



**PRESS RELEASE**

**PR. No. 354/2022**

**COCOA PROCESSING COMPANY LTD (CPC)-**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR FOURTH QUARTER ENDED SEPTEMBER 30, 2022**

CPC has released its Unaudited Financial Statements for fourth quarter ended September 30, 2022, as per the attached.

Issued at Accra, this 31<sup>st</sup>  
Day of October 2022.

**- 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**

**\*XA**



**COCOA PROCESSING COMPANY LTD  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE FORTH QUARTER ENDED  
30<sup>TH</sup> SEPTEMBER 2022**

**COCOA PROCESSING COMPANY LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**

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**COCOA PROCESSING COMPANY LIMITED**  
**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Kweku Owusu Baah (Chairman)  
Nana Agyenim Boateng (Managing)  
Hon. Francis Manu-Adabor  
Philomena Okyere  
Alexandria Gloria Totoe  
Ray Ankrah  
Vincent Akomea  
Prof Douglas Boateng  
Theodore Matey Tackey

**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**

Ernst & Young  
Chartered Accountants  
60 Rangoon Lane  
P. O. Box KA16009, Airport  
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 FORTH QUARTER ENDED 30TH SEPTEMBER 2022

	SEPT 2022	SEPT 2021
	<u>US\$</u>	<u>US\$</u>
<b>FINANCIALS</b>		
Turnover	43,488,031	41,835,436
Loss from Operations	(8,214,304)	(7,402,634)
Loss for the year	(13,942,579)	(13,275,514)
Total Assets	144,148,921	162,660,213
Net Assets per Share	(0.0321)	(0.0252)
No of Shares Ranking for Dividend	2,038,074,176	2,038,074,176
Earnings per Share	(0.0068)	(0.0065)
Diluted Earnings per Share	(0.0068)	(0.0065)
<b>OPERATIONS</b>		
	MT	MT
Cocoa Beans Processed	13,097	13,495
Semi - Finished Products Packed	10,908	11,296
Confectionary products Packed	2,181	2,138

**COCOA PROCESSING COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2022**

		Sep-22 US\$	Sep-21 US\$
<b>ASSETS</b>			
Property, plant and equipment	7	114,699,213	120,296,789
<b>Total non-current assets</b>		<u>114,699,213</u>	<u>120,296,789</u>
Inventories	8	19,641,249	28,487,420
Current tax assets			
Trade and other receivables	9	9,155,861	12,978,912
Cash and bank balances	10a	652,598	897,092
<b>Total current assets</b>		<u>29,449,708</u>	<u>42,363,424</u>
<b>Total assets</b>		<u>144,148,921</u>	<u>162,660,213</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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	(155,590,440)	(141,647,860)
<b>Total equity</b>		<u>(65,380,835)</u>	<u>(51,438,256)</u>
<b>Liabilities</b>			
Borrowings	12b	33,893,986	30,798,267
Employee benefit obligations	13b	3,794,236	3,659,007
Deferred Tax Liability		22,449,189	22,449,189
<b>Non current liabilities</b>		<u>60,137,410</u>	<u>56,906,463</u>
Bank overdraft	10b	1,497,903	1,062,191
Trade and other payables	11	104,543,901	112,779,271
Borrowings	12a	43,350,542	43,350,544
<b>Total current liabilities</b>		<u>149,392,346</u>	<u>157,192,006</u>
<b>Total liabilities</b>		<u>209,529,756</u>	<u>214,098,469</u>
<b>Total equity and liabilities</b>		<u>144,148,921</u>	<u>162,660,213</u>

  
**KOFI TEKYI**

**DIRECTOR ( FIN & IT )**

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

  
**NANA AGYENIM BOIATENG**  
**MANAGING DIRECTOR**



**COCOA PROCESSING COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FORTH QUARTER ENDED 30TH SEPTEMBER 2022**

		Sep-22 US\$	Sep-21 US\$
Revenue	14	43,488,031	41,835,436
Cost of Sales	15	(46,906,840)	(44,951,897)
<b>Gross Profit</b>		<b>(3,418,809)</b>	<b>(3,116,461)</b>
Other income	16	8,205	65,959
Selling and distribution costs	30	(595,659)	(435,743)
General and administrative expenses	29	(4,208,040)	(3,916,388)
Impairment Loss		-	-
<b>Operating loss</b>		<b>(8,214,304)</b>	<b>(7,402,634)</b>
Finance income	20	129,360	27,210
Finance costs	21	(5,857,636)	(5,900,091)
<b>Loss before tax</b>	17	<b>(13,942,579)</b>	<b>(13,275,514)</b>
Income tax expense	5	-	-
<b>Loss</b>		<b>(13,942,579)</b>	<b>(13,275,514)</b>
Other comprehensive income		-	-
Revaluation of PPE		-	-
Defined benefit plan actuarial gains/ (loss)		-	-
Related Tax		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>(13,942,579)</b>	<b>(13,275,514)</b>
<b>Earnings per share</b>			
Basic earnings per share	22	(0.0068)	(0.0065)
Diluted earnings per share	22	(0.0068)	(0.0065)

**COCOA PROCESSING COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FORTH QUARTER ENDED 30TH SEPTEMBER 2022**

	Share Capital US\$	Revaluation Reserve US\$	Fair Value Reserve US\$	Retained Earnings US\$	Total Equity US\$
Balance at 1 October 2021	26,071,630	52,347,147	11,790,827	(141,647,860)	(51,438,256)
<b>Total comprehensive income for the year</b>					
Loss					
Defined benefit plan actuarial gain				(13,942,579)	(13,942,579)
Total comprehensive income					
Transfer within equity				(13,942,579)	(13,942,579)
Revaluation reserve transferred					
Balance at 30th September 2022	26,071,630	52,347,147	11,790,827	(155,590,440)	(65,380,835)



**COCOA PROCESSING COMPANY LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE FORTH QUARTER ENDED 30TH SEPTEMBER 2022**

	Sep-22 US\$	Sep-21 US\$
<b>Operating activities</b>		
Loss		
Adjustments for:	(13,942,579)	(13,275,514)
Depreciation charges	5,612,046	5,766,091
Effect of movement in exchange rates	209,524	6,259
	<u>(8,121,010)</u>	<u>(7,503,164)</u>
Changes in		
Inventories	8,846,171	(7,662,957)
Trade and other receivables	3,823,051	(4,130,334)
Trade and other payables	(8,235,370)	18,245,245
Employee benefit obligations	135,229	
Cash (used in )/generated from operating activities	<u>(3,551,929)</u>	<u>(1,051,210)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(223,993)	(3,858,494)
<b>Net cash flow in investing activities</b>	<u>(223,993)</u>	<u>(3,858,494)</u>
<b>Financing activities</b>		
Loans and borrowings	3,095,717	5,360,767
<b>Net cash flow in financing activities</b>	<u>3,095,717</u>	<u>5,360,767</u>
Net increase / (decrease) in cash and cash equivalents	(680,206)	451,064
Cash and cash equivalents at 1 October	(165,099)	(616,163)
Balance as at 30th September 2022	<u>(845,305)</u>	<u>(165,099)</u>
<b>Analysis of balances of cash and cash equivalents as shown in the balance sheet</b>		
Cash and bank balances	652,598	897,092
Bank overdraft	(1,497,903)	(1,062,191)
Cash and cash equivalents at 30th September 2022	<u>(845,305)</u>	<u>(165,099)</u>

**PROPERTY PLANT & EQUIPMENT**  
**FOR THE FORTH QUARTER ENDED 30TH SEPTEMBER 2022**

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	
<b>Cost/Valuation</b>																
Balance at 1 October 2021	3,837,478		37,235,919		413,519		89,827,766		234,070		653,301		116,607		132,318,560	
Additions	131,309		0		(0)		46,461		(0)		46,224		0		223,993	
Disposals																
Transfers																
Balance at																
Balance at 30th September 2022	3,968,787		37,235,919		413,519		89,874,227		234,070		699,525		116,607		132,542,653	
<b>Depreciation</b>																
Balance at 1 October 2021																
Disposals			946,455		18,463		10,717,283		234,070		268,972		46,153		12,231,395	
Depreciation Charge																
			473,228		9,231		5,013,529		-		91,678		24,379		5,612,046	
			1,419,683		27,694		15,730,812		234,070		360,650		70,532		17,843,441	
Balance at 30th September 2022	3,968,787		35,816,237		385,824		74,143,415		(0)		338,875		46,075		114,699,213	

**COCOA PROCESSING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 30TH SEPTEMBER 2022**

**1. REPORTING ENTITY**

Cocoa Processing Company Limited is a Company registered and domiciled in Ghana. The financial statements for the Fourth quarter ended 30th September 2022 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. They are carried at revalued amounts less subsequent depreciation and 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.

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

##### (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 plant and equipment are recognised in profit or loss, as incurred.

##### (iii) Spare parts

Spare parts, stand-by and servicing equipment held by the Company generally are classified as inventories. However, if major spare parts and stand-by 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

Property, plant and equipment under construction is 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 commissioned and ready for its intended use.

(v) *Depreciation*

Items of property, plant and equipment are depreciated from the date they are installed and ready for use, or in respect of self-constructed assets, from the date assets is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method 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.

(vi) *Revaluation gain/loss*

Increases in the carrying amount of land and buildings arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve. All other decreases are charged to profit or loss.

The surplus on revaluation is transferred to retained earnings on use of the relevant revalued assets.

(d) *Inventories*

All inventories with the exception of finished goods are initially recognised at the lower of cost and net realisable value. Finished goods are initially recognised at the total cost of raw materials consumed and production overheads. Inventories are measured at the lower of cost or net realisable value.

The cost of inventories is based on the first-in-first-out principle for raw materials and weighted average principle for all other inventories and includes expenditure incurred in acquiring the inventories, production or conversion costs 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.

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.

(e) *Revenue*

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



**2 REVENUE**

Analysis of the Company's revenue is as follows

Type of Product	Sep-22 US\$	Sep-21 US\$
Cocoa Butter	14,253,942	18,845,647
Cocoa Liquor	8,146,223	6,057,541
Cocoa Cake	10,859,400	6,281,879
Cocoa Powder	1,407,482	1,959,696
Confectionery	8,820,983	8,690,672
	<u>43,488,031</u>	<u>41,835,435</u>

  

Sale of goods	Sep-22 US\$	Sep-21 US\$
Local Sales	8,465,978	8,334,300
Export Sales	<u>35,022,052</u>	<u>33,501,136</u>
	43,488,031	41,835,436
Tolling	<u>43,488,031</u>	<u>41,835,436</u>

**Analysis of Product Market**

	Sep-22	Sep-22	Sep-21	Sep-21
	Export Sales US\$	Local Sales US\$	Export Sales US\$	Local Sales US\$
Semi -Finished Products	34,662,737	4,311	33,135,577	9,187
Confectionery	359,316	8,461,667	365,559	8,325,113
Tolling	<u>35,022,052</u>	<u>8,465,978</u>	<u>33,501,136</u>	<u>8,334,300</u>

15.(a) COST OF SALES

	Sep-22 US\$	Sep-21 US\$
Raw and Packing Material Consumed	35,178,935	33,874,183
Depreciation	5,511,135	5,742,923
Direct Labour	1,199,487	1,092,022
Production Overheads	5,017,282	4,242,769
	<u>46,906,840</u>	<u>44,951,897</u>

16 OTHER INCOME

Type of Product	Sep-22 US\$	Sep-21 US\$
Sale of Sack, scrap and other items	8,205	65,959
Net Exchange gain		
Discount received on Sales tax		
Sundry Income		
	<u>8,205</u>	<u>65,959</u>

20 FINANCE INCOME

Interest income	Sep-22 US\$	Sep-21 US\$
	129,360	27,210
	<u>129,360</u>	<u>27,210</u>

21 FINANCE COST

	Sep-22 US\$	Sep-21 US\$
Interest on Loans and borrowing	5,699,641	5,741,121
Interest on Bank Overdraft	157,995	158,970
	<u>5,857,636</u>	<u>5,900,091</u>

## 29 GENERAL ADMIN EXPENSES

	Sep-22 US\$	Sep-21 US\$
Staff Cost		
Depreciation	2,960,998	2,713,221
Auditors remuneration	100,910	19,634
Directors remuneration	37,000	46,244
Insurance	91,725	74,456
Rent and Security	89,059	89,100
Professional/Consultancy	157,689	195,614
Bank Charges	76,367	69,281
AGM Expenses	83,054	49,158
Office related Expenses	20,618	24,663
Water and Electricity	92,144	254,902
Other Cost	210,008	205,672
Exchange Loss	288,469	92,505
	81,939	
	<u>4,208,040</u>	<u>3,916,388</u>

## 30 SELLING & DISTRIBUTION EXPENSES

	Sep-22 US\$	Sep-21 US\$
Staff Cost		
Wharfage Handling Charges	77,291	63,489
Carriage - Forklifts / Trucks	357,180	212,455
Depot Expenses	1,348	
Vehicles Running Costs	35,275	16,418
Advertising Expenses and other cost	93,442	68,094
Depreciation Vehicles	31,122	71,754
	0	3,534
	<u>595,659</u>	<u>435,744</u>

### STAFF COSTS

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

	Sep-22 Number	Sep-21 Number
Temporary Staff	178	178
Junior Staff	192	192
Senior Staff	67	67
Management	18	18
	<u>455</u>	<u>455</u>

### Aggregate Remuneration

	Sep-22 US\$	Sep-21 US\$
Wages and Salaries	4,237,776	3,868,732
	<u>4,237,776</u>	<u>3,868,732</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-22 US\$	Sep-21 US\$
Net Profit attributable to shareholders	(13,942,579)	(13,275,514)
Weighted Average Number of Ordinary Shares outstanding during the year	2,038,074,176	2,038,074,176
Basic Earnings per share	-0.0068	-0.0065
Diluted Earnings per share	-0.0068	-0.0065

**8 INVENTORIES**

	Sep-22 US\$	Sep-21 US\$
Raw Materials	761,002	7,538,095
Packaging Materials	2,997,790	2,609,549
Finished Goods	12,475,942	16,867,833
Technical Store Parts	3,251,404	1,457,917
Fuel & Lubricant	155,110	60,997
Wright down	-	(46,970)
	<u>19,641,249</u>	<u>28,487,421</u>

**9 TRADE AND OTHER RECEIVABLES**

	Sep-22 US\$	Sep-21 US\$
Trade Receivables	5,089,089	8,917,402
Staff Debtors	763,711	587,954
Prepayment	465,035	444,223
Other Receivables	198,153	445,247
Fixed Deposit Investment	2,639,873	2,584,086
	<u>9,155,861</u>	<u>12,978,913</u>



## 11 TRADE AND OTHER PAYABLES

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

	Sep-22 US\$	Sep-21 US\$
Trade Payables	68,077,972	82,188,772
Other Payables	36,465,928	30,590,499
	<u>104,543,901</u>	<u>112,779,271</u>

## 12 BORROWINGS

Balances on existing Loan Facilities

	Sep-22 US\$	Sep-21 US\$
Barclays Bank USD Loan	10,902,550	10,902,550
Barclays Bank USD Loan	16,875,112	14,489,648
Cocobod Loan USD	44,841,065	44,335,796
Prudential loan	4,625,801	4,420,815
	<u>77,244,528</u>	<u>74,148,809</u>

12(a) Short term portion of borrowings

<u>43,350,542</u>	<u>47,339,503</u>
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12(b) Long term borrowings

<u>33,893,986</u>	<u>26,809,306</u>
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10(a)	CASH & CASH EQUIVALENTS	Sep-22 US\$	Sep-21 US\$
	Cash at Bank		
	Cash in hand	553,424	979,464
		99,174	(82,372)
	Cash and Cash Equivalents	<u>652,598</u>	<u>897,092</u>
10(b)	Bank Overdraft	(1,497,903)	(1,062,191)
	Cash and Cash Equivalents in the statement of cash flow	(845,305)	(165,099)

#### DEBT TO EQUITY RATIO

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

	Sep-22 US\$	Sep-21 US\$
Total Liabilities	209,529,756	214,098,469
Cash and Cash Equivalents	(652,598)	(897,092)
Net Debt	<u>208,877,158</u>	<u>213,201,377</u>
Equity	(65,380,835)	(51,438,256)
Debt to Equity Ratio	<u>(3.19)</u>	<u>(4.14)</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-22 US\$	Sep-21 US\$
Purchases from Cocoa Marketing Company	20,568,228	37,480,449

Balances due related company were as follows

	Sep-22 US\$	Sep-21 US\$
Borrowings	27,308,567	28,905,015
Accrued Interest	<u>17,532,499</u>	<u>15,430,781</u>
	44,841,065	44,335,796
Trade Payable	<u>68,077,972</u>	<u>82,188,772</u>
	<u>112,919,037</u>	<u>126,524,568</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 13. SHARE CAPITAL (STATED CAPITAL) AND RESERVES

### (a) Authorised shares

	2022	2021
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	71	1	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 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 in to 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 2022
  - 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 FOURTH QUARTER ENDED 30<sup>TH</sup> SEPTEMBER 2022

	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	800,000	0.04
17. Adjei Seth Adjete	552,000	0.03
18. Teachers' Fund	550,000	0.03
19. Hyde Joel Emmanuel	500,000	0.02
20. Insurance Compensation Fund	500,000	0.02
	480,000	0.02
Others	<u>1,935,651,086</u>	<u>94.97</u>
	<u>102,423,100</u>	<u>5.03</u>
	<u>2,038,074,186</u>	<u>100.00</u>