



**GHANA
STOCK
EXCHANGE**

PRESS RELEASE

PR. No. 402/2021

**COCOA PROCESSING COMPANY LTD (CPC)
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED SEPTEMBER 30, 2021**

CPC has released its Unaudited Financial Statements for the year ended September 30, 2021, as per the attached

Issued at Accra, this 28th
day of October, 2021.

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, CPC
4. NTHC Registrars (Registrars for CPC shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:

Head of Listing, GSE on 0302 669908, 669914, 669935

*GT



**COCOA PROCESSING COMPANY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH SEPTEMBER 2021**

COCOA PROCESSING COMPANY LIMITED
REPORTS AND FINANCIAL STATEMENTS

I N D E X

	P a g e
Corporate Information	2
Highlights	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-29

COCOA PROCESSING COMPANY LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Kweku Owusu Baah (Chairman)
Nana Agyenim Boateng (Managing)
Hon. Ben Abdallah Banda
Philomena Okyere
Ray Ankrah
Vincent Akomea
Prof Douglas Boateng
Abdul Samed Adams

REGISTERED OFFICE

Cocoa Processing Company Limited
Heavy Industrial Area
Private Mail Bag
Tema

SOLICITOR/ SECRETARY

Sheila Minkah-Premo
Apex Law Consult
Ring road Labone
Box GP 4889
Accra

AUDITOR

KPMG
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
P. O. Box GP 242
Accra

BANKERS

Barclays Bank (Ghana) Limited
Ecobank Ghana Limited
GCB Bank Limited
Prudential Bank Limited
SG-SSB Bank Limited

REGISTRAR

NTHC Limited
Martco House
P O Box 9563
Airport
Accra

COCOA PROCESSING COMPANY LIMITED

FINANCIAL AND OPERATIONS HIGHLIGHTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	SEPTEMBER 2021	SEPTEMBER 2020
	<u>US\$</u>	<u>US\$</u>
FINANCIALS		
Turnover	41,835,436	13,645,898
Loss from Operations	(7,402,632)	(7,988,489)
Loss for the year	(13,275,513)	(18,642,693)
Total Assets	162,660,212	152,506,410
Net Assets per Share	(0.0252)	(0.0187)
No of Shares Ranking for Dividend	2,038,074,176	2,038,074,176
Earnings per Share	(0.0065)	(0.0091)
Diluted Earnings per Share	(0.0065)	(0.0091)

	SEPTEMBER 2021	SEPTEMBER 2020
	MT	MT
OPERATIONS		
CPC Beans	13,495	6,037
Tolling	-	7,782
Totals Cocoa Beans Processed	13,495	13,819
Semi - Finished Products Packed	11,296	11,522
Confectionary products Packed	2,183	1,803

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2021

		Sep-21 US\$	Sep-20 US\$
ASSETS			
Property, plant and equipment	7	120,296,789	122,204,360
Total non-current assets		120,296,789	122,204,360
Inventories	8	28,487,420	20,824,463
Current tax assets			6,283
Trade and other receivables	9	12,978,912	8,848,578
Cash and bank balances	10a	897,092	622,726
Total current assets		42,363,423	30,302,050
Total assets		162,660,212	152,506,410
EQUITY AND LIABILITIES			
Equity			
Share capital	14a	26,071,630	26,071,630
Revaluation Reserve	14b	52,347,147	52,347,147
Fair Value Reserve	14b	11,790,827	11,790,827
Retained earnings	14d	(141,647,860)	(128,372,347)
Total equity		(51,438,255)	(38,162,743)
Liabilities			
Borrowings	12b	30,798,267	25,437,500
Employee benefit obligations	13b	3,659,007	3,659,007
Deferred Tax Liability		22,449,189	22,449,189
Non current liabilities		56,906,463	51,545,699
Bank overdraft	10b	1,062,191	1,238,889
Trade and other payables	11	112,779,271	94,534,026
Borrowings	12a	43,350,542	43,350,542
Total current liabilities		157,192,004	139,123,457
Total liabilities		214,098,467	190,669,156
Total equity and liabilities		162,660,212	152,506,410



KOFI TEKYI
DIRECTOR (FIN & IT)

The accompanying accounting policies and notes form an integral parts of these financial statements



NANA AGYENIM BOATENG
MANAGING DIRECTOR

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

		Sep-21 US\$	Sep-20 US\$
Revenue	14	41,835,436	13,645,898
Cost of Sales	15	(44,951,897)	(16,678,361)
Gross Profit		<u>(3,116,460)</u>	<u>(3,032,463)</u>
Other income	16	65,959	1,092,456
Selling and distribution costs	30	(435,743)	(625,074)
General and administrative expenses	29	(3,916,388)	(5,043,612)
Impairment Loss			(379,796)
Operating loss		<u>(7,402,632)</u>	<u>(7,988,489)</u>
Finance income	20	27,210	60,699
Finance costs	21	(5,900,091)	(11,668,670)
Loss before tax	17	<u>(13,275,513)</u>	<u>(19,596,459)</u>
Income tax expense	5		953,766
Loss		<u>(13,275,513)</u>	<u>(18,642,693)</u>
Other comprehensive income		-	
Revaluation of PPE			
Defined benefit plan actuarial gains/ (loss)			
Related Tax			
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>(13,275,513)</u>	<u>(18,642,693)</u>
Earnings per share			
Basic earnings per share	22	(0.0065)	(0.0091)
Diluted earnings per share	22	(0.0065)	(0.0091)

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Share Capital US\$	Revaluation Reserve US\$	Fair Value Reserve US\$	Retained Earnings US\$	Total Equity US\$
Balance at 1 October 2020	26,071,630	52,347,172	11,790,827	(128,372,347)	(38,162,718)
Total comprehensive income for the year					
Loss					
Defined benefit plan actuarial gain				(13,275,513)	(13,275,513)
Total comprehensive income				(13,275,513)	(13,275,513)
Transfer within equity					
Revaluation reserve transferred	-	-	-	-	-
Balance at 30th September 2021	<u>26,071,630</u>	<u>52,347,147</u>	<u>11,790,827</u>	<u>(141,647,860)</u>	<u>(51,438,231)</u>

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Sep-21 US\$	Sep-20 US\$
Operating activities		
Loss	(13,275,513)	(18,642,694)
<i>Adjustments for:</i>		
Depreciation charges	5,766,091	6,252,684
Finance Cost		11,668,670
Finance Income		(60,699)
Impairment Loss		450,422
Deferred Tax (Income Tax Expense		(953,766)
Effect of movement in exchange rates	6,257	(1,572,843)
	<u>(7,503,164)</u>	<u>(2,858,226)</u>
Changes in		
Inventories	(7,662,957)	(12,666,179)
Trade and other receivables	(4,130,334)	583,197
Trade and other payables	18,245,245	12,899,891
Employee benefit obligations	-	556,721
Cash (used in)/generated from operating activities	<u>(1,051,210)</u>	<u>(1,484,596)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,858,494)	(1,652,297)
Interest received	-	60,699
Net cash flow in investing activities	<u>(3,858,494)</u>	<u>(1,591,598)</u>
Financing activities		
Loans and borrowings	5,360,767	2,342,961
Net cash flow in financing activities	<u>5,360,767</u>	<u>2,342,961</u>
Net increase / (decrease) in cash and cash equivalents	451,063	(733,233)
Cash and cash equivalents at 1 October	(616,163)	117,070
Balance as at 30th September 2021	<u>(165,100)</u>	<u>(616,163)</u>
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	897,092	622,726
Bank overdraft	(1,062,191)	(1,238,889)
Cash and cash equivalents at 30th September	<u>(165,100)</u>	<u>(616,163)</u>

PROPERTY PLANT & EQUIPMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

Description	Capital Work In Progress	Land, Buildings & Roadworks	Staff Bungalows & Flats	Plant & Machinery	Motor Vehicles	Office Furniture & Equipment	Laboratory Equipment	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Cost/Valuation 01/10/2020	867,634	37,235,919	413,519	89,330,788	234,070	274,804	100,310	128,457,044
Additions	2,967,568	0	(0)	890,926	(0)	0	-	3,858,494
Disposals								
Transfers								
Balance at 31/03/2021	3,835,202	37,235,919	413,519	90,221,714	234,070	274,804	100,310	132,315,538
Depreciation								
Balance as at 01/10/2020		473,134	9,215	5,308,317	221,020	219,209	21,789	6,252,684
Disposals								
Depreciation Charge		448,466	8,960	5,272,724	3,534	10,674	21,734	5,766,091
		921,600	18,175	10,581,041	224,554	229,883	43,523	12,018,775
NBV AT 30/09/2021	3,835,202	36,314,319	395,344	79,640,674	9,515	44,921	56,787	120,296,763

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 2021

1. REPORTING ENTITY

Cocoa Processing Company Limited is a Company registered and domiciled in Ghana. The financial statements for the year ended 30th September 2021 relates 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) and in the manner required by the Companies Act 1963 (Act 179).

b. Basis of measurement

The financial statements have been prepared under the historical cost convention, 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 benefit 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. 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

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

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 under operating expenses or other income depending on whether it is a net loss or gain.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(B) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are initially recognised at cost and subsequently measured at revalued amounts less accumulated depreciation and any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

An increase in the carrying amount of an item of property, plant and equipment as a result of a revaluation is recognized in other comprehensive income and accumulated in equity under a revaluation reserve. The gain is however, recognized in profit or loss to the extent that it reverses a revaluation loss of the same asset previously recognized in profit or loss.

Decreases in the carrying amount of an asset that offset previous increases of the asset are charged against the revaluation reserve. Any additional decrease is charged to profit or loss.

The revaluation reserve included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings as the asset is used by the Company.

Valuations are performed at most every five (5) years to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, as incurred.

(iii) Spare Parts

Spare parts Spare parts and stand-by and servicing equipment held by the Company are generally classified as inventories. However, if major spare parts and stand-by and servicing equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment.

(iv) Capital work-in-progress

Items of property, plant and equipment under construction are stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work-in progress to an appropriate category of property, plant and equipment when completed and in a location and condition necessary for it to be capable of operating in the manner intended by management

(v) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the reducing balance basis over their estimated useful lives. Depreciation is generally recognised in profit or loss unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

• Land, Buildings and Road Works	-	50 years
• Staff Bungalows and Flats	-	50 years
• Plant and Machinery	-	20 years
• Motor Vehicles	-	4 years
• Laboratory Equipment	-	5 years
• Office Furniture and Equipment	-	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of all classifications of inventories are determined using the first-in, first-out (FIFO) principle. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity

2 REVENUE

Analysis of the Company's revenue is as follows

Type of Product	Sep-21 US\$	Sep-20 US\$
Cocoa Butter	18,845,647	1,238,739
Cocoa Liquor	6,057,541	308,402
Cocoa Cake	6,281,879	491,034
Cocoa Powder	1,959,696	1,131,338
Confectionery	8,690,672	7,328,305
Tolling	-	3,148,079
	<u>41,835,436</u>	<u>13,645,897</u>

	Sep-21 US\$	Sep-20 US\$
Sale of goods		
Local Sales	8,334,300	7,365,472
Export Sales	33,501,136	3,132,347
	<u>41,835,436</u>	<u>10,497,819</u>
Tolling	-	3,148,079
	<u>41,835,436</u>	<u>13,645,899</u>

Analysis of Product Market	Sep-21	Sep-21	Sep-20	Sep-20
	Export Sales US\$	Local Sales US\$	Export Sales US\$	Local Sales US\$
Semi -Finished Products	33,135,577	9,187	3,038,459	131,055
Confectionery	365,559	8,325,113	93,888	7,234,417
Tolling	-		3,148,079	-
	<u>33,501,136</u>	<u>8,334,300</u>	<u>6,280,426</u>	<u>7,365,472</u>

15.(a) COST OF SALES

	Sep-21 US\$	Sep-20 US\$
Raw / Packing Material Consumed	33,874,183	5,280,742
Depreciation	5,742,923	5,803,240
Direct Labour	1,092,022	
Production Overheads	4,242,769	5,594,379
	<u>44,951,897</u>	<u>16,678,361</u>
16 OTHER INCOME		
Type of Product	Sep-21 US\$	Sep-20 US\$
Sale of Sack, scrap and other items	65,959	61,360
Net Exchange gain		336,187
Discount received on Sales tax		324,121
Sundry Income		370,788
	<u>65,959</u>	<u>1,092,456</u>
20 FINANCE INCOME	Sep-21 US\$	Sep-20 US\$
Interest income	27,210	60,699
	<u>27,210</u>	<u>60,699</u>
21 FINANCE COST	Sep-21 US\$	Sep-20 US\$
Interest on Loans and borrowing	5,741,121	11,490,583
Interest on Bank Overdraft	158,970	178,087
	<u>5,900,091</u>	<u>11,668,670</u>

29 GENERAL ADMIN EXPENSES

	Sep-21 US\$	Sep-20 US\$
Staff Cost	2,713,221	3,401,610
Depreciation	19,634	228,424
Auditors remuneration	46,244	37,000
Directors remuneration	74,456	114,164
Insurance	89,100	86,438
Rent and Security	195,614	156,022
Professional/Consultancy	69,281	254,708
Bank Charges	49,158	106,375
AGM Expenses	24,663	19,565
Office related Expenses	254,902	373,478
Water and Electricity	205,672	257,153
Other Cost	92,505	8,675
Exchange Loss	81,939	-
	3,916,388	5,043,612

30 SELLING & DISTRIBUTION EXPENSES

	Sep-21 US\$	Sep-20 US\$
Staff Cost	63,489	232,516
Wharfage Handling Charges	212,455	28,582
Carriage - Forklifts / Trucks	-	-
Depot Expenses	16,418	33,712
Vehicles Running Costs	68,094	75,745
Advertising Expenses and other cost	71,754	33,499
Depreciation Vehicles	3,534	221,020
	435,743	625,074

STAFF COSTS

The average number of employees during the year was as follows: -

	Sep-21 Number	Sep-20 Number
Junior Staff	192	194
Senior Staff	67	68
Management	18	19
	<u>277</u>	<u>281</u>

	Sep-21 US\$	Sep-20 US\$
Aggregate Remuneration		
Wages and Salaries	3,868,732	2,853,591
	<u>3,868,732</u>	<u>2,853,591</u>

EARNINGS PER SHARE

The calculation of basic and diluted earnings per share was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

	Sep-21 US\$	Sep-20 US\$
Net Profit attributable to shareholders	(13,275,513)	(18,642,693)
Weighted Average Number of Ordinary Shares outstanding during the year	2,038,074,176	2,038,074,176
Basic Earnings per share	-0.0065	-0.0091
Diluted Earnings per share	-0.0065	-0.0091

8 INVENTORIES

	Sep-21 US\$	Sep-20 US\$
Raw Materials	7,538,095	584,100
Packaging Materials	2,609,549	2,570,452
Finished Goods	16,867,833	16,124,383
Technical Store Parts	1,457,915	1,601,693
Fuel & Lubricant	60,997	74,861
Wright down	(46,970)	(131,126)
	<u>28,487,420</u>	<u>20,824,363</u>

9 TRADE AND OTHER RECEIVABLES

	Sep-21 US\$	Sep-20 US\$
Trade Receivables	8,917,402	568,334
Staff Debtors	587,954	564,534
Prepayment	444,223	417,755
Other Receivables	445,247	4,820,973
Fixed Deposit Investment	2,584,086	2,476,982
	<u>12,978,912</u>	<u>8,848,578</u>

11 TRADE AND OTHER PAYABLES

Trade and other payables principally comprised amount outstanding for trade purchase and ongoing costs.

	Sep-21 US\$	Sep-20 US\$
Trade Payables	82,188,772	70,701,536
Other Payables	30,590,499	23,832,490
	<u>112,779,271</u>	<u>94,534,026</u>

12 BORROWINGS

Balances on existing Loan Facilities

	Sep-21 US\$	Sep-20 US\$
Barclays Bank USD Loan	10,902,550	9,396,819
Barclays Bank USD Loan	14,489,648	13,205,266
Cocobod Loan USD	44,335,796	41,985,795
Prudential loan	4,420,815	4,200,162
	<u>74,148,809</u>	<u>68,788,042</u>

12(a) Short term portion of borrowings

<u>43,350,542</u>	<u>43,350,542</u>
-------------------	-------------------

12(b) Long term borrowings

<u>30,798,267</u>	<u>25,437,500</u>
-------------------	-------------------

10(a)	CASH & CASH EQUIVALENTS	Sep-21 US\$	Sep-20 US\$
	Cash at Bank	979,464	568,981
	Cash in hand	(82,372)	53,745
	Cash and Cash Equivalents	<u>897,092</u>	<u>622,726</u>

10(b)	Bank Overdraft	(1,062,191)	(1,238,889)
	Cash and Cash Equivalents in the statement of cash flow	(165,100)	(616,163)

DEBT TO EQUITY RATIO

The Company's net debt to equity ratio was as follows

	Sep-21 US\$	Sep-20 US\$
Total Liabilities	214,098,467	190,669,156
Cash and Cash Equivalents	<u>(897,092)</u>	<u>(622,726)</u>
Net Debt	213,201,376	190,046,430
Equity	<u>(51,438,255)</u>	<u>(38,162,743)</u>
Debt to Equity Ratio	<u>(4.14)</u>	<u>(4.98)</u>

RELATED PARTY TRANSACTION AND BALANCES

The Company Purchases raw cocoa beans from Cocoa Marketing Company Limited a Subsidiary of Ghana Cocoa Board.

Ghana Cocoa Board is the ultimate parent of Cocoa Processing Company Limited. The purchases from Cocoa Marketing Company Limited are on the same terms and conditions as those entered into by other companies

The value of transactions between the company and its related entities during the year are as follows

	Sep-21 US\$	Sep-20 US\$
Purchases from Cocoa Marketing Company	37,480,449	14,864,750

Balances due related company were as follows

	Sep-21 US\$	Sep-20 US\$
Borrowings	28,905,015	27,308,567
Accrued Interest	<u>15,430,781</u>	<u>14,677,229</u>
	44,335,796	41,985,796
Trade Payable	<u>82,188,772</u>	<u>68,531,004</u>
	<u>126,524,568</u>	<u>110,516,800</u>

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Inventories are recognised in profit or loss when goods are sold or there is a write down of inventories.

(c) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good to a customer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. SHARE CAPITAL (STATED CAPITAL) AND RESERVES

(a) Authorised shares

	2021	2020
Ordinary shares of no par value	20,000,000,000	20,000,000,000
Preference share of no par value	1	1

Issued and fully paid

	Number 'm	Amount US\$	Number 'm	Amount US\$
Ordinary shares for cash	2,038	26,071,559	2,038	26,071,559

(b) Preference shares

Number	Number
1	1
71	71
26,071,630	26,071,630

There are no outstanding shares in treasury and there is no unpaid liability on any share. The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

(c) Revaluation reserve

This represents the unrealised appreciation on the value of property, plant and machinery, following a revaluation exercise carried out at 30 September 2019. The revaluation surplus is recorded in equity as it is a non-distributable reserve. The movement on the revaluation reserve resulted from transfer made to the retained earnings account in respect of portions of the revalued components of the relevant assets which were used during the year and deemed realised from use.

(d) **Retained earnings (Income surplus account)**

This represents the residual of cumulative annual profits/losses and realised portions of revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors return on capital as well as the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The Board monitors capital using an adjusted net debt to equity ratio, which is the adjusted net debt divided by the adjusted equity. For this purpose, adjusted net debt is defined as total liabilities (which includes interest bearing loans and borrowings) unaccrued proposed dividends less cash and cash equivalents. Adjusted equity comprise all components of equity less unaccrued proposed dividends.

GOING CONCERN CONSIDERATION

COCOBOD has undertaken to provide the Company with continuous supply of cocoa beans to meet its operational demand and will not demand for repayments of amounts due to it in a manner that would jeopardise the operations of the Company.

The Directors have assessed the situation and have put in place measures to turn around the Company and make it profitable in the near future. These measures include:

- i. Cost cutting measures - The company entered into arrangement with Captive Energy Company Limited on 9 October 2019 to produce steam and power using bio-waste materials. The project is expected to be completed in 15 months. On completion, the Company will incur a monthly charge of US\$414,000 for the generation of steam and power which represents a reduction of the Company's current utility cost by 40% per annum. The Company has also constructed six (6) depth bore-holes to reduce the cost of water by about US\$168,000 – US\$220,000 per annum.
- ii. Investment in infrastructure and machinery – The Company obtained a loan facility of GH16 million from Prudential Bank Limited under the Government of Ghana's Ministry of Trade and Industry Stimulus Package Programme for the acquisition of equipment for the Confectionery factory. The Company had acquired a number of the assets and had put them in use. The machines are intended to expand the capacity of the Confectionery factory from 3,000 MT to 15,000 MT. The Company has also commenced activities for the retooling of its aged cocoa factory lines and the expansion of the current capacity of 64,500 MT to 87,657 MT.
- iii. Expanding revenue base - The Company continues to expand its revenue-earning base and has identified the following areas to help maintain this drive:
 - Secure additional Tolling arrangement with relevant parties.

- Improving visibility of Goldentree confectionery products to increase local consumption by opening new depots in Takoradi, Sunyani and Tamale by December 2021
- Introduce an instant drinking chocolate be known as Goldentree instant drinking chocolate.
- Introduce a wide array of new products in the Confectionery market segment

SHAREHOLDING DISTRIBUTION AT THE YEAR ENDED 30TH SEPTEMBER 2021

	No. of Shareholders	No. of Shares	% Holdings
1 – 1,000	28,100	12,876,891	0.55
1,001 – 5,000	18,439	41,159,318	1.76
5,001 – 10,000	1,608	12,401,194	0.54
Over 10,001	909	1,971,636,773	97.15
	<u>49,056</u>	<u>2,038,074,176</u>	<u>100</u>

TWENTY LARGEST SHAREHOLDERS

	No. of Shares	% Holdings
1. Ghana Cocoa Board	1,176,599,176	57.73
2. Government of Ghana c/o Ministry of Finance	532,554,110	26.13
3. Social Security & National Insurance Trust	206,754,000	10.14
4. Badu Collins K	3,181,000	0.16
5. SIC Life Company Limited	2,240,000	0.11
6. Donewell Life Company Limited	1,920,000	0.09
7. Ghana Reinsurance Company Limited – General Business	1,600,000	0.08
8. Agricultural Development Bank	1,600,000	0.08
9. Osei Isaac	1,583,900	0.08
10. Baah Matthew Mensah	960,000	0.05
11. Badu Collins Kwabena	876,900	0.04
12. Otchere-Boateng Lordina Justina	800,000	0.04
13. Ghana Libyan Arab Holding Company	800,000	0.04
14. Beaudoin Patrick	800,000	0.04
15. E.H.Boohene Foundation	800,000	0.04
16. Tetteh Richard Amarh	552,000	0.03
17. Adjei Seth Adjete	550,000	0.03
18. Teachers' Fund	500,000	0.02
19. Hyde Joel Emmanuel	500,000	0.02
20. Insurance Compensation Fund	480,000	0.02
	<u>1,935,651,086</u>	<u>94.97</u>
Others	102,423,100	5.03
	<u>2,038,074,186</u>	<u>100.00</u>