79.75
	PALM KERNEL OIL	18,527	9,019	9,508	105.43
	<b>TOTAL REVENUE &amp; TRANSFER : '000 FCFA</b>	<b>8,611,880</b>	<b>7,631,288</b>	<b>989,610</b>	<b>12.97</b>
<b>D)</b>	<b>EXPENDITURE</b>				
	<b>PRODUCTION COST</b>	<b>7,675,126</b>	<b>7,245,553</b>	<b>429,573</b>	<b>5.93</b>
	Palm Oil	7,152,739	6,651,742	500,997	7.53
	Oil Palm Seeds	133,061	153,120	(20,059)	(13.10)
	Rubber	389,325	440,691	(51,365)	(11.66)
	Soap	0	-	-	-
	<b>SELLING EXPENSES</b>	<b>209,155</b>	<b>109,555</b>	<b>99,600</b>	<b>90.91</b>
	Palm Oil	185,865	94,765	91,100	96.13
	Palm Kernel	5,000	-	5,000	-
	Oil Palm Seeds	3,500	-	3,500	-
	Rubber	14,790	14,790	-	0.00
	Soap	0	-	-	-
	<b>OTHER TRADING ITEMS</b>	<b>756,466</b>	<b>756,466</b>		<b>0.00</b>
	Other Trade Items	622,000	622,000	-	0.00
	Soap Factory Depreciation	45,466	45,466	-	0.00
	Interest/Inspection	89,000	89,000	-	0.00
<b>E)</b>	<b>TOTAL EXPENDITURE</b>	<b>8,640,747</b>	<b>8,111,574</b>	<b>529,173</b>	<b>6.52</b>
	GROSS PROFIT	(28,868)	(480,286)	460,437	
	OUTPUT STOCK (Issued)	2,795	19,069	(16,274)	(85.34)
<b>F)</b>	<b>GROSS RESULTS</b>	<b>(26,073)</b>	<b>(461,218)</b>	<b>444,164</b>	<b>(96.30)</b>
	TAXES	-189,461	(167,888)	(21,573)	12.85
<b>G)</b>	<b>NET RESULTS</b>	<b>(215,534)</b>	<b>(629,106)</b>	<b>413,572</b>	<b>(65.74)</b>