

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

|                                   | 2022          | 2021          |
|-----------------------------------|---------------|---------------|
| FINANCIALS                        | US \$         | US \$         |
| Turnover                          | 43,489,657    | 41,835,142    |
| Operating Loss                    | (7,211,830)   | (9,819,429)   |
| Loss before Tax                   | (12,945,825)  | (15,169,927)  |
| Loss for the year                 | (12,058,964)  | (15,088,714)  |
| Total Assets                      | 140,964,348   | 160,034,555   |
| Net asset per share               | 0.0109        | (0.0243)      |
| No of shares ranking for dividend | 2,038,074,176 | 2,038,074,176 |
| Earnings per share                | (0.0059)      | (0.0074)      |

|                               | 2022   | 2021   |
|-------------------------------|--------|--------|
| OPERATIONS                    | MT     | MT     |
| CPC Beans                     | 13,097 | 13,495 |
| % of Throughput               | 20%    | 21%    |
| Semi Finished Products Packed | 10,908 | 11,296 |
| Confectionery Products Packed | 2,181  | 2,183  |



**COCOA PROCESSING COMPANY PLC**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

**COCOA PROCESSING COMPANY PLC**

ANNUAL REPORTS AND FINANCIAL STATEMENTS  
30 SEPTEMBER 2021

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## COCOA PROCESSING COMPANY PLC

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CORPORATE  
INFORMATION 30  
SEPTEMBER 2021

### BOARD OF DIRECTORS

|                          |   |
|--------------------------|---|
| Kwaku Owusu Baah         | Chairman                                |
| Nana Agyenim Boateng     | Managing Director                       |
| Hon. Ben Abdullah Banda  | Member                                  |
| Philomena Okyere (Mrs)   | Member                                  |
| Emmanuel Ray Ankrah (Mr) | Member                                  |
| J oe Forson (Mr)         | Member- resigned, 30<br>December 2021   |
| Douglas Boateng (Prof)   | Member                                  |
| Abdul Samed-Adams (Mr)   | Member                                  |
| Vincent Okyere Akomeah   | Member – appointed, 18<br>December 2020 |

### REGISTERED OFFICE

Cocoa Processing Company Plc  
Heavy Industrial Area  
Private Mail Bag Tema

### SOLICITORS

A. Ossei-Aidooh & Co  
1<sup>st</sup> Floor, Design House, Community 2  
P. O. Box CE 11295  
Tema  
Apex Lawconsult  
1<sup>st</sup> Floor, Oburdum Fie, Labone  
P. O. Box GP 4889  
Accra

### COMPANY SECRETARY

Sheila Minkah-Premo  
Apex Lawconsult  
1<sup>st</sup> Floor, Oburdum Fie, Labone  
P. O. Box GP 4889  
Accra

### AUDITOR

Ernst & Young  
Chartered Accountants  
60 Rangoon Lane  
Cantonments City Accra  
Ghana

### BANKERS

Absa Bank Ghana Limited  
ADB Bank Limited  
Bank of Ghana Ecobank  
Ghana Limited GCB Bank  
Limited  
Prudential Bank Limited  
Societe Generale Ghana Limited United  
Bank for Africa (Ghana) Limited

### REGISTRAR

NTHC Limited  
Martco House  
P. O. Box 9563  
Airport, Accra

**REPORT OF THE DIRECTORS  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC**

The Directors present their report and the financial statements of the Company for the year ended 30 September 2021.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors are responsible for the preparation of financial statements that give a true and fair view of Cocoa Processing Company Plc, comprising the statements of financial position at 30 September 2021, and the statements of comprehensive income, changes in equity and cash flows for the year ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

**GOING CONCERN CONSIDERATION AND STATE OF AFFAIRS OF THE COMPANY**

The Company incurred a loss of US\$15.09m (2020: US\$18.6 m) for the year ended 30 September 2021, and as of that date its current liabilities exceeded its current assets by US\$113m (2020: US\$108.82m). In addition, total liabilities exceeded its total assets by US\$49.59m (2020: S\$38.2m).

A substantial part of the Company's liabilities is due to the majority shareholder, Ghana Cocoa Board (COCOBOD), a syndicate of banks led by Absa and Prudential Bank US\$43.6m, US\$24.8m and US\$4.51m respectively. During the year, the Company defaulted on both the principal and interest repayment to respective banks and COCOBOD.

The Company's loss-making position is significantly driven by unavailability of cocoa beans to process due to insufficient cashflow during the year.

The Directors have been in discussions with Africa Export-Import Bank (Afreximbank) to obtain a US\$86.7m loan facility. Management plans to use this loan to settle amounts due to the syndicate of banks, support its working capital requirements and retool its property, plant, and equipment to expand production capacity. Management expects the agreement to be signed by December 2023 and the first tranche disbursed by January 2024. The ability of the Company to return to profitability and also settle the liabilities due within twelve months is dependent of the Afreximbank loan. At the date of this report, discussions with Afreximbank have not yet been finalised.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, may be unable to realize its assets and discharge its liabilities in the normal course of business.

COCOBOD as at 30 September 2022 has converted loan of US\$32m and trade accounts payable of US\$55 to deposit for shares pending finalisation of a legal requirement to recognise it as stated capital.

## COCOA PROCESSING COMPANY PLC

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### ANNUAL REPORTS AND FINANCIAL

### REPORT OF THE DIRECTORS TO THE MEMBERS OF COCOA PROCESSING COMPANY PLC (CONT'D)

The Directors have considered the following matters, in combination with the above mitigation and plans, in making the going concern assumption:

- Resumption of cocoa beans supply by COCOBOD on regular basis, resulting in increased production subsequent to the reporting date.
- New turnaround strategies – reduction of cost, investment in infrastructure, expansion of revenue base and product market.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

### NATURE OF BUSINESS/PRINCIPAL ACTIVITIES

The Company is registered to manufacture high-quality chocolates, confectionery and semi-finished cocoa products such as cocoa butter, cocoa liquor, cocoa cake and cocoa powder from premium cocoa beans grown in Ghana.

There was no change in the nature of business of the Company during the year.

### HOLDING COMPANY

The Company is 57.73% owned by Ghana Cocoa Board (COCOBOD), a company incorporated in Ghana.

### FINANCIAL STATEMENTS/BUSINESS REVIEW

The financial results of the Company for the year ended 30 September 2021 are set out in the financial statements, highlights of which are as follows:

|                   | <b>2021<br/>US\$</b> | <b>2020<br/>US\$</b> |
|-------------------|----------------------|----------------------|
| Loss before tax   | (15,169,927)         | (19,596,460)         |
| Loss after tax    | (15,088,714)         | (18,642,694)         |
| Total assets      | 160,034,555          | 152,506,410          |
| Total liabilities | 209,620,970          | 190,669,153          |
| Total equity      | <u>(49,586,415)</u>  | <u>(38,162,743)</u>  |

The Directors do not recommend the payment of dividend.

### PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act 2019, (Act 992).

**REPORT OF THE DIRECTORS  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC (CONT'D)**

**RELATED PARTY TRANSACTIONS**

Information regarding Directors' interests in ordinary shares of the Company and remuneration is disclosed in note 26 to the financial statements. No Director has interest in any shares or loan stock of the Company. Related party transactions and balances are also disclosed in note 24 to the financial statements.

**CORPORATE SOCIAL RESPONSIBILITY**

No expenditure was incurred (2020: US\$2,700) under the Company's social responsibility programme.

## COCOA PROCESSING COMPANY PLC

### ANNUAL REPORTS AND FINANCIAL STATEMENTS

#### REPORT OF THE DIRECTORS TO THE MEMBERS OF COCOA PROCESSING COMPANY PLC (CONT'D)

#### BOARD OF DIRECTORS

##### Profile

| <b>Executive</b>        | <b>Qualification</b>   | <b>Outside board and management position</b>  |
|-------------------------|--|---|
| Nana Agyenim Boateng    | Diploma, Transport & Fleet Management  | Managing Director of CPC  |
| <b>Non-executive</b>    |  |   |
| Dr. Kwaku Owusu Baah    | Agriculture Economist<br>Msc Agriculture<br>Bsc Agriculture  | Former Director of Economic Studies, Inter-African Coffee Organization<br>Currently Technical Advisor to Government of Canada |
| Hon Ben Abdallah Banda  | LLB (University Of Ghana)<br>Barrister at Law (Ghana School of law)  | Former Member of Parliament<br>Board Chairman, Public Procurement Authority   |
| Prof. Douglas Boateng   | BSc. Transport Planning and Management, Cranfield University.<br>MSc. Logistics in Manufacturing Systems, University of Central England.<br>Doctor of Engineering, University of Warwick<br>Diploma in Company Direction, Institute of Directors | Managing Director of CMC  |
| Vincent Okyere Akomeah  | BA Economics<br>Master's degree, Economic Policy Management  |   |
| Mr Emmanuel Ray Ankrah  | Post Graduate Diploma, Strategic Financial Management<br>Chartered Accountant  | Deputy CEO (Finance & Admin), COCOBOD   |
| Mrs Philomena Okyere    | Associate Member, Chartered Institute of Professional Financial Managers   | Board of MASLOC.<br>Local Union Chairman of CPC   |
| Mr Abdul Samed-Adams    | He holds an HND in Secretaryship and Management Studies from the Accra Polytechnic (2014)<br>BCOM (Management), University of Cape Coast   |   |
| <b>Age category</b>     |  |   |
| <b>Up to – 40 years</b> |  | <b>Number of directors</b><br>1   |
| <b>41 – 60 years</b>    |  | 4   |
| <b>Above 60 years</b>   |  | 3   |



**REPORT OF THE DIRECTORS  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC (CONT'D)**

**ROLE OF THE BOARD**

The Directors are responsible for the long-term success of the Company, determine the strategic direction of the Company and review operating, financial and risk performance. There is a formal schedule of matters reserved for the board of Directors, including approval of the Company's annual business plan, the Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Company, and the scope of delegations to Board committees, subsidiary boards and the management committee. Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a management committee, which as at the date of this report includes the Executive Directors.

**INTERNAL CONTROL SYSTEMS**

The Directors have overall responsibility for the Company's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Company as at the reporting date and no significant failings or weaknesses were identified during this review.

**PROFESSIONAL DEVELOPMENT AND TRAINING**

On appointment to the Board, Directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Company's business, the risks and strategic challenges the Company faces, and the economic, competitive, legal and regulatory environment in which the Company operates.

There were, however, no formal capacity building training programs organised during the year.

**CONFLICTS OF INTEREST**

The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

**REPORT OF THE DIRECTORS  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC (CONT'D)**

**BOARD BALANCE AND INDEPENDENCE**

The composition of the board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the Company. The continuing independent and objective judgement of the non-Executive Directors have been confirmed by the Board of Directors.

**AUDITOR**

The Audit Committee has responsibility delegated from the board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor

The Auditors, Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office pursuant to Section 139(5d) of the Companies Act, 2019 (Act 992).

**AUDIT FEES**

At 30 September 2021, the amount payable in respect of audit fees was US\$37,000 (2020: US\$37,000).

**APPROVAL OF THE REPORT OF THE DIRECTORS**

The Report of the Directors of Cocoa Processing Company Plc, was approved by the Board of Directors on ..... 2023 and were signed on their behalf by:

.....  
**SIGNATURE**

.....  
**SIGNATURE**

.....  
**NAME**

.....  
**NAME**



Building a better  
working world

**Ernst & Young Chartered Accountants**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCOA PROCESSING COMPANY PLC**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Cocoa Processing Company Plc set out on pages 12 to 57 which comprise the statement of financial position as at 30 September 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cocoa Processing Company Plc as at 30 September 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by of the Companies Act, 2019 (Act 992)

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material Uncertainty related to going concern**

We draw attention to note 30 of these financial statements which states that the Company incurred a net loss of US\$15.09m (2020: (US\$18.64m)) for the year ended 30 September 2021 and, as of that date, the Company's current liabilities exceeded its current assets by US\$113m (2020: US\$108.82m) and total liabilities also exceeded total assets by US\$49.59m (2020: US\$38.2m). As stated in the note, these conditions along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as going concern and therefore may be unable to realise its assets and settle its liabilities in the ordinary course of business. Our opinion is not modified in respect of this matter.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| The Key Audit Matter  | How the matter was addressed in our audit  |
|---|--|
| <b>Employee Benefit Obligations</b>   |  |
| <p>As at 30 September 2021, the Company calculated and recorded defined benefit plan liabilities of US\$4.09m for its qualified employees, which is significant on the Company's overall statement of financial position. These benefits were made available to the employees based on collective bargaining agreement with employee union. Significant estimates are made in determining the key assumptions used in the determination of the defined benefit obligations, as a result the Management engaged an independent actuary to assist them in the computation of the defined benefit plan liabilities.</p> <p>We considered the computation of the defined benefit plan liabilities to be a key audit matter due to the magnitude of the amounts, management judgement applied, and the technical expertise required to determine these amounts. Management has made appropriate disclosure on this on Note 15 in the financial statements.</p> | <p>Our procedure includes assessing the competency, objectivity and capabilities of the independent actuary engaged by the Company.</p> <p>We engaged our internal specialist to assess the appropriateness of the method and assumptions used in the computation as included on the actuarial report.</p> <p>We have also performed the following procedures, amongst others to assess the underlying data provided to the actuary in determining the obligation</p> <ul style="list-style-type: none"> <li>• We tested samples of the employees' details used in the computation of the defined benefit plan liabilities to the Human resource records</li> <li>• We evaluated key assumptions used in the valuation, in particular the discount rate, future salaries increases, and mortality rates, with the support of our actuarial specialist</li> <li>• We also considered the adequacy of the disclosures made on the defined benefit plan liabilities in Note 15 to the financial statements</li> </ul> |

### Other information

The Directors are responsible for the other information. The other information comprises information included in the 57-page document titled "Annual Reports and Financial Statements for the year ended 30 September 2021". Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Other Matter

The financial statements of the Company for the year ended 30 September 2020, were audited by another Auditor who expressed an unmodified opinion with a material uncertainty related to going concern on those statements on 30 November 2021.

## Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

## Auditor's responsibilities for the audit of the financial statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

### **Report on other legal and regulatory requirements**

Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books;
- iii) The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of the Company are in agreement with the underlying books of account;
- iv) In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the financial year then ended;
- v) We are independent of the Company pursuant to section 143 of the Companies Act, 2019 (Act 992).

The Engagement Partner on the audit resulting in this independent auditor's report is Ferdinand Gunn (ICAG/P/1149).

Ernst & Young (ICAG/F/2023/126)  
Chartered Accountants  
Accra, Ghana

Date:

**COCOA PROCESSING COMPANY PLC**  
ANNUAL REPORTS AND FINANCIAL STATEMENTS

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021**

|                                      |         | 2021                        | 2020                       |
|--------------------------------------|---------|-----------------------------|----------------------------|
|                                      | Note    | US\$                        | US\$                       |
| <b>Assets</b>                        |         |                             |                            |
| <b>Non-current assets</b>            |         |                             |                            |
| Property, plant and equipment        | 7       | <u>120,088,574</u>          | <u>122,204,360</u>         |
| <b>Total Non-current assets</b>      |         | <b><u>120,088,574</u></b>   | <b><u>122,204,360</u></b>  |
| <b>Current assets</b>                |         |                             |                            |
| Inventories Current                  | 8       | 26,787,563                  | 20,824,463                 |
| tax assets                           | 6(c)    | 17,363                      | 6,283                      |
| Trade and other receivables          | 9       | 8,910,416                   | 1,178,071                  |
| Prepayments                          | 10      | 435,188                     | 5,193,525                  |
| Fixed deposit investments            | 11      | 2,644,210                   | 2,476,982                  |
| Cash and cash equivalents            | 12(a)   | <u>1,151,241</u>            | <u>622,726</u>             |
| <b>Total Current assets</b>          |         | <b><u>39,945,981</u></b>    | <b><u>30,302,050</u></b>   |
| <b>Total assets</b>                  |         | <b><u>160,034,555</u></b>   | <b><u>152,506,410</u></b>  |
| <b>Equity and Liabilities</b>        |         |                             |                            |
| <b>Equity</b>                        |         |                             |                            |
| Share capital                        | 16(a,b) | 26,071,630                  | 26,071,630                 |
| Revaluation reserve                  | 16(c)   | 54,415,410                  | 52,347,147                 |
| Fair value reserve                   | 16(d)   | 11,732,644                  | 11,732,644                 |
| Retained earnings                    | 16(e)   | <u>(141,806,099 )</u>       | <u>(128,314,164)</u>       |
| <b>Total equity</b>                  |         | <b><u>(49,586,415 )</u></b> | <b><u>(38,162,743)</u></b> |
| <b>Liabilities</b>                   |         |                             |                            |
| <b>Non-current liabilities</b>       |         |                             |                            |
| Loans and borrowings                 | 14(b)   | 33,556,428                  | 25,437,500                 |
| Employee benefit obligations         | 15      | 4,097,967                   | 3,659,007                  |
| Deferred tax liabilities             | 6(d)    | <u>18,870,111</u>           | <u>22,449,189</u>          |
| <b>Total non-current liabilities</b> |         | <b><u>56,524,506</u></b>    | <b><u>51,545,696</u></b>   |
| <b>Current liabilities</b>           |         |                             |                            |
| Bank overdraft                       | 12(b)   | 1,192,653                   | 1,238,889                  |
| Trade and other payables             | 13      | 112,542,230                 | 94,534,026                 |
| Loans and borrowings                 | 14(b)   | <u>39,361,581</u>           | <u>43,350,542</u>          |
| <b>Total current liabilities</b>     |         | <b><u>153,096,464</u></b>   | <b><u>139,123,457</u></b>  |
| <b>Total liabilities</b>             |         | <b><u>209,620,970</u></b>   | <b><u>190,669,153</u></b>  |
| <b>Total equity and liabilities</b>  |         | <b><u>160,034,555</u></b>   | <b><u>152,506,410</u></b>  |

The financial statements of the Company were approved by the Board of Directors on.....2023

and were signed on their behalf by:

.....  
**SIGNATURE**

.....  
**SIGNATURE**

.....  
**NAME**

.....  
**NAME**

The notes on pages 17 to 57 form an integral part of these financial statements.



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

|   | Note     | 2021<br>US\$               | 2020<br>US\$               |
|---|----------|----------------------------|----------------------------|
| Revenue from contract with customers                            | 17(a)    | 41,835,142                 | 13,645,898                 |
| Cost of sales   | 18       | <u>(46,828,569)</u>        | <u>(16,678,361)</u>        |
| <b>Gross loss</b>   |          | <b>(4,993,427)</b>         | <b>(3,032,463)</b>         |
| Other income  | 19       | 471,579                    | 1,092,456                  |
| Selling and distribution costs                                  | 31       | <b>(686,492)</b>           | <b>(625,074)</b>           |
| General and administrative expenses                             | 32       | <b>(4,219,164)</b>         | <b>(5,043,612)</b>         |
| Impairment loss on trade and other receivables                  | 27(b)(i) | <u><b>(391,925)</b></u>    | <u><b>(379,796)</b></u>    |
| <b>Operating loss</b>   |          | <b>(9,819,429)</b>         | <b>(7,988,489)</b>         |
| Finance income  | 23       | 56,411                     | 60,699                     |
| Finance costs   | 24       | <u><b>(5,406,909)</b></u>  | <u><b>(11,668,670)</b></u> |
| <b>Loss before tax</b>  | 20       | <b>(15,169,927)</b>        | <b>(19,596,460)</b>        |
| Income tax expense  | 6(a)     | <u><b>81,213</b></u>       | <u><b>953,766</b></u>      |
| <b>Loss for the year</b>  |          | <u><b>(15,088,714)</b></u> | <u><b>(18,642,694)</b></u> |
| <b>Other comprehensive income, net of tax</b>                   |          |                            |                            |
| Items that will not be reclassified to profit or loss           |          |                            |                            |
| Remeasurements of defined benefit liability, net of tax         |          | <b>170,503</b>             | 97,677                     |
| Related FX effect on remeasurement of defined benefit           | 15(b)    | <b>(3,327)</b>             | -                          |
| Related deferred tax effect on remeasurement of defined benefit | 6(d)     | -                          | <b>(20,849)</b>            |
| Change in estimate – Deferred tax on revaluation surplus        | 6(d)     | <u><b>3,497,866</b></u>    | <u><b>(2,694,775)</b></u>  |
| <b>Other Comprehensive income</b>                               |          | <u><b>3,665,042</b></u>    | <u><b>(2,517,947)</b></u>  |
| <b>Total comprehensive income</b>                               |          | <u><b>(11,423,672)</b></u> | <u><b>(21,260,641)</b></u> |
| <b>Loss per share</b>   |          |                            |                            |
| Basic loss per share  | 25       | <b>(0.0074)</b>            | <b>(0.0091)</b>            |
| Diluted loss per share  | 25       | <u><b>(0.0074)</b></u>     | <u><b>(0.0091)</b></u>     |

The notes on pages 17 to 57 form an integral part of these financial statements.

**COCOA PROCESSING COMPANY PLC**  
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

|  | Note | Share<br>capital<br>US\$ | Revaluation<br>reserve<br>US\$ | Fair value<br>reserve<br>US\$ | Retained<br>earnings<br>US\$ | Total<br>equity<br>US\$ |
|--|------|--------------------------|--------------------------------|-------------------------------|------------------------------|-------------------------|
| Balance at 1 October 2020                                  |      | <u>26,071,630</u>        | <u>52,347,147</u>              | <u>11,732,644</u>             | <u>(128,314,164)</u>         | <u>(38,162,743)</u>     |
| <b>Total comprehensive income for the year</b>             |      |                          |                                |                               |                              |                         |
| Loss for the year  |      | -                        | -                              | -                             | (15,088,714)                 | (15,088,714)            |
| Other comprehensive income for the year                    |      |                          |                                |                               |                              |                         |
| Remeasurements of defined benefit liability, net of tax    | 6(d) | -                        | -                              | -                             | 167,176                      | 167,176                 |
| Change in estimate on deferred tax for revaluation surplus |      | -                        | <u>3,497,866</u>               | -                             | -                            | <u>3,497,866</u>        |
| <b>Total comprehensive income</b>                          |      | -                        | <u>3,497,866</u>               | -                             | <u>(14,921,538)</u>          | <u>(11,423,672)</u>     |
| <b>Transfers within equity</b>                             |      |                          |                                |                               |                              |                         |
| Revaluation reserved transferred                           |      | -                        | <u>(1,429,603)</u>             | -                             | <u>1,429,603</u>             | -                       |
| Balance at 30 September 2021                               |      | <u>26,071,630</u>        | <u>54,415,410</u>              | <u>11,732,644</u>             | <u>(141,806,099)</u>         | <u>(49,586,415)</u>     |

The notes on pages 17 to 57 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

|  | Note       | Share capital<br>US\$ | Revaluation reserve<br>US\$ | Fair value reserve<br>US\$ | Retained earnings<br>US\$ | Total equity<br>US\$ |
|--|------------|-----------------------|-----------------------------|----------------------------|---------------------------|----------------------|
| Balance at 1 October 2019                                |            | <u>26,071,630</u>     | <u>56,508,182</u>           | <u>6,293,536</u>           | <u>(111,272,741)</u>      | <u>(22,399,393)</u>  |
| <b>Total comprehensive income for the year</b>           |            |                       |                             |                            |                           |                      |
| Loss for the year  |            | -                     | -                           | -                          | (18,642,694)              | (18,642,694)         |
| Other comprehensive income for the year                  |            |                       |                             |                            |                           |                      |
| Change in estimate - Deferred tax on revaluation surplus | 6(d)       | -                     | (2,694,775)                 | -                          | -                         | (2,694,775)          |
| Remeasurements of defined benefit liability, net of tax  | 6(d),13(b) | -                     | -                           | -                          | 76,828                    | 76,828               |
| <b>Total comprehensive income</b>                        |            | -                     | <u>(2,694,775)</u>          | -                          | <u>(18,565,866)</u>       | <u>(21,260,641)</u>  |
| <b>Transaction with owners of the Company</b>            |            |                       |                             |                            |                           |                      |
| Day 1 gain on fair valuation of loans and borrowings     | 14(a)      | -                     | -                           | 5,439,108                  | -                         | 5,439,108            |
| Contributed by Government of Ghana**                     | 14c(v)     | -                     | -                           | -                          | 58,183                    | 58,183               |
| <b>Total comprehensive income</b>                        |            | -                     | -                           | <u>5,439,108</u>           | <u>58,183</u>             | <u>5,497,291</u>     |
| <b>Transfers within equity</b>                           |            |                       |                             |                            |                           |                      |
| Revaluation reserve transferred                          | 16(c)      | -                     | (1,466,260)                 | -                          | 1,466,260                 | -                    |
| <b>Total transfers within equity</b>                     |            |                       | <u>(1,466,260)</u>          | -                          | <u>1,466,260</u>          | -                    |
| Balance at 30 September 2020                             |            | <u>26,071,630</u>     | <u>52,347,147</u>           | <u>11,732,644</u>          | <u>(128,314,164)</u>      | <u>(38,162,743)</u>  |

\*\*This represents interest subsidy provided by the Government of Ghana's Ministry of Trade and Industry Stimulus Package Programme on a loan obtained by the Company for the acquisition of equipment for the Company's confectionery factory (note 14(v)).

The notes on pages 17 to 57 form an integral part of these financial statements.

**COCOA PROCESSING COMPANY PLC**

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

|  |          | 2021                      | 2020                      |
|--|----------|---------------------------|---------------------------|
|  | Note     | US\$                      | US\$                      |
| <b>Cash flows from operating activities</b>                        |          |                           |                           |
| Loss for the year  |          | <b>(15,169,927)</b>       | (18,642,694)              |
| Adjustments for:   |          |                           |                           |
| Depreciation   | 7        | <b>5,977,402</b>          | 6,252,684                 |
| Finance Cost   | 24       | <b>5,406,909</b>          | 11,668,670                |
| Finance Income   | 23       | -                         | (60,699)                  |
| Impairment loss on trade receivables                               | 27(b)(i) | <b>391,925</b>            | 379,796                   |
| Write down of inventory  | 8(b)     | <b>(66,046)</b>           | 70,626                    |
| Income tax expense   | 6(a)     | -                         | (953,766)                 |
| Employee benefit obligation  |          | <b>233,383</b>            | 905,372                   |
| Unrealised exchange difference                                     | 20b      | <b>82,664</b>             | (827,962)                 |
|  |          | <b>(3,143,690)</b>        | (1,207,973)               |
| Changes in working capital:  |          |                           |                           |
| o Inventories  |          | <b>(5,897,054)</b>        | (12,666,179)              |
| o Trade and other receivables                                      |          | <b>(8,420,868)</b>        | 2,430,114                 |
| o Prepayments  |          | <b>4,758,337</b>          | (1,450,751)               |
| o Trade and other payables   |          | <b>17,995,444</b>         | 12,899,891                |
| Cash generated from /(used in) operating activities                |          | <b>5,292,169</b>          | 5,102                     |
| Interest paid  | 14(a)    | <b>(375,989)</b>          | (1,407,020)               |
| Income taxes paid  | 6(c)     | <b>(11,080)</b>           | -                         |
| Employee benefits paid   |          | <b>(78,214)</b>           | -                         |
| <b>Net cashflow generated from/ (used in) operating activities</b> |          | <b><u>4,826,886</u></b>   | <b><u>(1,401,918)</u></b> |
| <b>Cash flows from investing activities</b>                        |          |                           |                           |
| Interest received  | 23       | -                         | 60,699                    |
| Purchase of property, plant and equipment                          | 7        | <b>(3,861,617)</b>        | (1,652,297)               |
| <b>Net cashflow used in investing activities</b>                   |          | <b><u>(3,861,617)</u></b> | <b><u>(1,591,598)</u></b> |
| <b>Cash flows from financing activities</b>                        |          |                           |                           |
| Proceeds from Loans and borrowings                                 | 14(a)    | <b>186,318</b>            | 2,342,961                 |
| Repayments of borrowings   |          | <b>(371,380)</b>          | -                         |
| <b>Net cash flow (used in)/generated from financing activities</b> |          | <b><u>(185,062)</u></b>   | <b><u>2,342,961</u></b>   |
| Year   |          | <b>780,207</b>            | (650,555)                 |
| Net increase/(decrease) in cash and cash equivalents               |          |                           |                           |
| Cash and cash equivalents at the beginning of the year             | 12       | <b>1,860,820</b>          | 1,849,236                 |
| Effect of movement in exchange rates on cash held                  |          | <b>(38,229)</b>           | 662,139                   |
| Cash and cash equivalents at the end of the year                   | 12       | <b><u>2,602,798</u></b>   | <b><u>1,860,820</u></b>   |

The notes on pages 17 to 37 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

**1. REPORTING ENTITY**

Cocoa Processing Company Plc is a Company registered and domiciled in Ghana. The financial statements at and for the year ended 30 September 2021 relate to the individual financial statements of the Company.

**2. BASIS OF PREPARATION**

**a. Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992).

**b. Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Property, plant and equipment, measured at revalued amounts
- Defined benefit obligations measured at the present value of the future benefits to employees.

**c. Functional and presentation currency**

The financial statements are presented in US Dollar (US\$) which is the Company's functional currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest US Dollar.

**d. Use of estimates and judgement**

In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's 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 estimates are recognised prospectively.

*(i) Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties at 30 September 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 15 - Measurement of defined benefit obligations: Key actuarial assumptions
- Note 27(b)(i) - Measurement of expected credit loss (ECL) allowance for trade receivables: Key assumptions in determining the average loss rate

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

**2. BASIS OF PREPARATION (CONTINUED)**

*Measurement of fair values*

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

A number of new standards and interpretations are effective from 1 October 2020, but they do not have a material effect on the Company's financial statements.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

**(a) Foreign currency transactions**

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

Non-monetary assets and liabilities are translated at historical exchange rates, if held at historical cost or exchange rates at the date that fair value was determined, if held at fair value and the resulting foreign exchange gains and losses are recognised in profit or loss.

Foreign currency gains and losses are generally recognised in general and administrative expenses or other income depending on whether the net exchange difference results in a gain or a loss.

**SHAREHOLDING DISTRIBUTION AT 30 SEPTEMBER 2021**

|                | <b>No. of Shareholders</b> | <b>No. of Shares</b> | <b>% Holdings</b> |
|----------------|----------------------------|----------------------|-------------------|
| 1 – 1,000      | 27,708                     | 12,591,889           | 0.62              |
| 1,001 – 5,000  | 18,925                     | 38,862,940           | 1.91              |
| 5,001 – 10,000 | 1,487                      | 11,474,290           | 0.56              |
| Over 10,001    | <u>825</u>                 | <u>1,975,147,057</u> | <u>96.91</u>      |
|                | <u>48,945</u>              | <u>2,038,074,176</u> | <u>100</u>        |

**TWENTY LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2021**

|   |  | <b>No. of Shares</b>              | <b>% Holdings</b>       |
|---|--|-----------------------------------|-------------------------|
| 1 | Ghana Cocoa Board                                    | 1,176,599,176                     | 57.73                   |
| 2 | Government of Ghana c/o Ministry of Finance          | 532,554,100                       | 26.13                   |
| 3 | Social Security & National Insurance Trust           | 206,754,000                       | 10.14                   |
| 4 | CPC ESSPA  | 7,287,709                         | 0.36                    |
| 5 | Badu Collins K                                       | 4,957,900                         | 0.24                    |
| 6 | Integra Wealth (Ghana) Limited                       | <del>1,600,000</del><br>2,873,500 | <del>0.08</del><br>0.14 |
| 7 | Donewell Life Company Limited                        | 1,920,000                         | 0.09                    |
| 8 | Ghana Reinsurance Company Limited – General Business |                                   |                         |

**COCOA PROCESSING COMPANY PLC**

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|    |                                   |                      |             |
|----|-----------------------------------|----------------------|-------------|
| 9  | Agricultural Development Bank     | 1,600,000            | 0.08        |
| 10 | Osei Isaac                        | 1,583,900            | 0.08        |
| 11 | Ofori Daniel                      | 1,136,100            | 0.06        |
| 12 | Baah Matthew Mensah               | 960,000              | 0.05        |
| 13 | Otchere-Boateng Lordina Justina   | 800,000              | 0.04        |
| 14 | Ghana Libyan Arab Holding Company | 800,000              | 0.04        |
| 15 | Beaudoin Ladda LB                 | 800,000              | 0.04        |
| 16 | E H Boohene Foundation            | 800,000              | 0.04        |
| 17 | Tetteh Richard Amarh              | 552,000              | 0.03        |
| 18 | Adjei Seth Adjete                 | 550,000              | 0.03        |
| 19 | NTHC Suspense Account             | 496,683              | 0.02        |
| 20 | Insurance Compensation Fund       | <u>480,000</u>       | <u>0.02</u> |
|    |                                   | 1,944,905,068        | 95.43       |
|    | Others                            | <u>93,169,108</u>    | <u>4.57</u> |
|    |                                   | <u>2,038,074,176</u> | <u>100</u>  |





**COCOA PROCESSING COMPANY PLC**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS 30**

**SEPTEMBER 2022**

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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

|  |  |
|--|--|
| Kwaku Owusu Baah<br>(Dr) Nana Agyenim<br>Boateng | Chairman<br>Managing Director          |
| Hon. Francis Manu-Adabor                         | Member - appointed<br>30 December 2021 |
| Hon. Ben Abdullah Banda                          | Member - resigned 30<br>December 2021  |
| Abdul-Samed Adams (Mr)                           | Member - resigned 30<br>December 2021  |
| Philomena Okyere (Mrs)                           | Member                                 |
| Emmanuel Ray Ankrah (Mr)                         | Member                                 |
| Vincent Okyere Akomeah (Mr)                      | Member                                 |
| Alexandra Totoe (Ms)                             | Member - appointed<br>30 December 2021 |
| Douglas Boateng (Prof)                           | Member                                 |
| Theodore Matey Tackey (Mr)                       | Member- appointed 30<br>December 2021  |

**REGISTERED OFFICE**

Cocoa Processing Company Plc  
Heavy Industrial Area  
Private Mail Bag  
Tema

**SOLICITORS**

Apex Lawconsult  
1<sup>st</sup> Floor, Oburdum Fie, Labone  
P. O. Box GP 4889  
Accra

**AUDITOR**

Ernst & Young  
Chartered Accountants  
60 Rangoon Lane  
Cantonments City  
Accra  
Ghana

**BANKERS**

Absa Bank Ghana Limited  
ADB Bank Limited  
Bank of Ghana  
Ecobank Ghana  
Limited GCB Bank  
Limited  
Prudential Bank Limited  
Societe Generale Ghana  
Limited  
United Bank for Africa (Ghana) Limited

**REGISTRAR**

NTHC Limited  
Martco House  
P. O. Box 9563  
Airport, Accra

**REPORT OF THE DIRECTORS  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC**

The Directors present their report and the financial statements of the Company for the year ended 30 September 2022.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors are responsible for the preparation of financial statements that give a true and fair view of Cocoa Processing Company Plc, comprising the statements of financial position as at 30 September 2022, and the statements of comprehensive income, changes in equity and cash flows for the year ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

**GOING CONCERN CONSIDERATION AND STATE OF AFFAIRS OF THE COMPANY**

The Company incurred a loss of US\$12.06 m (2021: US\$15.09 m) for the year ended 30 September 2022, and as of that date its current liabilities exceeded its current assets by US\$69.34 m (2021: US\$113.15 m).

A substantial part of the Company's liabilities is due to a syndicate of banks led by Absa and Prudential Banks, US\$27.44m and US\$2.76m respectively. During the year, the Company defaulted on the principal and interest repayment to respective banks.

The Company's loss-making position is significantly driven by unavailability of cocoa beans to process due to insufficient cashflow during the year.

COCOBOD as at 30 September 2022 has converted loan of US\$32m and trade accounts payable of US\$55 as deposit for shares pending finalisation of a legal requirement to recognise it as stated capital.

The Directors have been in discussions with Africa Export-Import Bank (Afreximbank) to obtain a US\$86.7m loan facility. Management plans to use this loan to settle amounts due to the syndicate of banks, support its working capital requirements and retool its property, plant, and equipment to expand production capacity. Management expects the agreement to be signed by December 2023 and the first tranche disbursed by January 2024. The ability of the company to return to profitability and also settle the liabilities due within twelve months is dependent of the Afreximbank loan. At the date of this report, discussions with Afreximbank have not yet been finalised.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Directors have considered the following matters, in combination with the above mitigation plans, in making the going concern assumption:

- Resumption of cocoa beans supply by COCOBOD on regular basis.
- New turnaround strategies – reduction of cost, investment in infrastructure, expansion of revenue base and product market.

**REPORT OF THE DIRECTORS (CONTINUED)  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC**

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business

**NATURE OF BUSINESS/PRINCIPAL ACTIVITIES**

The Company is registered to manufacture high-quality chocolates, confectionery, and semi-finished cocoa products such as cocoa butter, cocoa liquor, cocoa cake, and cocoa powder from premium cocoa beans grown in Ghana.

There was no change in the nature of business of the Company during the year.

**HOLDING COMPANY**

The Company is 57.73% owned by Ghana Cocoa Board (COCOBOD), a Company incorporated in Ghana.

**FINANCIAL STATEMENTS/BUSINESS REVIEW**

The financial results of the Company for the year ended 30 September 2022 are set out in the financial statements, highlights of which are as follows:

|                   | <b>2022</b>              | 2021                |
|-------------------|--------------------------|---------------------|
|                   | <b>US\$</b>              | US\$                |
| Loss before tax   | <b>(12,945,825)</b>      | (15,169,927)        |
| Loss after tax    | <b>(12,058,964)</b>      | (15,088,714)        |
| Total assets      | <b>140,964,348</b>       | 160,034,555         |
| Total liabilities | <b>118,770,247</b>       | 209,620,970         |
| Total equity      | <b><u>22,194,101</u></b> | <u>(49,586,415)</u> |

The Directors do not recommend the payment of dividend.

**PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR**

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act 2019, (Act 992).

**RELATED PARTY TRANSACTIONS**

Information regarding Directors' interests in ordinary shares of the Company and remuneration is disclosed in note 24 to the financial statements. No Director has interest in any shares or loan stock of the Company. Related party transactions and balances are also disclosed in note 26 to the financial statements.

**CORPORATE SOCIAL RESPONSIBILITY**

No expenditure was incurred in the period under review (2021:nil) was spent under the Company's social responsibility programme.

**REPORT OF THE DIRECTORS (CONTINUED)  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC BOARD OF**

**DIRECTORS****Profile**

| <b>Executive</b>          | <b>Qualification</b>   | <b>Outside board and management position</b>  |
|---------------------------|--|---|
| Nana Agyenim Boateng      | Diploma, Transport & Fleet Management  | Managing Director of CPC  |
| <b>Non-executive</b>      |  |   |
| Dr. Kwaku Owusu Baah      | Agriculture Economist<br>MSc Agriculture<br>BSc Agriculture  | Former Director of Economic Studies, Inter-African Coffee Organization<br>Currently Technical Advisor to Government of Canada |
| Hon Francis Manu-Adabor   | BA Hons (KNUST)<br>MSC (University College, London)  | Member of Parliament  |
| Prof. Douglas Boateng     | BSc. Transport Planning and Management, Cranfield University.<br>MSc. Logistics in Manufacturing Systems, University of Central England.<br>Doctor of Engineering, University of Warwick<br>Diploma in Company Direction, Institute of Directors | Board Chairman, Public Procurement Authority  |
| Mr Vincent Okyere Akomeah | BA Economics<br>Master's degree, Economic Policy Management  | Managing Director of CMC  |
| Mr Emmanuel Ray Ankrah    | Post Graduate Diploma, Strategic Financial Management<br>Chartered Accountant  | Deputy CEO (Finance & Admin), COCOBOD   |
| Mrs Philomena Okyere      | Associate Member, Chartered Institute of Professional Financial Managers   | Board of MASLOC.  |
| Mr Theodore Matey Tackey  | He holds an BSC in chemical Engineering from (KNUST)   | Professional & Managerial Staff union Chairman of CPC.  |
| Ms Alexandra Totoe        | Graduate, Emile Wolf College of Accountancy, United Kingdom<br><br>Fellow – Association Chartered Accountants Accountant (ACCA)<br>Member – Institute of Chartered Accountants Accountant (ICA)  | Nominee of the Ministry of Finance/State interest & Government Authority (MoF/SIGA)   |

| <b>Age category</b> | <b>Number of directors</b> |
|---------------------|----------------------------|
| Up to – 40 years    | 1                          |
| 41 – 60 years       | 5                          |
| Above 60 years      | 3                          |

**REPORT OF THE DIRECTORS (CONTINUED)  
TO THE MEMBERS OF  
COCOA PROCESSING COMPANY PLC ROLE OF**

**THE BOARD**

The Directors are responsible for the long-term success of the Company, determine the strategic direction of the Company and review operating, financial and risk performance. There is a formal schedule of matters reserved for the board of Directors, including approval of the Company's annual business plan, the Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Company, and the scope of delegations to Board committees, subsidiary boards and the management committee. Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a management committee, which as at the date of this report includes the Executive Directors.

**INTERNAL CONTROL SYSTEMS**

The Directors have overall responsibility for the Company's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational, and reputational risks identified by the Company as at the reporting date and no significant failings or weaknesses were identified during this review.

**PROFESSIONAL DEVELOPMENT AND TRAINING**

On appointment to the Board, Directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Company's business, the risks and strategic challenges the Company faces, and the economic, competitive, legal and regulatory environment in which the Company operates.

There were, however, no formal capacity building training programs organised during the year.

**CONFLICTS OF INTEREST**

The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed, and authorisations sought as appropriate. During the year, no such conflicts arose, and no such authorisations were sought.

**REPORT OF THE DIRECTORS (CONTINUED) TO THE MEMBERS OF**

**COCOA PROCESSING COMPANY PLC**

**BOARD BALANCE AND INDEPENDENCE**

The composition of the board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge, and experience is maintained. The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the Company. The continuing independent and objective judgement of the non-Executive Directors have been confirmed by the Board of Directors.

**AUDITOR**

The Audit Committee has responsibility delegated from the board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor

The Auditors, Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office pursuant to Section 139(5d) of the Companies Act, 2019 (Act 992).

**AUDIT FEES**

At 30 September 2022, the amount payable in respect of audit fees was US\$37,000 (2021: US\$37,000).

**APPROVAL OF THE REPORT OF THE DIRECTORS**

The Report of the Directors of Cocoa Processing Company Plc, was approved by the Board of Directors on .....2023 and were signed on their behalf by:

.....  
**SIGNATURE**

.....  
**NAME**

.....  
**SIGNATURE**

.....  
**NAME**





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working world

Ernst & Young Chartered Accountants

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCOA PROCESSING COMPANY PLC**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Cocoa Processing Company Plc set out on pages 11 to 56 which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cocoa Processing Company Plc as at 30 September 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by of the Companies Act, 2019 (Act 992)

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 30 of the financial statements, which indicates that the Company incurred a net loss of US\$12.6 m (2021: US\$15.09 m) during the year ended 30 September 2022 and, as of that date, the Company's current liabilities exceeded its current assets by US\$69.34million (2021: US\$113 million). As stated in the note 30 these conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore may be unable to realise its assets and settle its liabilities in the ordinary course of business. Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the

procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| The Key Audit Matter  | How the matter was addressed in our audit  |
|---|--|
| <p><b>Employee Benefit Obligations</b></p> <p>As at 30 September 2022, the Company calculated and recorded defined benefit plan liabilities of US\$2.87 million for its qualified employees, which is significant on the Company’s overall statement of financial position. These benefits were made available to the employees based on collective bargaining agreement with employee union. Significant estimates are made in determining the key assumptions used in the determination of the defined benefit obligations, as a result the Management engaged an independent actuary to assist them in the computation of the defined benefit plan liabilities.</p> <p>We considered the computation of the defined benefit plan liabilities to be a key audit matter due to the magnitude of the amounts, management judgement applied, and the technical expertise required to determine these amounts. Management has made appropriate disclosure on this on Note 15 in the financial statements.</p> | <p>Our procedure included assessing the competency, objectivity and capabilities of the independent actuary engaged by the Company.</p> <p>We engaged our internal specialist to assess the appropriateness of the method and assumptions used in the computation as included on the actuarial report.</p> <p>We have also performed the following procedures, amongst others to assess the underlying data provided to the actuary in determining the obligation</p> <ul style="list-style-type: none"> <li>• We tested samples of the employees’ details used in the computation of the defined benefit plan liabilities to the Human resource records</li> <li>• We evaluated key assumptions used in the valuation, in particular the discount rate, future salaries increases, and mortality rates, with the support of our actuarial specialist</li> <li>• We also considered the adequacy of the disclosures made on the defined benefit plan liabilities in Note 15 to the financial statements</li> </ul> |

## Other Information

The Directors are responsible for the other information. The other information comprises information included in the 56-page document titled “Annual Reports and Financial Statements for the year ended 30 September 2022”. Other information does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

### **Report on other legal and regulatory requirements**

Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books;
- iii) The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of the Company are in agreement with the underlying books of account;
- iv) In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the financial year then ended;
- v) We are independent of the Company pursuant to section 143 of the Companies Act, 2019 (Act 992).

The Engagement Partner on the audit resulting in this independent auditor's report is Ferdinand Gunn (ICAG/P/1149).

Ernst & Young (ICAG/F/2023/126)  
Chartered Accountants  
Accra

Date:

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

| <b>Assets</b>                        | <b>Note</b> | <b>2022<br/>US\$</b>        | <b>2021<br/>US\$</b> |
|--------------------------------------|-------------|-----------------------------|----------------------|
| <b>Non-current assets</b>            |             |                             |                      |
| Property, plant and equipment        | 7           | <u><b>114,290,527</b></u>   | <u>120,088,574</u>   |
| <b>Total non-current assets</b>      |             | <u><b>114,290,527</b></u>   | <u>120,088,574</u>   |
| <b>Current assets</b>                |             |                             |                      |
| Inventories                          | 8           | <b>17,673,939</b>           | 26,787,563           |
| Current tax assets                   | 6(c)        | <b>19,299</b>               | 17,363               |
| Trade and other receivables          | 9           | <b>4,933,760</b>            | 8,910,416            |
| Prepayments                          | 10          | <b>528,524</b>              | 435,188              |
| Fixed deposit investments            | 11          | <b>2,707,841</b>            | 2,644,210            |
| Cash and cash equivalents            | 12(a)       | <u><b>810,458</b></u>       | <u>1,151,241</u>     |
| <b>Total Current assets</b>          |             | <u><b>26,673,821</b></u>    | <u>39,945,981</u>    |
| <b>Total assets</b>                  |             | <u><b>140,964,348</b></u>   | <u>160,034,555</u>   |
| <b>Equity and Liabilities Equity</b> |             |                             |                      |
| Share capital                        | 16(a,b)     | <b>26,071,630</b>           | 26,071,630           |
| Deposit for share                    | 16(e)       | <b>87,000,000</b>           | -                    |
| Revaluation reserve                  | 16(c)       | <b>53,113,126</b>           | 54,415,410           |
| Fair value reserve                   | 16(d)       | <b>7,041,211</b>            | 11,732,644           |
| Retained earnings                    |             | <u><b>(151,031,866)</b></u> | <u>(141,806,099)</u> |
| <b>Total equity</b>                  |             | <u><b>22,194,101</b></u>    | <u>(49,586,415)</u>  |
| <b>Liabilities</b>                   |             |                             |                      |
| <b>Non-current liabilities</b>       |             |                             |                      |
| Loans and borrowings                 | 14(b)       | <b>1,985,300</b>            | 33,556,428           |
| Employee benefit obligations         | 15          | <b>2,871,650</b>            | 4,097,967            |
| Deferred tax liabilities             | 6(d)        | <u><b>17,899,918</b></u>    | <u>18,870,111</u>    |
| <b>Total non-current liabilities</b> |             | <u><b>22,756,868</b></u>    | <u>56,524,506</u>    |
| <b>Current liabilities</b>           |             |                             |                      |
| Bank overdraft                       | 12(b)       | <b>1,932,743</b>            | 1,192,653            |
| Trade and other payables             | 13          | <b>47,317,579</b>           | 112,542,230          |
| Loans and borrowings                 | 14(b)       | <u><b>46,763,057</b></u>    | <u>39,361,581</u>    |
| <b>Total current liabilities</b>     |             | <u><b>96,013,379</b></u>    | <u>153,096,464</u>   |
| <b>Total liabilities</b>             |             | <u><b>118,770,247</b></u>   | <u>209,620,970</u>   |
| <b>Total equity and liabilities</b>  |             | <u><b>140,964,348</b></u>   | <u>160,034,555</u>   |

The financial statements of the Company were approved by the Board of Directors on.....2023

and were signed on their behalf by:

.....

SIGNATURE

.....

NAME

.....

SIGNATURE

.....

NAME

The notes on pages 16 to 56 form an integral part of these financial statements.

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

|  | Note     | 2022<br>US\$               | 2021<br>US\$               |
|--|----------|----------------------------|----------------------------|
| Revenue from contracts with customers                        | 17(a)    | 43,489,657                 | 41,835,142                 |
| Cost of sales  | 18       | <u>(47,363,968)</u>        | <u>(46,828,569)</u>        |
| <b>Gross loss</b>  |          | <b>(3,874,311)</b>         | <b>(4,993,427)</b>         |
| Other income   | 19       | 1,502,886                  | 471,579                    |
| Selling and distribution costs                               | 31       | <b>(804,574)</b>           | (686,492)                  |
| General and administrative expenses                          | 32       | <b>(4,569,682)</b>         | (4,219,164)                |
| Impairment reversal/(loss) on trade and other receivables    | 27(a)(i) | <u>533,851</u>             | <u>(391,925)</u>           |
| <b>Operating loss</b>  |          | <b>(7,211,830)</b>         | <b>(9,819,429)</b>         |
| Finance income   | 23       | 50,072                     | 56,411                     |
| Finance costs  | 24       | <b>(5,784,067)</b>         | <b>(5,406,909)</b>         |
| <b>Loss before tax</b>                                       | 20       | <b>(12,945,825)</b>        | <b>(15,169,927)</b>        |
| Income tax expense   | 6(a)     | <u>886,861</u>             | <u>81,213</u>              |
| <b>Loss for the year</b>                                     |          | <b><u>(12,058,964)</u></b> | <b><u>(15,088,714)</u></b> |
| <b>Other comprehensive income, net of tax</b>                |          |                            |                            |
| <i>Items that will not be reclassified to profit or loss</i> |          |                            |                            |
| Remeasurements of defined benefit liability, net of tax      | 15(b)    | 298,464                    | 170,503                    |
| Exchange gain/(loss) on defined benefit liability            |          | 1,149,117                  | (3,327)                    |
| Change in estimate on deferred tax for revaluation surplus   | 6(a)     | <u>83,332</u>              | <u>3,497,866</u>           |
| <b>Other Comprehensive income</b>                            |          | <b><u>1,530,913</u></b>    | <b><u>3,665,042</u></b>    |
| <b>Total comprehensive income</b>                            |          | <b><u>(10,528,051)</u></b> | <b><u>(11,423,672)</u></b> |
| <b>Loss per share</b>  |          |                            |                            |
| Basic loss per share   | 25       | <b>(0.0059)</b>            | (0.0074)                   |
| Diluted loss per share                                       | 25       | <b><u>(0.0059)</u></b>     | <b><u>(0.0074)</u></b>     |

The notes on pages 16 to 56 form an integral part of these financial statements.





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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

|   | Note  | Share<br>capital<br>US\$ | Deposit for<br>shares<br>US\$ | Revaluation<br>reserve<br>US\$ | Fair value<br>reserve<br>US\$ | Retained<br>earnings<br>US\$ | Total<br>equity<br>US\$  |
|---|-------|--------------------------|-------------------------------|--------------------------------|-------------------------------|------------------------------|--------------------------|
| Balance at 1 October 2022                                     |       | <u>26,071,630</u>        | <u>-</u>                      | <u>54,415,410</u>              | <u>11,732,644</u>             | <u>(141,806,099)</u>         | <u>(49,586,415)</u>      |
| Payable converted to equity                                   |       |                          | 55,666,717                    |                                |                               |                              | <b>55,666,717</b>        |
| Loan conversion to equity                                     | 14a   |                          | 26,641,850                    | -                              | -                             | -                            | <b>26,641,850</b>        |
| Total comprehensive income for the year                       |       |                          |                               |                                |                               |                              |                          |
| Loss for the year   |       | -                        | -                             | -                              | -                             | (12,058,964)                 | <b>(12,058,964)</b>      |
| <i>Other comprehensive income for the year</i>                |       |                          |                               |                                |                               |                              |                          |
| Remeasurement of defined benefit liability,<br>net of tax     | 15(b) | -                        | -                             | -                              | -                             | 1,447,581                    | <b>1,447,581</b>         |
| Change in estimate on deferred tax for<br>revaluation surplus | 6(d)  | -                        | -                             | 83,332                         | -                             | -                            | <b>83,332</b>            |
| Transfers of fair value reserves within equity                |       | <u>-</u>                 | <u>4,691,433</u>              | <u>-</u>                       | <u>(4,691,433)</u>            | <u>-</u>                     | <u>-</u>                 |
| Total comprehensive income                                    |       | <u>-</u>                 | <u>87,000,000</u>             | <u>83,332</u>                  | <u>(4,691,433)</u>            | <u>(10,611,383)</u>          | <u><b>71,780,516</b></u> |
| Transfers within equity                                       |       |                          |                               |                                |                               |                              |                          |
| Revaluation reserved transferred                              |       | <u>-</u>                 | <u>-</u>                      | <u>(1,385,616)</u>             | <u>-</u>                      | <u>1,385,616</u>             | <u>-</u>                 |
| Balance at 30 September 2022                                  |       | <u>26,071,630</u>        | <u>87,000,000</u>             | <u>53,113,126</u>              | <u>7,041,211</u>              | <u>(151,031,866)</u>         | <u><b>22,194,101</b></u> |

The notes on pages 16 to 56 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY (CONT'D)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

|  | Note  | Share<br>capital<br>US\$ | Revaluation<br>reserve<br>US\$ | Fair value<br>reserve<br>US\$ | Retained<br>earnings<br>US\$ | Total<br>equity<br>US\$ |
|--|-------|--------------------------|--------------------------------|-------------------------------|------------------------------|-------------------------|
| Balance at 1 October 2021                                  |       | <u>26,071,630</u>        | <u>52,347,147</u>              | <u>11,732,644</u>             | <u>(128,314,164)</u>         | <u>(38,162,743)</u>     |
| Total comprehensive income for the year                    |       |                          |                                |                               |                              |                         |
| Loss for the year  |       | -                        | -                              | -                             | (15,088,714)                 | (15,088,714)            |
| <i>Other comprehensive income for the year</i>             |       |                          |                                |                               |                              |                         |
| Remeasurements of defined benefit liability, net of tax    | 15(b) | -                        | -                              | -                             | 167,176                      | 167,176                 |
| Change in estimate on deferred tax for revaluation surplus | 6(d)  | -                        | <u>3,497,866</u>               | -                             | -                            | <u>3,497,866</u>        |
| <b>Total comprehensive income</b>                          |       | -                        | <u>3,497,866</u>               | -                             | <u>(14,921,538)</u>          | <u>(11,423,672)</u>     |
| <b>Transfers within equity</b>                             |       |                          |                                |                               |                              |                         |
| Revaluation reserved transferred                           |       | -                        | <u>(1,429,603)</u>             | -                             | <u>1,429,603</u>             | -                       |
| Balance at 30 September 2021                               |       | <u>26,071,630</u>        | <u>54,415,410</u>              | <u>11,732,644</u>             | <u>(141,806,099)</u>         | <u>(49,586,415)</u>     |

The notes on pages 16 to 56 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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|  | Note     | 2022<br>US\$            | 2021<br>US\$       |
|--|----------|-------------------------|--------------------|
| <b>Cash flows from operating activities</b>                  |          |                         |                    |
| Loss for the year  |          | (12,945,825)            | (15,169,927)       |
| <i>Adjustments for:</i>                                      |          |                         |                    |
| Depreciation   | 7        | 6,022,040               | 5,977,402          |
| Finance Cost   | 24       | 5,784,067               | 5,406,909          |
| Impairment (reversal)/loss on trade receivables              | 27(a)(i) | (533,851)               | 391,925            |
| Write down of inventory                                      | 8        | -                       | (66,046)           |
| Employee benefit obligations                                 | 15(b)    | 189,482                 | 233,383            |
| Unrealised exchange differences                              |          | <u>(1,944,620)</u>      | <u>82,664</u>      |
| Operating Cashflows before working capital changes           |          | <b>(3,428,705)</b>      | (3,143,690)        |
| <i>Changes in working capital</i>                            |          |                         |                    |
| o Inventories  |          | 9,113,624               | (5,897,054)        |
| o Trade and other receivables                                |          | 3,884,900               | (8,420,868)        |
| o Prepayments  |          | (93,335)                | 4,758,337          |
| o Trade and other payables                                   |          | <u>(9,221,397)</u>      | <u>17,995,444</u>  |
| Cash flows (used in)/generated from operations               |          | <b>255,087</b>          | 5,292,169          |
| Employee benefits paid                                       |          | (95,036)                | (78,214)           |
| Interest paid  | 14(a)    | (573,966)               | (375,989)          |
| Income taxes paid  | 6(c)     | <u>(1,936)</u>          | <u>(11,080)</u>    |
| Net cash flows (used in)/generated from operating activities |          | <b><u>(415,851)</u></b> | <u>4,826,886</u>   |
| <b>Cash flows from investing activities</b>                  |          |                         |                    |
| Acquisition of property, plant and equipment                 | 7        | <u>(223,993)</u>        | (3,861,617)        |
| Net cash used in investing activities                        |          | <b><u>(223,993)</u></b> | <u>(3,861,617)</u> |
| <b>Cash flows from financing activities</b>                  |          |                         |                    |
| Proceeds from Loans and borrowings                           | 14(a)    | 366,366                 | 186,318            |
| Repayments of borrowings                                     |          | <u>(622,915)</u>        | <u>(371,380)</u>   |
| Net cash from financing activities                           |          | <b><u>(256,549)</u></b> | <u>(185,062)</u>   |
| Net (decrease)/increase in cash and cash equivalents         |          | <b>(896,393)</b>        | 780,207            |
| Cash and cash equivalents at the beginning of year           | 12       | 2,602,798               | 1,860,820          |
| Effect of movement in exchange rates on cash held            |          | <u>(120,849)</u>        | <u>(38,229)</u>    |
| Cash and cash equivalents at the end of the year             | 12       | <b><u>1,585,556</u></b> | <u>2,602,798</u>   |

The notes on pages 16 to 56 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2022

**1. REPORTING ENTITY**

Cocoa Processing Company Plc is a Company registered and domiciled in Ghana. The financial statements at and for the year ended 30 September 2022 relate to the individual financial statements of the Company.

**2. BASIS OF PREPARATION****a. Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992).

**b. Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Land and building category in Property, plant and equipment, measured at revalued amounts
- Defined benefit obligations measured at the present value of the future benefits to employees.

**c. Functional and presentation currency**

The financial statements are presented in US Dollar (US\$) which is the Company's functional currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest US Dollar.

**d. Use of estimates and judgement**

In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's 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 estimates are recognised prospectively.

**(i) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at 30 September 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 15 - Measurement of defined benefit obligations: Key actuarial assumptions
- Note 27(a)(i) - Measurement of expected credit loss (ECL) allowance for trade receivables: Key assumptions in determining the average loss rate

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2022

**2. BASIS OF PREPARATION (CONT'D)**

**d. Use of estimates and judgement (cont'd)**

*Measurement of fair values*

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

A number of new standards and interpretations are effective from 1 October 2021, but they do not have a material effect on the Company's financial statements.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

**(a) Foreign currency transactions**

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

Non-monetary assets and liabilities are translated at historical exchange rates, if held at historical cost or exchange rates at the date that fair value was determined, if held at fair value and the resulting foreign exchange gains and losses are recognised in profit or loss.

Foreign currency gains and losses are generally recognised in general and administrative expenses or other income depending on whether the net exchange difference results in a gain or a loss.

SHAREHOLDING DISTRIBUTION AT 30 SEPTEMBER 2022

|                | No. of Shareholders | No. of Shares        | % Holdings |
|----------------|---------------------|----------------------|------------|
| 1 - 1,000      | 27,708              | 12,591,889           | 0.62       |
| 1,001 - 5,000  | 18,925              | 38,862,940           | 1.91       |
| 5,001 - 10,000 | 1,487               | 11,474,290           | 0.56       |
| Over 10,001    | <u>825</u>          | <u>1,975,147,057</u> | 96.91      |
|                | <u>48,945</u>       | <u>2,038,074,176</u> |            |

TWENTY LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2022

|   | No. of Shares        | % Holdings    |
|---|----------------------|---------------|
| 1. Ghana Cocoa Board                                    | 1,176,599,176        | 57.73         |
| 2. Government of Ghana c/o Ministry of Finance          | 532,554,100          | 26.13         |
| 3. Social Security & National Insurance Trust           | 206,754,000          | 10.14         |
| 4. CPC ESSPA  | 7,287,709            | 0.36          |
| 5. Badu Collins K                                       | 4,957,900            | 0.24          |
| 6. Integra Wealth (Ghana) Limited                       | 2,673,500            | 0.13          |
| 7. Donewell Life Company Limited                        | 1,920,000            | 0.09          |
| 8. Ghana Reinsurance Company Limited – General Business | 1,600,000            | 0.08          |
| 9. Agricultural Development Bank                        | 1,600,000            | 0.08          |
| 10. Osei Isaac  | 1,583,900            | 0.08          |
| 11. Ofori Daniel  | 1,136,100            | 0.06          |
| 12. Baah Matthew Mensah                                 | 960,000              | 0.05          |
| 13. Otchere-Boateng Lordina Justina                     | 800,000              | 0.04          |
| 14. Ghana Libyan Arab Holding Company                   | 800,000              | 0.04          |
| 15. Beaudoin Ladda LB                                   | 800,000              | 0.04          |
| 16. E H Boohene Foundation                              | 800,000              | 0.04          |
| 17. Tetteh Richard Amah                                 | 552,000              | 0.03          |
| 18. Adjei Seth Adjete                                   | 550,000              | 0.03          |
| 19. NTHC Suspense Account                               | 496,683              | 0.02          |
| 20. Insurance Compensation Fund                         | <u>480,000</u>       | <u>0.02</u>   |
|   | 1,944,905,068        | 95.43         |
| Others  | <u>93,169,108</u>    | <u>4.57</u>   |
|   | <u>2,038,074,176</u> | <u>100.00</u> |