



**COCOA PROCESSING COMPANY LTD  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30th SEPTEMBER 2024**

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

**I N D E X**

	<b>P a g e</b>
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)  
Kojo Ofori-Safo (Managing Director)  
Hon. Francis Manu-Adabor  
Philomena Okyere  
Alexandria Gloria Totoo  
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 KAI6009, 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

FOR THE YEAR ENDED 30TH SEPTEMBER 2024

	SEP 2024	SEP 2023
	<u>US\$</u>	<u>US\$</u>
<b>FINANCIALS</b>		
<b>Turnover</b>	31,096,542	32,344,232
Loss from Operations	(8,816,829)	(7,672,719)
Loss for the year	(13,076,441)	(12,348,509)
Total Assets	124,355,944	131,381,359
Net Assets per Share	(0.0016)	0.0050
No of Shares Ranking for Dividend	2,038,074,176	2,038,074,176
Earnings per Share	(0.0064)	(0.0061)
Diluted Earnings per Share	(0.0064)	(0.0061)

	SEP 2024	SEP 2023
	MT	MT
<b>OPERATIONS</b>		
Cocoa Beans Processed	3,256	7,051
Semi - Finished Products Packed	2,483	5,836
Confectionary products Packed	1,429	1,699

**COCOA PROCESSING COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2024**

		Sep-24 US\$	Sep-23 US\$
<b>ASSETS</b>			
Property, plant and equipment	7	105,546,939	109,832,309
<b>Total non-current assets</b>		<u>105,546,939</u>	<u>109,832,309</u>
Inventories	8	9,850,791	14,459,941
Current tax assets			
Trade and other receivables	9	3,553,123	3,138,881
Prepayments		471,546	558,762
Fixed Deposit Investment		2,724,005	2,724,005
Cash and bank balances	10a	2,209,540	667,461
<b>Total current assets</b>		<u>18,809,005</u>	<u>21,549,050</u>
<b>Total assets</b>		<u>124,355,944</u>	<u>131,381,359</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14a	26,071,630	26,071,630
Deposit for shares		87,000,000	87,000,000
Revaluation Reserve	14b	53,113,126	53,539,543
Fair Value Reserve	14b	7,041,211	7,041,211
Retained earnings	14d	(176,411,291)	(163,503,357)
<b>Total equity</b>		<u>(3,185,325)</u>	<u>10,149,027</u>
<b>Liabilities</b>			
Borrowings	12b	2,012,877	1,662,408
Employee benefit obligations	13b	3,159,195	3,159,774
Deferred Tax Liability		17,473,501	17,473,501
<b>Non current liabilities</b>		<u>22,645,572</u>	<u>22,295,683</u>
Bank overdraft	10b	-	604,525
Trade and other payables	11	69,333,717	66,770,147
Borrowings	12a	35,561,978	31,561,978
<b>Total current liabilities</b>		<u>104,895,695</u>	<u>98,936,650</u>
<b>Total liabilities</b>		<u>127,541,268</u>	<u>121,232,333</u>
<b>Total equity and liabilities</b>		<u>124,355,944</u>	<u>131,381,359</u>

  
**KOFI TEKYI**  
**DIRECTOR ( FIN & IT )**

  
**Dr FRANK ASANTE**  
**ACTING MANAGING DIRECTOR**

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

**COCOA PROCESSING COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2024**

		Sep-24 US\$	Sep-23 US\$
Revenue	14	31,096,542	32,344,232
Cost of Sales	15	<u>(33,128,621)</u>	<u>(37,047,181)</u>
<b>Gross Profit / (Loss)</b>		(2,032,078)	(4,702,949)
Other income	16	16,372	2,029,706
Selling and distribution costs	30	(561,085)	(702,085)
General and administrative expenses	29	(3,741,625)	(3,801,534)
Impairment Loss	9(a)	(2,498,413)	(495,857)
<b>Operating loss</b>		<u>(8,816,829)</u>	<u>(7,672,719)</u>
Finance income	20	687,981	57,108
Finance costs	21	(4,947,593)	(4,732,898)
<b>Loss before tax</b>	17	<u>(13,076,441)</u>	<u>(12,348,509)</u>
Income tax expense	5		
<b>Loss</b>		<u>(13,076,441)</u>	<u>(12,348,509)</u>
Other comprehensive income			
Revaluation of PPE			
Defined benefit plan actuarial gains/ (loss)			
Related Tax			
<b>Total other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>(13,076,441)</u>	<u>(12,348,509)</u>
<b>Earnings per share</b>			
Basic earnings per share	22	(0.0064)	(0.0061)
Diluted earnings per share	22	(0.0064)	(0.0061)

COCOA PROCESSING COMPANY LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH SEPTEMBER 2024

	Share Capital US\$	Deposit for Shares US\$	Revaluation Reserve US\$	Fair Value Reserve US\$	Retained Earnings US\$	Total Equity US\$
Balance at 1 October 2023	26,071,630	87,000,000	53,113,126	7,041,211	(163,334,850)	9,891,11
<b>Total comprehensive income for the year</b>					(13,076,441)	(13,076,44
Loss					(13,076,441)	-
Defined benefit plan actuarial gain						
Total comprehensive income	-	-	-	-	(13,076,441)	(13,076,44
Transfer within equity						
Revaluation reserve transferred	-	-	-	-	-	-
Balance at 30th September 2024	26,071,630	87,000,000	53,113,126	7,041,211	(176,411,291)	(3,185,32

**COCOA PROCESSING COMPANY LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2024**

	Sep-24 US\$	Sep-23 US\$
<b>Operating activities</b>		
Loss	(13,076,441)	(12,348,509)
<i>Adjustments for:</i>		
Depreciation charges	6,037,178	6,046,059
Effect of movement in exchange rates	(170,693)	(97,820)
	<u>(7,209,956)</u>	<u>(6,400,270)</u>
Changes in		
Inventories	4,609,150	3,235,957
Trade and other receivables	(414,242)	1,792,220
Prepayments		(30,238)
Fixed Deposit Investments		(16,164)
Trade and other payables	2,563,570	19,452,568
Employee benefit obligations	(579)	288,124
Cash (used in )/generated from operating activities	<u>(452,056)</u>	<u>18,322,197</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,751,809)	(1,587,841)
<b>Net cash flow in investing activities</b>	<u>(1,751,809)</u>	<u>(1,587,841)</u>
<b>Financing activities</b>		
Loans and borrowings	4,350,469	(15,532,971)
<b>Net cash flow in financing activities</b>	<u>4,350,469</u>	<u>(15,532,971)</u>
Net increase / (decrease) in cash and cash equivalents	2,146,604	1,201,385
Cash and cash equivalents at 1 October	2,786,941	1,585,556
Balance as at 30th September 2024	<u>4,933,545</u>	<u>2,786,941</u>
<b>Analysis of balances of cash and cash equivalents as shown in the balance sheet</b>		
Cash and bank balances	4,933,545	3,391,466
Bank overdraft	-	(604,525)
Cash and cash equivalents at 30th September 2024	<u>4,933,545</u>	<u>2,786,941</u>



**PROPERTY PLANT & EQUIPMENT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2024**

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 2023	3,423,606	37,235,919	413,519	91,981,718	234,070	719,467	122,197	134,130,45
Additions	1,659,287			92,521				1,751,80
Disposals								-
Transfers								-
Balance at								
Balance at 30th September 2024	<b>5,082,893</b>	<b>37,235,919</b>	<b>413,519</b>	<b>92,074,239</b>	<b>234,070</b>	<b>719,467</b>	<b>122,197</b>	<b>135,882,30</b>
<b>Depreciation</b>								
Balance at 1 October 2023		1,892,910	36,925	21,583,421	234,070	458,337	92,523	24,298,18
Disposals								-
Depreciation Charge		473,228	8,270	5,392,454	-	139,905	23,321	6,037,17
		2,366,138	45,195	26,975,875	234,070	598,242	115,844	30,335,36
Balance at 30th September 2024	<b>5,082,893</b>	<b>34,869,781</b>	<b>368,323</b>	<b>65,098,365</b>	<b>(0)</b>	<b>121,225</b>	<b>6,353</b>	<b>105,546,94</b>

**COCOA PROCESSING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2024**

**1. REPORTING ENTITY**

Cocoa Processing Company Limited is a Company registered and domiciled in Ghana. The financial statements for the year ended 30th SEPTEMBER 2024 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.

### 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.

(c) **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.

(d) **Revenue**

Revenue is measured at the fair value of the consideration received or receivable, net of VAT, returns, discounts, and other similar deductions.

No revenue is recognised if recovery of the consideration is not considered probable or the revenue and associated costs cannot be measured reliably.

**Revenue - Sale of goods**

Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, there is no continuing management involvement in the goods, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably. Transfer of risks and rewards occur when the goods are delivered to the customer.

**(e) Finance income and finance costs**

Finance income comprises interest income on funds invested or held in bank accounts. Interest income is recognised in profit or loss using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**(C) Risk management**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital.

**Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Company.

The Audit Committee gains assurances on the effectiveness of internal control and risk management from summary information relating to the management of identified risks; detailed reviews of the effectiveness of management of selected key risks; results of management's self assessment processes over internal control; and independent work carried out by the Audit and Risk function, which provide the audit committee and management with results of procedures carried out on key risks, including extent of compliance with standards set on governance; and assurances over the quality of the Company's internal control.

The Company also has a control, compliance and ethics function in place, which monitors compliance with internal procedures and processes and assesses the effectiveness of internal controls.

The Company's risk management policies are established to identify and analyse risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. Through training, standards and procedures, the Company aims to maintain a disciplined and constructive control environment, in which all employees understand their roles and obligations.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from receivable from customers.

*Trade receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The marketing department has established a credit policy under which new customers are assessed individually for credit worthiness before the Company's standard payment terms and conditions are offered. The Company generally trades with pre-defined and selected customers. Credit exposure on trade receivable is covered by customers issuing post-dated cheques to cover amounts owed, as well as using landed properties as collateral and bank guarantees.

### *Allowances for impairment*

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for homogeneous assets in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

#### (ii) **Liquidity risk**

Liquidity risk is the risk that the Company would either not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The Company's approach to managing liquidity is to ensure that it maintains adequate liquidity to meet its liabilities as and when they fall due. The Company assesses its debt position every month. The Company also monitors the level of expected cash inflows on trade and other receivables on a daily basis. The Company however has a net liability position. Measures have been put in place as disclosed in note 28 to manage this position.

#### (iii) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### *Foreign currency risk*

The Company is exposed to currency risk on sales, purchases and borrowing that are denominated in a currency other than the functional currency of the Company, the US Dollar. The Company has no policy on its exposure to foreign currency risk relating to its financial assets and financial liabilities. Currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

### **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. Capital consist of equity. 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.

**2 REVENUE**

Analysis of the Company's revenue is as follows

<b>Type of Product</b>	<b>Sep-24 US\$</b>	<b>Sep-23 US\$</b>
Cocoa Butter	10,777,207	13,794,333
Cocoa Liquor	3,532,570	8,250,427
Cocoa Cake	5,356,377	735,980
Cocoa Powder	4,228,527	2,000,803
Confectionery	7,201,861	7,562,688
	<u><b>31,096,542</b></u>	<u><b>32,344,232</b></u>

<b>Sale of goods</b>	<b>Sep-24 US\$</b>	<b>Sep-23 US\$</b>
Local Sales	6,918,858	7,374,922
Export Sales	24,158,640	24,969,310
	<u>31,077,498</u>	<u>32,344,232</u>
Tolling	-	-
	<u><b>31,077,498</b></u>	<u><b>32,344,232</b></u>

<b>Analysis of Product Market</b>	<b>Sep-24</b>	<b>Sep-24</b>	<b>Sep-23</b>	<b>Sep-23</b>
	<b>Export Sales US\$</b>	<b>Local Sales US\$</b>	<b>Export Sales US\$</b>	<b>Local Sales US\$</b>
Semi -Finished Products	23,894,612	0	24,778,402	3,142
Confectionery	264,028	6,918,858	190,908	7,371,780
Tolling				
	<u><b>24,158,640</b></u>	<u><b>6,918,858</b></u>	<u><b>24,969,310</b></u>	<u><b>7,374,922</b></u>

## 15.(a) COST OF SALES

	Sep-24 US\$	Sep-23 US\$
Raw and Packing Material Consumed	23,969,266	27,434,279
Depreciation	5,889,003	5,937,832
Direct Labour	837,718	974,085
Production Overheads	2,432,634	2,700,985
	<u>33,128,621</u>	<u>37,047,181</u>
<b>16 OTHER INCOME</b>		
	Sep-24 US\$	Sep-23 US\$
Type of Product		
Sale of Sack, scrap and other items	16,372	177,133
Net Exchange gain		1,718,417
Government Subsidy		134,156
	<u>16,372</u>	<u>2,029,706</u>
<b>20 FINANCE INCOME</b>		
	Sep-24 US\$	Sep-23 US\$
Interest income	687,981	57,108
	<u>687,981</u>	<u>57,108</u>
<b>21 FINANCE COST</b>		
	Sep-24 US\$	Sep-23 US\$
Interest on Loans and borrowing	4,747,968	4,539,666
Interest on Bank Overdraft	199,625	193,232
	<u>4,947,593</u>	<u>4,732,898</u>



## 29 GENERAL ADMIN EXPENSES

	Sep-24 US\$	Sep-23 US\$
Staff Cost	2,379,548	2,967,055
Depreciation	148,175	108,227
Auditors remuneration	37,000	37,000
Directors remuneration	75,327	99,245
Insurance	86,829	94,167
Rent and Security	104,527	125,934
Professional/Consultancy	108,544	46,295
Bank Charges	36,968	42,073
AGM Expenses	14,667	16,000
Office related Expenses	417,387	210,877
Water and Electricity	2,450	1,440
Other Cost	330,203	43,999
Donations	9,225	9,225
	<u><u>3,741,625</u></u>	<u><u>3,801,536</u></u>

## 30 SELLING & DISTRIBUTION EXPENSES

	Sep-24 US\$	Sep-23 US\$
Staff Cost	200,919	218,649
Wharfage Handling Charges	116,631	179,743
Carriage - Forklifts / Trucks	10,250	16,951
Depot Expenses	39,585	102,976
Vehicles Running Costs	120,177	97,329
Advertising Expenses and other cost	73,522	86,436
Depreciation Vehicles	-	-
	<u><u>561,085</u></u>	<u><u>702,084</u></u>

## 8 INVENTORIES

	Sep-24 US\$	Sep-23 US\$
Raw Materials	329,375	837,542
Packaging Materials	3,305,588	3,360,327
Finished Goods	4,476,080	8,500,964
Technical Store Parts	1,655,998	1,728,880
Fuel & Lubricant	83,750	75,350
Wright down	-	(65,080)
	<u>9,850,791</u>	<u>14,437,983</u>

## 9 TRADE AND OTHER RECEIVABLES

	Sep-24 US\$	Sep-23 US\$
Trade Receivables	7,212,664	4,328,205
Less Impairment	(4,093,930)	(1,595,517)
Net Trade Receivables	3,118,734	2,732,688
Staff Debtors	434,389	406,194
	<u>3,553,123</u>	<u>3,138,882</u>

Prepayment	471,546	558,761
Fixed Deposit Investment	2,724,005	2,724,005

		Sep-24 Gross	Sep-24 Impairment	Sep-23 Gross	Sep-23 Impairment
9(a) Impairment					
current	3.00%	3,854,448	115,633	897,934	26,938
31-90 days	34.97%	1,249,461	436,993		-
91-270 days	84.82%	998,936	847,345	286,583	243,093
more than 270 days	100.00%	2,693,959	2,693,959	1,325,486	1,325,486
Totals		<u>8,796,804</u>	<u>4,093,930</u>	<u>2,510,003</u>	<u>1,595,517</u>

### Movement in the allowance for impairment in respect of trade receivables

	Sep-24	Sep-23
Balance at 1 October	1,595,517	1,099,660
Impairment loss recognised	<u>2,498,413</u>	<u>495,857</u>
Balance at 30 September	<u>4,093,930</u>	<u>1,595,517</u>

## 11 TRADE AND OTHER PAYABLES

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

	Sep-24 US\$	Sep-23 US\$
Trade Payables	11,544,641	13,800,353
Other Payables	57,789,076	52,969,794
	<u>69,333,717</u>	<u>66,770,147</u>

## 12 BORROWINGS

Balances on existing Loan Facilities

	Sep-24 US\$	Sep-23 US\$
Barclays Bank USD Loan	10,902,550	10,902,550
Barclays Bank USD Loan	25,339,893	20,591,925
Prudential loan	1,332,412	1,729,911
	<u>37,574,855</u>	<u>33,224,386</u>

12(a) Short term portion of borrowings

35,561,978

31,561,978

12(b) Long term borrowings

2,012,877

1,662,408

	Sep-24 US\$	Sep-23 US\$
10(a) <b>CASH &amp; CASH EQUIVALENTS</b>		
Cash at Bank	2,043,900	653,379
Cash in hand	165,640	14,082
Cash and Cash Equivalents	<u>2,209,540</u>	<u>667,461</u>
Fixed Deposit	2,724,005	2,724,005
10(b) Bank Overdraft	-	(604,525)
Cash and Cash Equivalents in the statement of cash flow	4,933,545	2,786,941

#### DEBT TO EQUITY RATIO

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

	Sep-24 US\$	Sep-23 US\$
Total Liabilities	127,541,268	121,232,333
Cash and Cash Equivalents	<u>(2,209,540)</u>	<u>(667,461)</u>
Net Debt	125,331,728	120,564,872
Equity	<u>(3,185,325)</u>	<u>10,149,027</u>
Debt to Equity Ratio	<u>(39.35)</u>	<u>11.88</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-24 US\$	Sep-23 US\$
Purchases from Cocoa Marketing Company	15,761,926	17,520,210

Balances due related company were as follows

	Sep-24 US\$	Sep-23 US\$
Accrued Interest on loan	<u>18,446,160</u>	<u>18,546,160</u>
Trade Payable	<u>11,544,641</u>	<u>15,170,898</u>
	<u>29,990,801</u>	<u>33,717,058</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**14. SHARE CAPITAL (STATED CAPITAL) AND RESERVES**

<b>Authorised shares</b>		<b>2024</b>	<b>2023</b>
Ordinary shares of no par value		20,000,000,000	20,000,000,000
Preference share of no par value		1	1
<b>Issued and fully paid</b>		<b>2024</b>	<b>2023</b>
	<b>Number 'm</b>	<b>Amount US\$</b>	<b>Number 'm</b>
		<b>Amount US\$</b>	
Ordinary shares for cash	2,038	26,071,559	2,038
<b>(a) Preference shares</b>	<b>Number</b>		<b>Number</b>
	1	71	1
		26,071,630	26,071,630

**(b) Deposit for Shares**

On 30<sup>th</sup> September 2022, the Board of Directors for Ghana Cocoa Board agreed to a proposal from the Board of Cocoa Processing Company to convert US\$ 87,000,000 of debt owed to Ghana Cocoa Board to Class B shares. The US\$ 87m debt converted to equity consisted of the principal portion of a long-term loan granted to Cocoa Processing Company of US\$ 32m and US\$ 55m being trade payables. The company is in the process of registering the new shares with the Registrar of Companies as required by the Companies Act 2019, Act 992.

**(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) Fair Value Reserve**

The fair value reserve represents day – one gain on the fair valuation of below market-rate loans and borrowings from shareholders of the company.

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

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

## GOING CONCERN CONSIDERATION

The Directors have also been in discussions with African Export-Import Bank (Afreximbank) to obtain a US\$86.7 million loan facility. Management plans to use this loan to settle outstanding 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 latest by December 2024 and the first tranche of the loan to be disbursed from March 2025.

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 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 of 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 GH16million from Prudential Bank Limited under the Government of Ghana's Ministry and 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. Collateral management agreement: There are also plans to enter into a collateral management agreement with Cocoa Marketing Company (CMC) for the purchase of cocoa beans. Under the arrangement, CMC would issue the Company with a letter of guarantee to supply the Company with 23,000MT of cocoa beans (main and light crop for every cocoa season with the light crop proportion larger than the main crop).
- iii. Investment in infrastructure and machinery – The Company plans to purchase additional Chocomaster (moulding plant), three new wrapping machines, drinking chocolate plant and also rehabilitate the milling section accessories and installation. These equipment are intended to increase chocolate production and the project will take a year to complete.
- iv. Expanding revenue base - The Company intends to expand its revenue earning base and has identified the following areas to achieve that:
  - Introduction of hand crafted-chocolates and customised chocolates (own label chocolate bars).
  - Introduction of Nutty chocolates (non-coated dragees)
  - Tolling arrangement with relevant parties.
  - Improving visibility to increase local consumption of Goldentree confectionery products.
  - Rebranding of Alltime instant drinking chocolate and the introduction of another instant drinking chocolate to be known as Goldentree instant drinking chocolate.
- v. Improving effectiveness and efficiency of operations - The Directors have in the short and medium term put in place measures to improve the effectiveness and efficiency of the Company's operations by reviewing and improving the Performance Management System (PMS).

**SHAREHOLDING DISTRIBUTION AT THE YEAR ENDED 30th SEPTEMBER 2024**

	<b>No. of Shareholders</b>	<b>No. of Shares</b>	<b>% Holdings</b>
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**

	<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	532,554,110	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>