



# FEDERATED COMMODITIES PLC PROSPECTUS

**GHS200,000,000**  
**Domestic Commercial Paper Issuance**

In case of oversubscription, **FEDCO** would take up to GHS 300,000,000.00

**THIS INFORMATION MEMORANDUM IS DATED 17 FEBRUARY 2025**

<b>LEAD ARRANGER, ESCROW ACCOUNT BANK &amp; RECEIVING BANK</b>  First Atlantic BANK	<b>SPONSORING BROKER</b>  First Atlantic BANK	<b>ESCROW ACCOUNT BANK &amp; PAYING AGENT</b>  GCB	<b>CREDIT RATING AGENCY</b>  Beacon Ratings
<b>LEGAL ADVISER</b>  G.A. Sarpong & Co LEGAL ADVISERS & ATTORNEYS	<b>REPORTING ACCOUNTANT</b>  Deloitte.	<b>CALCULATION AGENT, TRANSFER AGENT AND REGISTRAR.</b>  CSD Central Securities Depositary	



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## IMPORTANT INFORMATION AND DISCLAIMERS

THIS INFORMATION MEMORANDUM CONTAINS IMPORTANT INFORMATION ABOUT THE ISSUER AND THE COMMERCIAL PAPERS OFFERED UNDER THIS STANDALONE ISSUANCE. PROSPECTIVE INVESTORS ARE ADVISED TO THOROUGHLY REVIEW THIS DOCUMENT AND CONSULT WITH THEIR PROFESSIONAL INVESTMENT ADVISERS AND DEALERS TO ASSESS THE SOUNDNESS OF THEIR DECISION TO INVEST IN THESE COMMERCIAL PAPERS BEFORE MAKING A PURCHASE.

Federated Commodities PLC ("FEDCO", the "Issuer" or the "Company"), a public limited liability company incorporated in Ghana under the Companies Act of Ghana, 2019 (Act 992), and is a leading Licensed Cocoa Buying (LBC) regulated by Ghana Cocoa Board (Cocobod).

Federated Commodities PLC has established this commercial paper standalone issuance, denominated in Ghana Cedis, subject to compliance with all relevant laws and in accordance with the terms and conditions as defined in the section entitled, "Summary of the Issuance" contained in this Information Memorandum (the "Information Memorandum"). The issuance of this commercial paper does not exceed any borrowing limit on Federated Commodities PLC.

**This Information Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference. This Information Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Information Memorandum.**

**The GSE and the SEC disclaim responsibility for the accuracy of any statements, opinions, or reports in this Information Memorandum. They have not verified the truthfulness or accuracy of its contents or any other submitted documents and will not be liable for any claims. Approval by the GSE or SEC for the issuance or listing of the Commercial Papers should not be construed as an endorsement of the Issuer or the Commercial Papers.**

**First Atlantic Bank acting as Issuing House, confirms to the best of its knowledge and belief that this Information Memorandum provides full and fair disclosure of all material facts about the issue and the Issuer. Any profit forecast included has been reviewed and approved by the Issuer's directors after due and careful enquiry.**

The CP shall be issued in dematerialised form, registered, quoted and traded via the Ghana Fixed Income Market ("GFIM") platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial paper as may be prescribed by the Ghana Stock Exchange (GSE) from time to time, or any other recognized trading platform as approved by the SEC. The securities will settle via any central securities depository registered or recognised by the SEC, acting as custodian and clearing agent for the CP.

This Information Memorandum shall be the sole concern of the Issuer and the party to whom this Information Memorandum is delivered (the "Recipient") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party.

If any Recipient is in any doubt about this Information Memorandum's contents or the actions to be taken, such Recipient should consult his/her banker, stockbroker, accountant, solicitor and/or any other professional adviser for guidance. In the event of any occurrence of a significant factor, material mistake, omission or inaccuracy relating to the information included in this Information Memorandum, the Issuer will prepare a supplement to this Information Memorandum or publish a new Information Memorandum.

**The document is important and should be read carefully. This Information Memorandum has been prepared in accordance with the Ghana Stock Exchange (GSE) Guidelines on Commercial Paper Issuance and Admission Rules issued in February 2024 in force as at the date thereof. This Information Memorandum has been seen and approved by the Board of Directors of FEDCO and they individually**

**and jointly accept full responsibility for the accuracy of all information given.**

**The contents of this Information Memorandum do not constitute, and are not to be construed as, legal, business or tax advice. Each investor should consult his/her/its own legal adviser, financial adviser or tax adviser for legal, financial and/or tax advice in relation to the purchase of the Commercial Papers.**

**Prospective investors should also pay particular attention to the factors described under (Risk Factors) in this Information Memorandum.**

## **A. GENERAL INFORMATION**

The Issuer accepts responsibility for the information contained in this Information Memorandum for the Commercial Papers to be issued in this standalone issuance. To the best of the Issuer's knowledge (having exercised all reasonable care to ensure the accuracy of this information), the details presented in this Information Memorandum are factual as of the date hereof and do not omit any information that may influence its interpretation.

To the best knowledge and belief of the Arranger (as defined below), the Sponsoring Broker (as defined below), the Reporting Accountants (as defined below), the Credit Rating Agency (as defined below) and the Legal Advisers (as defined below) (including their respective directors, Affiliates, advisers, or agents), this Information Memorandum provides a comprehensive and fair disclosure of all material information regarding the issuance and the Issuer.

The Arranger, the Sponsoring Broker, the Reporting Accountants, the Credit Rating Agency, and the Legal Advisers have not independently verified the information contained herein. Consequently, no representation or warranty, whether express or implied, is made by the Arranger, the Sponsoring Broker, the Reporting Accountants, the Credit Rating Agency, or the Legal Advisers (or any of their respective directors, Affiliates, advisers, or agents) regarding the accuracy or completeness of the information provided in this Information Memorandum at any time. Nothing in this Information Memorandum should be construed as or relied upon as a promise, warranty, or representation (whether pertaining to past or future matters) by the Arranger, the Sponsoring Broker, the Reporting Accountants, Credit Rating Agency, or the Legal Advisers (or any of their respective directors, Affiliates, advisers, or agents) in any respect.

The distribution of this Information Memorandum and the offer or sale of the Commercial Papers in certain jurisdictions may be subject to legal restrictions. Neither the Issuer, the Arranger, nor the Dealers make any representation that this Information Memorandum may be lawfully distributed or that the Commercial Papers may be lawfully offered in compliance with any registration or other requirements in such jurisdictions, or pursuant to any available exemption, nor do they assume any responsibility for facilitating such distribution or offering. Specifically, the Issuer has not taken any action intended to permit the offering of any Commercial Papers or the distribution of this Information Memorandum in any jurisdiction where such action is required. Therefore, no Commercial Papers may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction except in circumstances that comply with applicable laws and regulations. Persons into whose possession this Information Memorandum or any Commercial Papers may come must be aware of and observe such restrictions.

This Information Memorandum does not constitute an offer and must not be used to make an offer or solicitation by any person in any jurisdiction or under any circumstances where such an offer or solicitation is unauthorised or unlawful. The Issuer and the Arranger accept no liability for any breach of these restrictions by any person.

Before deciding to subscribe to the Commercial Papers, investors should assess the suitability of the Commercial Papers as an investment. Investors are encouraged to consult qualified professional advisers and to rely solely on the information contained in this Information Memorandum when deciding whether to purchase the Commercial Papers. No person is authorised to provide information or make representations not contained in this Information Memorandum or any Applicable Pricing Supplement in connection with the Issuance, and any such information or representation, if provided, should not be relied upon as having been authorised by the Issuer or the Arranger.

The information in this Information Memorandum is accurate only as of the Information Memorandum date, regardless of the timing of delivery of this Information Memorandum or any offering or sale of the Commercial Papers. If this Information Memorandum is received by any investor at a time after the date hereof, it is the investor's responsibility to determine whether any supplements or amendments to the information herein have been made or issued, or whether updated information is available. Such updates may be obtained at all times from the registered offices of the Issuer and the Issuing House. Relying on this Information Memorandum without referencing any updates available after its issuance date will be at the investor's own risk.

This Information Memorandum should be read together with all documents explicitly incorporated or referenced herein and should be interpreted with the understanding that these other documents are incorporated as part of this Information Memorandum under (Incorporation of Documents by Reference).

All payments in respect of the Commercial Papers will be subject to deduction for, or on account of, Taxes in Ghana. The Issuer is required by the Income Tax Act, 2015 (Act 896) to withhold tax at the rate of 8% on all interest payments to Commercial Paper holders except under conditions where the Commercial Paper holder is exempted under the Applicable Law.

## **B. SUPPLEMENTS TO THE INFORMATION MEMORANDUM**

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in the Information Memorandum, the Issuer will prepare a supplement to this Information Memorandum or publish a new Information Memorandum. Such supplement or new IM will be subject to the approval of the SEC.

## **C. PRESENTATION OF FINANCIAL INFORMATION**

Unless otherwise indicated, the financial information regarding the Issuer set forth in this Information Memorandum has been derived from:

- a. The Issuer's audited income statements, statements of financial position, statements of cash flow and statements of changes in equity for the years ended September 30, 2020, September 30, 2021, September 30, 2022 and September 30, 2023 and set out in this Information Memorandum. The Issuer's financial statements have been prepared in accordance with IFRS (as defined below) and presented in GHS, the reporting currency of the Issuer; and
- b. The financial reports and forecasts set out in this Information Memorandum were reviewed by Deloitte & Touche (Deloitte), which is acting as the Reporting Accountants to the issuance. The financial reports and forecasts are on the basis of the review of the Issuer's historical audited financial statements for the years ended September 30, 2020, September 30, 2021, September 30, 2022 and September 30, 2023.

## **D. ROUNDING**

Some numerical figures included in this Information Memorandum may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that precede them.

## **E. FORWARD-LOOKING STATEMENTS**

This Information Memorandum contains "forward-looking statements" reflecting the Issuer's intentions, beliefs, or current expectations and projections regarding its future results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends, and the market in which it operates.

These forward-looking statements are based on various assumptions about the Issuer's present and future business, as well as the environment in which it expects to operate going forward. Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the Issuer's actual results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, or opportunities—as well as those of the markets it serves or intends to serve—to differ materially from those expressed or implied by the forward-looking statements contained in this Information Memorandum.

Forward-looking statements are accurate only as of the date of this Information Memorandum.

The Issuer expressly disclaims any obligation or commitment to publicly release any updates or revisions to any forward-looking statement to reflect changes in expectations or in events, conditions, or circumstances on which such statements are based. Investors should avoid placing undue reliance on any forward-looking statements and are cautioned that these statements do not guarantee the Issuer's future results, performance, or achievements.

## **F. TRANSACTION ADVISERS**

First Atlantic Bank Ltd (FAB) is acting as Arranger (as defined below), Escrow Account Holder (Bank) for collections (as defined below) and Receiving Bank (as defined below) in respect of the Issuance. FAB consents to act in the specified capacity and to its name being stated in this Information Memorandum. Neither FAB nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

First Atlantic Brokers Ltd (FABL) is acting as Sponsoring Broker (as defined below) to the Issuer in respect of the Issuance. FABL consents to act in the specified capacity and to its name being stated in this Information Memorandum. Neither FABL nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

GCB Bank PLC is acting as Escrow Bank (as defined below) and Paying Bank (as defined below) in respect of the Issuance. GCB Bank PLC consents to act in the specified capacity and to its name being stated in this Information Memorandum. Neither GCB Bank PLC nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

The Central Securities Depository (Ghana) Limited (CSD) is acting as Registrar (as defined below), Transfer Agent (as defined below) and Calculation Agent (as defined below) in respect of the Issuance. The CSD consents to act in the specified capacities and to its name being stated in this Information Memorandum. Neither the CSD nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Deloitte & Touche (Deloitte) is acting as Reporting Accountants (as defined below) to the Issuer in respect of the Issuance. Deloitte consents to act in the specified capacity and to its name being stated in this Information Memorandum and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Information Memorandum (in the form and context in which it is included). As indicated above, Deloitte has reviewed the financial reports and forecasts set out under (Financial Reports and Performance) of this Information Memorandum. The financial reports and forecasts are on the basis of the review of the Issuer's historical financial statements for the period from the years ended September 30, 2020, September 30, 2021, September 30, 2022 and September 30, 2023. Deloitte confirms that, based on its review, nothing has come to its attention that causes it to believe that the financial statements and forecasts set out under (Financial Reports and Performance) of this Information Memorandum do not represent a true and fair view in accordance with IFRS and the Companies Act. Neither Deloitte nor any of its employees or partners has any material direct or indirect economic or financial interest in the Issuer.

Beacon Credit Rating Agency is acting as the Credit Rating Agency for the Issuer in connection with the Issuance. Beacon Credit Rating Agency consents to act in this specified capacity, agrees to its name being stated in this Information Memorandum, and confirms that it has not withdrawn its consent to any statement or report it prepared being included in this Information Memorandum (in the form and context in which it is included). Beacon Credit Rating Agency has prepared the Credit Rating Report (as defined below) set out under (Credit Rating Report) of this Information Memorandum. Neither Beacon Credit Rating Agency nor any of its employees or affiliates has any material direct or indirect economic or financial interest in the Issuer.

G.A Sarpong & Co is acting as Legal Advisers to the Issuer in respect of the Issuance. G.A Sarpong & Co consents to act in the specified capacity and to its name being stated in this Information Memorandum and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Information Memorandum (in the form and context in which it is included). Neither G.A Sarpong & Co nor any of its employees or partners has any material direct or indirect economic or financial interest in the Issuer.

## **G. DIRECTORS' RESPONSIBILITY STATEMENT**

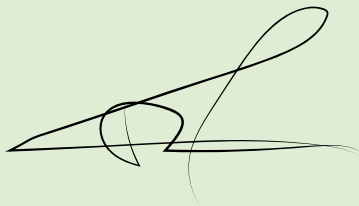
The Issuer and the FEDCO Board (as defined below) accept responsibility for the information contained in this Information Memorandum.

This Information Memorandum has been reviewed and approved by the FEDCO Board, who, collectively and individually, accept full responsibility for the accuracy of the information given and, after making all reasonable inquiries and to the best of their knowledge and belief, confirm that there are no facts the omission of which would make any statement in the document referred to above misleading. The profit forecast of the Issuer contained in this Information Memorandum has been reviewed and approved by the FEDCO Board after making all reasonable inquiries.

No Director (as defined below) has been involved in any of the following events: (a) a petition under bankruptcy laws in any jurisdiction filed against such person or any partnership in which he/she is/was a partner or any corporation of which he/she is/was a director or chief executive officer (b) conviction of such person for fraud, misappropriation or breach of trust or any other similar offence and (c) such person being the subject of any order, judgement or ruling of any court of competent jurisdiction or administrative body preventing him/her from acting as an investment adviser, dealer's representative, investment representative, a director of a financial institution or engaging in any type of business or professional activity.

None of the Directors intends to take part in the offer under the Issuance. The FEDCO Board warrants that no takeover offer has been made in respect of the shares of FEDCO over the past or current financial year.

**Signed for and on behalf of the Issuer on 9th December 2024**



**MARIA ADAMU-ZIBO  
(DIRECTOR)**



**ABDUL AZIZ ADAMU IDDRISU  
(DIRECTOR)**

## CORPORATE INFORMATION OF THE ISSUER

<b>Issuer</b>	<b>FEDERATED COMMODITIES PLC</b> ANT/AB/88 Park Avenue, Light Industrial Area, Achimota, Accra-Ghana. P.O. Box KA 30448, Airport - Accra. Digital Address: GE-363-2577 Tel: +233 (0) 30 240 4388/ 244 0263 Contact: Maria Adamu-Zibo Email: info@fedco.com.gh Website: www.fedco.com.gh
<b>Directors</b>	<b>Stephen Antwi Asimeng (Chairman)</b> <b>Maria Adamu - Zibo (Managing Director)</b> <b>Abdul Aziz Adamu Iddrisu (Director)</b> <b>Abdul Rauf Adamu (Director)</b> <b>Prof. Samuel Kwaku Bonsu (Director)</b> <b>Vincent Kizito Beyuo (Director)</b> <b>Lydia Lariba Bawa (Director)</b>
<b>Auditors</b>	<b>Boateng, Offei &amp; Co. - [ICAG/F/2024/108]</b> Chartered Accountants Correspondent firm; Grant Thornton Intl. 7 Bissau Avenue, East Legon P.O. Box CT 718 Cantonments Accra Tel: 030 250 9039/40 Email: boc@boatengoffei.com
<b>Company Secretary</b>	<b>Anass Mohammed</b> C/O FEDERATED COMMODITIES PLC ANT/AB/88 Park Avenue, Light Industrial Area, Achimota, Accra-Ghana. P.O. Box KA 30448, Airport - Accra. Tel: +233 (0) 30 240 4388/ 244 0263

## CONTACT DETAILS OF THE TRANSACTION ADVISERS & PARTIES

<b>Arranger &amp; Escrow Account Bank for Collections (Receiving Bank)</b>	<b>FIRST ATLANTIC BANK (FAB) LTD</b> Atlantic Place No. 1 Seventh Avenue, Ridge West, Accra, Ghana. Tel: +233 (0) 30 268 2203 Email: info@firstatlanticbank.com.gh Website:www.firstatlanticbank.com.gh
<b>Sponsoring Broker</b>	<b>FIRST ATLANTIC BROKERS LTD</b> No. 3 Dr. Isert Street, North Ridge, Accra-Ghana. Tel: +233 (0) 30 221 8030 Contact: Israel Sowah Email: info@fabbrokers.com.gh Website:www.fabbrokers.com.gh
<b>Paying Agent &amp; Escrow Account Bank for Payments</b>	<b>GCB Bank PLC</b> GCB Bank Building No. 87 Independence Avenue, Accra, Ghana. Tel: +233 (0) 30 261 0750 Contact: Yaw Boamah Email:ydarko-boamah@gcb.com.gh Website:https://www.gcbbank.com.gh
<b>Calculation Agent, Transfer Agent and Registrar</b>	<b>Central Securities Depository (Gh) LTD</b> 4th Floor, Cedi House - Accra Tel: +233 (0) 30 268 9313/ 268 9314 Contact: Kwame Addai Boa-Amponsem Email:kwame.boa-amponsem@csd.com.gh
<b>Credit Rating Agency</b>	<b>Beacon Credit Rating Agency</b> 4th Floor Opeibea House, Airport Commercial Centre, 37 Liberation Road, Accra-Ghana. Tel: +233 (0) 30 393 4851 Contact: Yao Akaba Email: yao.akaba@beaconratings.com
<b>Legal Adviser</b>	<b>G.A Sarpong &amp; Co</b> P.O. BOX CT 2826 Cantonments Accra Tel: +233 (0) 30 222 3411 Contact: Maame Ofewah Sarpong, ESQ Email: maame@gasarpongandco.com
<b>Reporting Accountant</b>	<b>Deloitte &amp; Touche</b> The Deloitte Place, Plot No. 71, Off George Walker Bush Highway, North Dzorwulu, P. O. Box GP 453, Accra-Ghana Tel: +233 (0)307 086700 Contact: Capsy Opuni Email: copuni@deloitte.com.gh



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## DEFINITIONS AND INTERPRETATIONS (ABBREVIATIONS)

<b>Act</b>	means the Securities Industry Act
<b>Commercial Paper or CP</b>	means an unconditional promise by an Issuer to pay to the order of an investor a certain sum at a future date.
<b>Admission</b>	means approval by the Exchange of a CP to be traded on the GFIM.
<b>Affiliates</b>	means, in relation to a corporate body, its subsidiary, its holding company, or any other subsidiary or holding company of its holding company.
<b>Amendment of a CP issuance</b>	means a revision to the terms of a CP Issuance.
<b>Applicable Law</b>	means any law or regulation of any governmental or other regulatory authority which governs a CP.
<b>Arranger</b>	means the Lead Manager & Arranger for the Issuance
<b>Auditors</b>	means Boateng Offei & Co, the statutory auditors of the Issuer as at the date of the Information Memorandum
<b>Business Day</b>	means a day (other than a Saturday or Sunday or official public holiday) on which banks, the GSE and the CSD are open for general business in Ghana.
<b>Calculation Agent,</b>	means the CSD
<b>Central Securities Depository or CSD</b>	means the Central Securities Depository (GH)Limited, a limited liability company duly incorporated under laws of Ghana (or its nominee) operating as a central securities depository where the Commercial Paper holders will be credited with the Commercial Papers, or any additional or alternate depository approved by the Issuer.
<b>Committee</b>	means the Listing Committee of the GFIM (or such relevant committee as may be created by the Exchange from time to time) that oversees the admission requirements of CP as well as the continuous admission obligations prescribed in these Rules and the GFIM Rules.
<b>Companies Act</b>	means the Companies Act of Ghana, 2019 (Act 992) or any statutory modification thereof
<b>Company</b>	means a company as defined in the Companies Act 2019 (Act 992).
<b>Compliance Report</b>	means a periodic report prepared and submitted by a CP Issuer through its Sponsor to the SEC and GFIM confirming compliance with the continuous admission requirements as provided in these Rules and other disclosure standards as may be prescribed by the SEC and GFIM from time to time.
<b>Credit Rating Agency</b>	means a credit rating institution registered, licensed or authorised by the SEC.
<b>Currency</b>	means GHS
<b>Day Convention</b>	means the standardized approach used to calculate the amount of interest accrued on Commercial Papers over a period of time.

<b>Default Interest</b>	means the default interest, at the rate of 1% per annum above the Interest Rate, payable on a Commercial Paper in a case where the whole due Commercial Paper Repayment is not paid for more than 5 Business Days from the relevant Commercial Paper Repayment Date, and applicable from the relevant Commercial Paper Repayment Date until the date of actual payment to the Commercial Paper holders.
<b>Default Rate</b>	means the interest rate disclosed in the Information Memorandum that the Issuer pays to investors for every day that the obligation remains outstanding.
<b>Directors</b>	mean the directors of the Issuer from time to time, and Director means any of them
<b>Discrete Issuance</b>	means a single CP issuance which is not established under a CP programme.
<b>Encumbrance</b>	means any mortgage, charge, lien, pledge, hypothecation, assignment by way of security, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law
<b>Escrow (Paying) Agent</b>	means GCB which is acting as the account holding bank for the Escrow Account for payments
<b>Escrow (Receiving) Agent</b>	means FAB which is acting as the account holding bank for the Escrow Account for receipts
<b>Escrow Account (Paying)</b>	means each temporary account set up with the Agent where all amounts to be paid to Commercial Paper holders by the issuer will be deposited until transferred to the Commercial Paper holders account(s) at maturity.
<b>Escrow Account (Receiving)</b>	means each temporary account set up with the Agent where all amounts raised from the issuance will be deposited until transferred to the Issuer's operations account(s).
<b>Escrow Account Agreement</b>	means the escrow account agreement dated on or around the date of this Information Memorandum and entered between the Issuer, the Lead Managers and the Escrow Agents, in relation to the Escrow Account
<b>Exchange</b>	means Ghana Stock Exchange.
<b>Final Redemption</b>	means the Final Redemption of a Commercial Paper on the Maturity Date
<b>Final Redemption Amount</b>	means the Principal Amount of a Commercial Paper payable in respect of each Commercial Paper, upon Final Redemption thereof

<b>Financial Indebtedness</b>	means any obligation of the Issuer (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent for or in respect of: <ul style="list-style-type: none"> <li>a. Indebtedness for Borrowed Money; or</li> <li>b. Commercial Papers, bonds, standby letters of credit, guarantees or other similar instruments issued in connection with the performance of contracts</li> </ul>
<b>Financial institution</b>	means a bank or specialized deposit-taking institution as defined under the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930).
<b>Fixed Coupon Amount</b>	means the amount of Interest in respect of a Fixed Rate Commercial Paper
<b>Fixed Rate Commercial Papers</b>	means Commercial Papers entitled to a fixed rate of Interest
<b>GFIM</b>	means Ghana Fixed Income Market of the Exchange.
<b>GFIM Member</b>	means a company licensed by the SEC to deal in securities and authorized by the Bank of Ghana as a Primary Dealer (PD) or Bond Market Specialist (BMS) or a non-PD bank licensed by the SEC to deal in securities or a company licensed by the SEC as a broker-dealer; that has applied to be and has been accepted by the GSE as a member of GFIM.
<b>Ghana</b>	means the Republic of Ghana
<b>Ghana Constitution</b>	means the constitution of Ghana adopted by a national referendum on 28 April 1992
<b>GHS</b>	means the Ghana Cedi, the official currency of Ghana or any successor currency
<b>GRA</b>	means the Ghana Revenue Authority, the statutory body responsible for the administration and enforcement of the Income Tax Act and any other tax or other government revenue law in Ghana
<b>GSE</b>	means the Ghana Stock Exchange
<b>Guarantor</b>	means an individual or an institution who guarantees or provides such other credit enhancement for a CP Issuer.
<b>IFRS</b>	means International Financial Reporting Standards
<b>Income Tax Act</b>	means the Income Tax Act of Ghana, 2015 (Act 896) (as amended) or any statutory modification or re-enactment thereof

<b>Indebtedness for Borrowed Money</b>	Means any indebtedness of the Issuer for or in respect of:  a. (a) monies borrowed;  b. (b) amounts raised by acceptance under any credit facility;  c. (c) amounts raised pursuant to any Commercial Paper purchase facility or the issue of bonds, Commercial Papers, debentures, loan stock or similar instruments;  d. (d) amounts raised pursuant to any issue of shares of any person, which are expressed to be redeemable;  e. (e) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting standards in the jurisdiction of incorporation of the lessee, be treated as finance or capital leases;  f. (f) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service; and/or  g. (g) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables on a "with recourse" basis) having the commercial effect of a borrowing.
<b>Information memoranda</b>	include circulars, explanatory memoranda or other equivalent documents relating to the issuance of CPs.
<b>Information Memorandum</b>	means an Offer Document that serves to provide prospective investors with information on the offer and sale of CPs.
<b>Instalment Amount</b>	means the amount of the relevant portion of the Principal Amount payable on a Commercial Paper on an Instalment Date
<b>Interest</b>	means the amount of interest payable on a Commercial Paper
<b>Interest Commencement Date</b>	means the date that Interest shall commence to accrue or be calculated
<b>Interest Determination Date</b>	means the date upon which Interest and the Interest Rate is calculated for a specified Interest Period
<b>Interest Rate</b>	means the rate of Interest
<b>Investment Adviser</b>	shall have the meaning ascribed to it in the Act.
<b>Issuance</b>	means the GHS 200,000,000 Commercial Paper issuance by the Issuer
<b>Issue Price</b>	means the price at which the Commercial Papers may be issued.
<b>Issuer</b>	means Federated Commodities Plc, which is issuing the Commercial Papers under the Issuance.
<b>Issuer Board</b>	means the board of directors of the Issuer.

<b>Issuer Constitution</b>	means the constitution of the Issuer
<b>Issuing House</b>	shall have the meaning ascribed to it in the Act. First Atlantic Bank Ltd (FAB) is acting as the Issuing House for this issuance.
<b>Last Day to Register</b>	means 5 pm on the last Business Day before the first day of a Book Closure Period
<b>Lead Manager and Arranger</b>	means First Atlantic Bank Ltd (FAB)
<b>Legal Advisers</b>	means GA Sarpong
<b>Maturity Date</b>	means the date upon which the Commercial Papers are to be finally redeemed and all amounts due on the Commercial Papers are to be repaid by the Issuer
<b>Commercial Paper Documents</b>	means this Information Memorandum, the Agency Agreement and the Escrow Account Agreement and any other document designated as such.
<b>Offer Document</b>	means an Information Memorandum for the offer of CPs and includes any documents containing relevant information to help an investor make an investment decision. Such documents may include pricing supplement, issuance memorandum or equivalent document.
<b>Paying Agent or PA</b>	means a licensed bank appointed by the Issuer to collect and pay funds to investors during or at the maturity of the CP.
<b>Paying Bank</b>	means GCB Bank Plc
<b>Principal Amount</b>	means the face value of the Commercial Papers
<b>Programme</b>	means the method of issuance of CP that allows for multiple issuances covered by a standardized documentation framework.
<b>Qualified Investor</b>	means "Qualified Investor" as defined in the Securities Industry (Conduct of Business) Guidelines 2020.
<b>Redemption Amount</b>	means the Final Redemption Amount
<b>Redemption Date</b>	means the date upon which the Issuer undertakes a Redemption
<b>Redemption Payment Account</b>	means an escrow account held at the Paying Bank that receives funds to be paid to investors upon maturity of the securities
<b>Redemption</b>	means Final Redemption
<b>Register</b>	means the register of the Commercial Paper holders maintained by the CSD in electronic form
<b>Registrar unless otherwise</b>	means the CSD appointed as registrar for the Issuance under the Agency Agreement
<b>Reporting Accountants</b>	means Deloitte, which is acting as the reporting accountants for the Issuance
<b>RGD</b>	means the Registrar General's Department, which is the public registry in Ghana responsible for the incorporation of companies and the registration of, among others, public offer documents in accordance with the provisions of the Companies Act
<b>Rules</b>	mean these CP Issuance and Admission Rules.
<b>SEC</b>	means the Securities and Exchange Commission of Ghana.

<b>SEC Regulations</b>	means the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) or any statutory modification or re-enactment thereof
<b>Secured Commercial Papers</b>	means Commercial Papers which constitute direct, general, unconditional, secured obligations of the Issuer, backed by specific collateral, and have been designated as such
<b>Securities Industry Act</b>	means the Securities Industry Act of Ghana, 2016 (Act 929) or any statutory modification or re-enactment thereof
<b>Shelf Registration</b>	means a filing undertaken by an Issuer to access the market at intervals within a specified time-period.
<b>SLA</b>	means a formal contract between a service provider and a client that defines the scope, quality, and performance standards for the services provided, along with the responsibilities, metrics, and penalties for non-compliance.  The SLA was executed between FEDCO and CSD
<b>Special Purpose Vehicle/Special Purpose Entity (SPV/SPE)</b>	means a separate legal entity created by an organization with a distinct company with its own assets and liabilities as well as its own legal status for a special purpose.
<b>Sponsor</b>	means a GFIM Member appointed by the Issuer in connection with the admission of the CP on GFIM.
<b>Subscription Account</b>	means an escrow account set up with a bank by the Sponsor/Issuer to collect/receive funds under a subscription for securities.
<b>Supplemental</b>	means a method of revision adopted where the revisions to the Commercial Paper Issuance are not significant material or fundamental.
<b>Transfer Agent</b>	means the CSD, which is acting as the transfer agent for the Issuance under the Agency Agreement
<b>Trust Account</b>	means the segregated cash account set up by the Paying Bank as banker for the receipt of all Commercial Paper Repayment funds from the Issuer and for disbursements of all Commercial Paper Repayments to the relevant Commercial Paper holders
<b>Underwriting Agreement</b>	means an agreement to buy all or part of the new Issue of CPs to be offered/held for sale with a view to resell.
<b>USD</b>	means the United States Dollars, the official currency of the United States of America

## 1.0 INCORPORATION OF DOCUMENTS BY REFERENCE

1. Service Level Agreement
2. The Escrow Agreement
3. The Letter of Undertaking
4. The Credit Guarantee
5. The audited annual financial statements (and notes thereto) and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years/periods prior to this Issuance, which shall be deemed to be incorporated into, and to form part of, this Information Memorandum and which shall be deemed to modify, complete and/or supersede the contents of this Information Memorandum as appropriate.

The Issuer may for so long as any Commercial Paper remains outstanding, publish an amended and restated Information Memorandum or a supplement to the Information Memorandum on the occasion of any subsequent issue of Commercial Papers, where there has been:

- a. a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Information Memorandum or any supplement to the Information Memorandum; or
- b. any modification of the terms of the Issuance, which would then make the issuance materially inaccurate or misleading.

Any such new Information Memorandum as supplemented and/or modified shall be deemed to have been substituted for the previous Information Memorandum or to have modified the previous Information Memorandum from the date of its issue.

The Issuer will provide free of charge to each prospective investor upon request, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer at its specified office(s) as set out in this Information Memorandum.



## 2.0 LEGAL BASIS AND REASONS FOR THE ISSUANCE

### 2.1 LEGAL BASIS FOR THE ISSUANCE

The Issuance and the listing of Commercial Papers thereunder on GFIM have been approved by the FEDCO Board by a written resolution passed on November 11, 2024 (amended as per addendum dated February 24, 2025).

The shareholders of FEDCO have also approved the Issuance and the listing of Commercial Papers thereunder on the GFIM by a written resolution passed on November 13, 2024

### 2.2 REASONS FOR THE ISSUANCE

FEDCO has established the Issuance in order to raise debt financing of up to GHS 200,000,000 to fund working capital.

### 2.3 USE OF PROCEEDS

Commercial Papers will be issued in a single tranche to be used for the following purpose.

Use of net proceeds	Proportion of net proceeds
To finance the purchase of high quality, well fermented and dried cocoa beans from farmers in all cocoa growing communities in Ghana.	100%

The proceeds from the issuance shall be in the Escrow Account until all conditions precedent have been satisfied by the Issuer, whereupon the Escrow Agent shall transfer the funds into the operations account(s) of the Issuer.

### 2.4 ISSUANCE EXPENSES

No.	Item	Amount in GHS	Percentage of Issuance
1	Sponsoring Broker Fees	1,500,000.00	0.750%
2	Issuing House	1,000,000.00	0.500%
3	Legal Adviser's Fee	150,000.00	0.075%
4	Reporting Accountant Fee	150,000.00	0.075%
5	Credit Rating	350,000.00	0.175%
6	Regulatory Fees	571,000.00	0.286%
7	GSE Fees	80,000.00	0.040%
8	SEC Fees	380,000.00	0.190%
9	CSD Fees	111,000.00	0.056%
10	Others (Printing, Miscellaneous)	60,000.00	0.030%
	<b>TOTAL</b>	<b>3,781,000.00</b>	<b>1.891%</b>

## 3.0 SUMMARY OF THE ISSUANCE

This summary information should be read in conjunction with the full text of this Information Memorandum, from where it is derived. The information below is a summary of the key features and summarized terms and conditions of the proposed CP Issuance.

Factor	Description															
<b>Issuer</b>	Federated Commodities PLC.															
<b>Issuance Description</b>	Commercial Paper Issuance															
<b>Size of Issuance</b>	GHS200,000,000 aggregate principal amount of Commercial Papers outstanding at any point in time.  <b>NB: In the event of oversubscription, FEDCO will accept up to GHS 300 million, with any excess funds allocated to purchasing additional high-quality, well-fermented, and dried cocoa beans from farmers across Ghana's cocoa-growing communities.</b>															
<b>Use of Excess Funds in case of oversubscription</b>	Any excess funds (over the GHS200,000,000) will be allocated to purchasing additional high-quality, well-fermented, and dried cocoa beans from farmers across Ghana's cocoa-growing communities.															
<b>Lead Arranger &amp; Collection Agent</b>	First Atlantic Bank Ltd (FAB)															
<b>Sponsoring Broker</b>	First Atlantic Brokers Ltd (FABL)															
<b>Paying Agent</b>	GCB Bank PLC															
<b>Reporting Accountants</b>	Deloitte & Touche															
<b>Calculation Agent</b>	Central Securities Depository															
<b>Legal Adviser</b>	G.A. Sarpong & Co.															
<b>Use of Proceeds</b>	The net proceeds from the Issuance will be used to finance the purchase of high quality, well fermented and dried cocoa beans from farmers in all cocoa growing communities in Ghana.															
<b>Source of Repayment</b>	The repayment of the Commercial Paper (CP) issuance will be primarily funded through the assignment of receivables from Cocobod, which will be received once the beans are supplied in accordance with the agreement among Cocobod, FEDCO, and the off-takers. These receivables will flow into an escrow account dedicated to servicing the CP obligations. Additionally, any remaining obligations under the issuance will be supported by the operating cash flows of the Issuer.															
<b>Plan for repayment</b>	<p>The commercial paper (CP) will have a dual escrow management setup. There would be subscription and redemption payment accounts.</p> <p>An escrow account (redemption payment account) would be held with GCB Bank Plc to receive funds to be paid to investors upon maturity of the CP.</p> <p>The redemption payment account would follow the schedule below for funds build up.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #e67e22; color: white;"> <th></th> <th>Week 16</th> <th>Week 18</th> <th>Week 20</th> <th>Week 22</th> </tr> </thead> <tbody> <tr> <td style="background-color: #e67e22; color: white;"><b>Repayment Percentage to be transferred</b></td> <td>21%</td> <td>29%</td> <td>29%</td> <td>21%</td> </tr> <tr> <td style="background-color: #e67e22; color: white;"><b>Cumulative</b></td> <td>21%</td> <td>50%</td> <td>79%</td> <td>100%</td> </tr> </tbody> </table>		Week 16	Week 18	Week 20	Week 22	<b>Repayment Percentage to be transferred</b>	21%	29%	29%	21%	<b>Cumulative</b>	21%	50%	79%	100%
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<b>Repayment Percentage to be transferred</b>	21%	29%	29%	21%												
<b>Cumulative</b>	21%	50%	79%	100%												

<b>Security</b>	Credit Guarantee
<b>Credit Guarantee</b>	A guarantee from GLICO General Insurance and further reinsured by African Reinsurance.
<b>Domiciliation</b>	<ul style="list-style-type: none"> <li>• Authorization letter from FEDCO to Cocobod to domicile payments from off-takers due FEDCO into FEDCO's account held with First Atlantic Bank (FAB).</li> <li>• Authorization letter from FEDCO to FAB to domicile FEDCO's account with maturity payment percentages into a redemption payment account held with GCB Bank Plc.</li> </ul>
<b>Method of Issue</b>	The Commercial Papers may be offered and sold by way of a fixed price offer for subscription.
<b>Maturity Date</b>	150 days from issue date.
<b>Interest Payments</b>	Commercial Papers issued will be in the form of interest-bearing Commercial Papers
<b>Reference Rate</b>	The most current 182 day t-bill interest rate issued 3 business days before issue date.
<b>Interest Rate</b>	182 day t-bill plus 2.5% per annum
<b>Default Rate</b>	An additional 1% per annum will be applied to the issuance interest rate.
<b>Issue Price</b>	The Commercial Papers shall be issued at par. The effective interest rate will be calculated using a 364-day count fraction.  Interest = Principal × Rate × (Actual Days/364)
<b>Currency of Issue</b>	The Commercial Papers issued will be denominated in Ghana Cedis.
<b>Redemption</b>	Bullet payment on maturity
<b>Early Redemption</b>	Not Applicable
<b>Rating</b>	<p>The Issuer has been assigned a rating of "A1" from Beacon Rating Agency.</p> <p>Pursuant to the GSE Commercial Paper Issuance &amp; Admission Rules, either the Issuer or the specific issue itself/programme shall be rated by a rating agency registered, licensed or authorised by the SEC.</p> <p>Pursuant to the GSE Commercial Paper Issuance &amp; Admission Rules, either the Issuer or the specific issue itself/programme shall be rated by a rating agency registered, licensed or authorised by the SEC.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
<b>Status of the Commercial Papers</b>	Each Commercial Paper represents a direct, unconditional, unsubordinated, and secured obligation of the Issuer. The Commercial Papers rank equally (pari passu) with each other and, except for certain debt obligations that are mandatorily preferred by law, rank equally with all other existing and future secured and unsubordinated obligations of the Issuer.

<p><b>Quotation</b></p>	<p>The Issuer will quote Commercial Papers issued on GFIM's platform or any other recognised trading platform. All secondary market trading of the Commercial Papers shall be done in accordance with the rules in relation to the quotation or listing of Commercial Papers quoted or listed on the relevant trading platform.</p>
<p><b>Taxation</b></p>	<p>The Issuer is required by the Income Tax Act, 2015 (Act 896) to withhold tax at the rate of 8% on all interest payments to Commercial Paper holders except under conditions where the Commercial Paper holder is exempted under the Applicable Law.</p>
<p><b>Governing Law</b></p>	<p>The Commercial Papers issued and all related contractual documentation will be governed by and construed in accordance with Ghanaian law.</p>

## 4.0 FORMS OF COMMERCIAL PAPERS

The details of the form of the Commercial Papers shall be as follows:

- a. the Commercial Papers shall be held electronically on the CSD;
- b. all Commercial Paper holders will be required to open and maintain CSD accounts prior to a purchase under this Issuance, if they do not own one already, to which all purchases will be credited upon allotment;
- c. the Register will be maintained electronically in book-entry form on the CSD and no certificates will be issued to individual Commercial Paper holders;
- d. the CSD shall maintain a Register, which shows a record of Commercial Paper holders' respective electronic book entries in the CSD system, the particulars of Commercial Paper holders and their respective holdings;
- e. entry on the Register shall represent proof of ownership of the rights in a Commercial Paper;
- f. if Commercial Papers are transferred subsequent to issue, rights of ownership will be transferred via entries in the Register, per the CSD securities transfer rules.

## 5.0 RISK FACTORS

Prior to making an investment decision, prospective purchasers of the Commercial Papers should carefully consider, along with the information referred to in this Information Memorandum, the following risk factors associated with an investment in Ghana, the Issuer and the Commercial Papers. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make payments due in respect of the Commercial Papers. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The risks and uncertainties below are not the only ones relating to the Issuer and the Commercial Papers. Additional risks and uncertainties not presently known to the Issuer, or that it currently believes are immaterial, could also impair the Issuer's business operations and, as a result, its ability to service its payment obligations.

### 5.1 RISKS RELATING TO GHANA

#### 5.1.1 Investment in a Developing Country such as Ghana

Investing in securities of emerging markets issuers operating in countries such as Ghana is subject to substantially greater risks than investments in securities of issuers from more mature markets. These risks include, but are not limited to, higher volatility and liquidity constraints in respect of the Commercial Papers as well as greater political risk.

#### 5.1.2 Failure to Implement Economic and Fiscal Reforms may have a Negative Effect on the Performance of the Economy

The Government of Ghana is currently pursuing various fiscal reforms as part of its fiscal consolidation programme to correct macroeconomic imbalances in response to the significant pressures which its economy is facing. These reforms include rationalisation of public spending, restructuring public sector wages, restructuring statutory funds and enhancing revenue collection and tax administration. Although the government has begun and intends to continue to carry out its economic and fiscal reforms, there is no assurance that it will succeed in implementing them. The government's failure to implement these reforms may have a negative effect on the performance of the economy and the businesses that operate within it.

#### 5.1.3 Political Instability may Negatively Affect the Economy

Ghana has experienced periods of political and economic instability in the past. During the periods immediately prior to and following previous elections in 1992, 1996, 2000, 2004 and 2008, Ghana experienced periods of economic instability characterised by exchange rate volatility, high inflation and fiscal overruns. The government has, since 2009, implemented broad economic reform programmes focused on achieving macroeconomic stability and an environment conducive to sustainable economic growth.

The most critical structural reforms to be fully implemented or continued include (i) comprehensive reforms of Ghanaian tax legislation with a view to broadening the tax base by bringing a substantial portion of the shadow economy into the reporting economy, (ii) reform of the energy, mining and agriculture sectors and (iii) reform of social benefits and pensions. Future political instability in the executive or legislative branches could hamper efforts to implement necessary reforms. There can be no assurance that the political initiatives necessary to achieve these or any other reforms will continue, will not be reversed or will achieve their intended aims.

There has been a peaceful and uneventful change of government following the 2016 general elections. That notwithstanding, any significant adverse changes in policies, including a rejection or reversal of reform policies favouring privatisation, industrial restructuring and administrative and regulatory reform, may have negative effects on the economy, and potentially impacting the Issuer's operations.

#### 5.1.4 Financial and Statistical Information may be Unreliable

Although a range of government ministries, along with the Bank of Ghana produce statistics on

Ghana and its economy, given the size of the informal economy, there can be no assurance that these statistics are as accurate or as reliable as those compiled in more developed countries. In addition, comparing national and international data sources can yield inconsistencies. Standards of accuracy of statistical data may vary from ministry to ministry and from period to period due to the application of different methodologies.

### **5.1.5 Events in Neighbouring and Other Emerging Markets**

Economic, security or health distress in Ghana's neighbours and nearby countries may adversely affect Ghana's economy, the prices of securities and the level of investment in other emerging market issuers as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging market economies could dampen foreign investment in Ghana, adversely affect the Ghanaian economy or adversely affect the trading price of the Commercial Papers. Even if the Ghanaian economy remains relatively stable, economic distress in other emerging market countries could adversely affect the trading price of the Commercial Papers and the availability of foreign funding sources for the government. Adverse developments in other countries in sub-Saharan Africa, in particular, may have a negative impact on Ghana if investors perceive risk that such developments will adversely affect Ghana or that similar adverse developments may occur in Ghana. Risks associated with sub-Saharan Africa include political uncertainty, civil unrest and conflict, corruption, the outbreak of disease, cocoa smuggling and poor infrastructure. Investors' perceptions of certain risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Ghana.

### **5.1.6 Natural Disasters such as Floods and Droughts have Negatively Affected Ghana in the Past and may Negatively Affect it in the Future**

Like other countries in Africa, Ghana has historically been affected by a variety of natural disasters, including floods and droughts. Natural disasters such as floods often lead to casualties, the destruction of crops (including cocoa) and livestock, the outbreak of waterborne disease and the destruction of infrastructure, such as roads and bridges. Droughts may negatively affect the production of agricultural commodities, the food supply in general and the generation of hydroelectric power. Expenditures associated with natural disaster relief efforts adversely affect Ghana's budgetary position.

## **5.2 RISKS RELATING TO THE ISSUER**

### **5.2.1 Cost Inflation Risk**

The Issuer's operations are subject to market prices which are subject to inflation over time. These costs may increase over time due to price inflation and erode profitability. Significant cost inflation coupled with failure by the Issuer to accurately forecast such inflation could adversely affect the financial condition of the Issuer.

### **5.2.2 Licensing Regime of the Issuer**

The Issuer's operations are licensed by COCOBOD. If this licence, permit or permission to operate as an LBC is not renewed, or is revoked, or is re-issued in a form not suitable for the Issuer's operations, this would have a material adverse effect on the Issuer's business and financial condition or result of operations.

### **5.2.3 Changes in Tax Law and Interpretation**

The Issuer's activities are subject to tax under Ghanaian law. Future actions by the Government of Ghana to increase tax rates or impose additional taxes would reduce the Issuer's profitability. Revisions to tax legislation or to its interpretation might also affect the Issuer's financial condition and results of operations in the future.

The Issuer is subject to periodic tax audits which could result in additional tax assessments relating to the past. Any such assessments could be material and could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

## **5.3 RISKS RELATING TO THE MARKET**

### **5.3.1 No Active Secondary Market**

The Commercial Papers may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Commercial Papers easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Commercial Papers that are especially sensitive to interest rates, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Commercial Papers generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Commercial Papers.

### **5.3.2 The Market Price of the Commercial Papers may be Volatile**

The market price of the Commercial Papers could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Commercial Papers, as well as other factors, including the trading market for Commercial Papers issued by or on behalf of the Republic of Ghana as a sovereign borrower. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Commercial Papers without regard to the Issuer's results of operations or financial condition.

### **5.3.3 Financial Turmoil in Emerging Markets could Cause the Price of the Commercial Papers to Suffer**

In recent years, Ghana has undergone significant economic reforms which have contributed to economic growth. Ghana is nonetheless considered by international investors to be an emerging market. In general, investing in the securities of issuers that have operations primarily in emerging markets, like Ghana, involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the EU or similar jurisdictions. The market price of the Commercial Papers is influenced by economic and market conditions in Ghana and, to a varying degree, economic and market conditions in both emerging market countries and more developed economies, including those in the EU and the United States. Financial turmoil in Ghana and emerging markets in the past have adversely affected market prices in the world's securities markets for companies that operate in developing economies. Even if the Ghanaian economy remains relatively stable, financial turmoil in these countries could have a material adverse effect on the market price of the Commercial Papers.

### **5.3.4 Exchange Rate Risks and Exchange Controls**

The Issuer will pay the Principal Amount and Interest in the GHS. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than the GHS. These include the risk that exchange rates may significantly change (including changes due to a devaluation of the Currency or a revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease (i) the Investor's Currency equivalent yield on the Commercial Papers, (ii) the Investor's Currency equivalent value of the principal payable on the Commercial Papers and (iii) the Investor's Currency equivalent market value of the Commercial Papers. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Commercial Papers. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in the Currency into the Investor's Currency, which could have a material adverse effect on the market value of the Commercial Papers. There may also be tax consequences for investors.



### **5.3.5 Interest Rate Risk and Fixed Rate Commercial Papers**

Investment in Fixed Rate Commercial Papers involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Commercial Papers, this will adversely affect the value of the Fixed Rate Commercial Papers.

## **5.4 RISKS RELATING TO THE COMMERCIAL PAPERS**

### **5.4.1 Redemption at the Option of the Issuer**

An optional redemption feature of Commercial Papers is likely to limit their market value. During any period when the Issuer may elect to redeem Commercial Papers, the market value of those Commercial Papers generally will not rise substantially above the price at which they can be redeemed. This may similarly be true prior to any redemption period.

The Issuer may be expected to redeem Commercial Papers when its cost of borrowing is lower than the interest rate on the Commercial Papers. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Commercial Papers being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### **5.4.2 Secured Commercial Papers Constitute secured Obligations of the Issuer**

The Issuer's obligations under the Secured Commercial Papers constitute secured obligations of the Issuer. Accordingly, any claims against the Issuer under the Commercial Papers would be secured claims. The issuer's ability to meet such obligations will depend on the robustness of the secured collateral, the effectiveness of the underlying repayment structure, and its overall financial strength, including liquidity and the generation of sufficient cash flows from operation.

### **5.4.3 Modification, Waivers and Substitution**

The Conditions contain provisions for calling meetings of Commercial Paper holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Commercial Paper holders including Commercial Paper holders who did not attend and vote at the relevant meeting and Commercial Paper holders who voted in a manner contrary to the majority. As a result, such binding decisions made by majorities of Commercial Paper holders may be adverse to the interests of potential investors.

### **5.4.4 The Value of the Commercial Papers could be Adversely Affected by a Change in Ghanaian Law or Administrative Practice**

The Conditions are based on Ghanaian law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Ghanaian law or administrative practice after the date of this Information Memorandum and any such change could have a material adverse effect on the value of any Commercial Papers affected by it.

### **5.4.5 Further Commercial Papers May be Issued without the Consent of Commercial Paper holders**

The Issuer may, from time to time, create and issue further Commercial Papers without the consent of Commercial Paper holders, subject to terms and conditions which are the same as those of existing Commercial Papers, or the same except for the amount of the first new payment of interest. Such new Commercial Papers may be consolidated and form a single series with outstanding Commercial Papers.

### **5.4.6 Register to be maintained by CSD**

The CSD shall maintain a record of Commercial Paper holders' respective electronic book entries in the Register showing the particulars of Commercial Paper holders and their respective holdings. The Register will be maintained electronically in a book-entry form on the CSD.

## FEDERATED COMMODITIES PLC PROSPECTUS

The Register will be held and updated by the CSD, which shall record the number of Commercial Papers held by each Commercial Paper holder and the names and addresses and bank account details of each Commercial Paper holder.

Investors will be able to trade their beneficial interests only through the CSD. If Commercial Papers are transferred subsequent to issue, rights of ownership will be transferred via entries in the Register, per the CSD securities transfer rules. The Issuer will discharge its payment obligations under the Commercial Papers by making payments to or to the order of the Paying Agent for distribution to their account holders.

## 6.0 DETAILS OF THE ISSUER

### 6.1 ISSUER

Federated Commodities PLC

#### 6.1.1 ADDRESS (REGISTERED OFFICE):

ANT/AB/88 Park Avenue, Light Industrial Area, Achimota

#### 6.1.2 INCORPORATION

The company was first incorporated on 27th March 1996 as Federated Commodities Limited. It was re-registered on 27th August 2015 as Federated Commodities Limited (with Company Number: CS685962015). Later, on 4th November 2024, it was converted to a public limited company (PLC) with Company Number: PL000381124

#### 6.1.3 BUSINESS OVERVIEW & PRINCIPAL ACTIVITY

Federated Commodities PLC (FEDCO) is a leading indigenous Licensed Cocoa Buying company (LBC), established in March 1996, following a decision by Government of Ghana in 1992 to introduce competition in the internal marketing of cocoa, to be regulated by Ghana Cocoa Board (COCOBOD). The company was converted into a public company on 4th November, 2024.

Their core function is to purchase high quality, well fermented and dried cocoa beans from farmers in all cocoa growing communities in Ghana, at the correct weight, bulk it properly, evacuate to designated Take Over Centres and hand over the produce to Cocoa Marketing Company (CMC), a subsidiary of COCOBOD. It engages in the export of traceable and certified cocoa beans to help promote sustainability in cocoa production through community development and capacity building of farmers.

FEDCO has been featured in the Ghana Club 100 rankings for three consecutive years, highlighting its consistent strong performance through sustained revenue growth and other key financial metrics. This recognition underscores its industry leadership, showcasing its competitive advantage and dominance within its sector, as well as its commitment to operational excellence.

Their headquarters is in Accra, Ghana. They have other operational offices across all the seven regions earmarked by COCOBOD. FEDCO has a staff strength of over 370 and engages the services of over 2,000 Purchasing Clerks who source our cocoa beans directly from their 70,000 loyal farmers nationwide. FEDCO has grouped their operational enclaves into districts which are equipped with adequate logistics and warehousing capacity of between 300-500 tonnes, referred to as depots.

Under each district are societies or communities where FEDCO operates about 2,000+ societies whose sole activity is the purchasing of the cocoa.

Their District depots serve the purpose of ensuring the standardization of each bag of cocoa with respect to weight, grading and sealing and final evacuation to the Take-Over centres.

FEDCO operates from 78 depots, and out of these 78 depots 46 are owned by the company while 32 are rented from third parties, particularly from Cocobod.

#### 6.1.4 VISION OF THE ISSUER

To be the Licensed Buying Company of choice with a commitment to improving lives.

#### 6.1.5 MISSION OF THE ISSUER

To facilitate the production and purchase of quality cocoa and other agricultural produce. To contribute towards sustainable livelihood of all Stakeholders.

## 6.1.6 SUBSIDIARIES & AFFILIATED COMPANIES

FEDCO is not a subsidiary of any other company.

The following companies are affiliates of Federated Commodities Plc:

Federated Logistics Ltd

Federated Foods Processing Ltd.

## 6.2 LEGISLATION GOVERNING OPERATIONS

### 6.2.1 Cocoa Legislation (Ghana Cocoa Board Act, 1984 (PNDCL 81))

This Act repeals the Ghana Cocoa Marketing Board Act, 1981 (Act 447). FEDCO is an organisation authorised in writing by the Board to purchase cocoa for sale to the Board and will therefore be regulated by this Act.

PNDCL 81 provides for the continuance of existence of the Ghana Cocoa Marketing Board under the Ghana Cocoa Board and for related matters. The Ghana Cocoa Board was established to replace the Ghana Cocoa Marketing Board. The objectives of the Board include among others, to encourage the production of cocoa, coffee and shea, regulate the marketing and export of cocoa, coffee and shea, secure the most favourable arrangements for the purchase, inspection, grading, sealing and certification, export and sale of cocoa, coffee and shea and to purchase, market and export cocoa produced in the Republic which is graded under the Cocoa Industry (Regulation) (Consolidation) Act, 1968 or any other enactment suitable for export. Some functions of the Board include establishing purchasing and marketing organisations and regulating the mode of operation of the organisations. PNDCL 81 describes persons who can purchase cocoa to include a person, or an organisation authorised in writing by the Board to purchase cocoa for sale to the Board.

### 6.2.2 Cocoa Licence

FEDCO has successfully renewed and obtained a licence from the Ghana Cocoa Board dated 30th September 2024 and numbered GCB/CCL/144/24, authorising the Company to carry out the business of dealing in the internal marketing of cocoa from 1st October 2024 to 30th September 2025.

### 6.2.3 New Arrangement for funding

Under the new agreement for sourcing and delivery of cocoa beans for the 2024/25 crop season Cocobod has outlined the following;

1. LBCs will purchase for their nominated off takers and deliver to CMCs take over centers.
2. All purchased stocks shall be assigned and delivered/shipped to the nominated off takers by the CMC in accordance with delivery instructions.
3. Processing factories upon allocation of stocks will pay CMC 60% of the invoice value and other off takers will pay 60% of the invoice value after shipment and receipt of non-negotiable bill of lading and all accompanying documents.
4. The CMC upon receipt of the 60% invoiced will transfer same to Cocobod which will be used to pay for the corresponding CTORS of the delivered stocks.
5. The buyer/off taker will pay 40% of the outstanding invoice value through the existing Cash Against Document (CAD) process with CMC's bankers for release of original shipping documents including negotiable bill of lading.

## 6.3 PRODUCT/SERVICE - GENERAL DESCRIPTION (MARKET DESCRIPTION)

The cocoa production industry in Ghana has virtually zero competition given that the structural framework designed by the government ensures that all cocoa produce is bought outright by regulated authorities. Therefore, the more the production the more the revenue – there is constant demand for cocoa beans. There are 5 major buying companies. These are Olam, Nyonkopa, Eliho Ghana Limited, Federated Commodities and Unicom Commodities. The official buying company for

the project is Cocoa Board directly.

FEDCO'S PURCHASES TREND FROM 2018/19					
CROP SEASON	2018-19	2019-20	2020-21	2021-22	2022-23
NATIONAL (MT)	806,131	769,313	1,044,088	679,636	647,555
FEDCO (MT)	47,136	42,620	81,175	56,715	62,121
MARKET SHARE	5.85%	5.54%	7.77%	8.34%	9.59%

## 6.4 SHAREHOLDING AND CAPITAL STRUCTURE OF THE ISSUER

### 6.4.1 Ordinary Share

FEDCO is registered with 200,000,000 authorised ordinary shares of no par value. It has issued 970,488 of its ordinary shares. The Company has not issued any special or preference shares. As at the date of this Information Memorandum, FEDCO has nine ordinary shareholders. The details of the ordinary shareholders of FEDCO (as at the date of this Information Memorandum) are as follows:

S/N	NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE HOLDING
1	Abdul Aziz Iddrisu	205,452 ordinary shares	21.2%
2	Abdul Adamu	112,055 ordinary shares	11.5%
3	Abdul Haqq Adamu	112,055 ordinary shares	11.5%
4	Adamu Abdul Rauf	112,055 ordinary shares	11.5%
5	Adamu Abdulkadri	112,055 ordinary shares	11.5%
6	Abdul Jalil Adamu	112,055 ordinary shares	11.5%
7	Adizatu Muhammed	92,709 ordinary shares	9.6%
8	Maria Zibo Adamu	56,026 ordinary shares	5.8%
9	Mariama Adamu Iddrisu	56,026 ordinary shares	5.8%

### 6.4.2 Stated Capital

FEDCO's current stated capital as at the date of this Information Memorandum is GHS89,795,604.

### 6.4.3 Indebtedness of the Issuer

The Issuer uses overdraft and short-term credit facilities to augment funding received from Ghana Cocoa Board. These credit facilities are paid off at the end of the cocoa season.

As at the date of this Information Memorandum, FEDCO is not currently indebted to Ghana Cocoa Board. It has total outstanding debts and advances including overdraft payments of GHS 1,018.33 million with Access Bank, Republic Bank, Absa, GCB Bank and sustainability partners, which are current facilities for the on-going cocoa season.

### 6.4.3.1 COMPREHENSIVE SCHEDULE OF INDEBTEDNESS

FEDERATED COMMODITIES LIMITED										
FACILITIES WITH FINANCIAL INSTITUTIONS AS AT 5-NOVEMBER-2024										
	INSTITUTION / BANK NAME	FACILITY TYPE	PURPOSE	TERM LOAN (GH¢ MILLION)	OD LIMIT (GH¢ MILLION)	OD UTILIZATION (GH¢ MILLION)	DEBT OWING (GH¢ MILLION)	REPAYMENT	EXPIRY DATE	SECURITY HELD
1	ACCESS BANK	CREDIT LINE	COCOA PURCHASES		90	67.49	67.49	USE OF INVOICES FROM COCOBOD	30/09/2025	Legal mortgage over commercial property situated at Tema community 25
2	REPUBLIC BANK	CREDIT LINE	COCOA PURCHASES		22	17.47	17.47	USE OF INVOICES FROM COCOBOD	30/11/2025	Legal mortgage over commercial property (wofaz plaza) near paloma hotel situated at circle
3	ABSA BANK	CREDIT LINE	COCOA PURCHASES		30	19.41	19.41	USE OF INVOICES FROM COCOBOD	30/09/2025	Legal mortgage over commercial property situated at ridge Accra and Building at essupon takoradi
4	ABSA BANK	LOAN	PURCHASE OF TOOLS OF TRADE	2.19			2.19	154,166.67		Legal mortgage over commercial property situated at ridge accra and Building at essupon takoradi
5	GCB BANK	CREDIT LINE	COCOA PURCHASES		150	131.48	131.48	USE OF INVOICES FROM COCOBOD	30/09/2025	1. Legal mortgage over residential property Plot No. 18 R.A.F Chapel Hill Residential Area, Takoradi. 2. Legal mortgage over warehouse situated at Tema Industrial Area. 3. Legal mortgage over House number ANT/AB/88 Achimota Accra
6	ECOBANK BANK	CREDIT LINE	COCOA PURCHASES	20			20.00	USE OF INVOICES FROM COCOBOD	15/11/2025	Legal mortgage over commercial property situated at Takoradi
7	CBG BANK	T-LOAN	TO PURCHASE 20 TRUCKS AND LAND	2.73	-		2.73	70,000.00	01/05/2026	Legal mortgage over Residential property located at East Legon
8	ZENITH BANK	CREDIT LINE	COCOA PURCHASES	152			152.00	USE OF INVOICES FROM COCOBOD	30/09/2025	Legal mortgage over four warehouses situate at apowa takoradi
9	CARGILL-ADVANCE	ADVANCE	COCOA PURCHASES	192			192.00	USE OF INVOICES FROM COCOBOD	31/03/2025	insurance bond
10	TACHIBANA-ADVANCE	ADVANCE	COCOA PURCHASES	7.8			7.80	USE OF INVOICES FROM COCOBOD	31/03/2025	insurance bond
11	SUCDEN	ADVANCE	COCOA PURCHASES	133.62			133.62	USE OF INVOICES FROM COCOBOD	31/01/2025	insurance bond

## FEDERATED COMMODITIES PLC PROSPECTUS

<b>12</b>	<b>WHITTAKER</b>	ADVANCE	COCOA PURCHASES	31.7			31.70	USE OF INVOICES FROM COCOBOD	31/03/2025	insurance bond
<b>13</b>	<b>WAMA</b>	ADVANCE	COCOA PURCHASES	63.3			63.30	USE OF INVOICES FROM COCOBOD	31/01/2025	insurance bond
<b>14</b>	<b>PLOT</b>	ADVANCE	COCOA PURCHASES	46.81			46.81	USE OF INVOICES FROM COCOBOD	31/03/2025	insurance bond
<b>15</b>	<b>AFROTROPICS</b>	ADVANCE	COCOA PURCHASES	22.02			22.02	USE OF INVOICES FROM COCOBOD	31/03/2025	insurance bond
<b>16</b>	<b>FACTA</b>	ADVANCE	COCOA PURCHASES	66.57			66.57	USE OF INVOICES FROM COCOBOD	28/02/2025	insurance bond
<b>17</b>	<b>ETG</b>	ADVANCE	COCOA PURCHASES	15.64			15.64	USE OF INVOICES FROM COCOBOD	31/03/2025	insurance bond
<b>18</b>	<b>COCOA ABRABO PA</b>	ADVANCE	COCOA PURCHASES	10			10.00	USE OF INVOICES FROM COCOBOD	31/03/2025	insurance bond
<b>19</b>	<b>COCOA SOURCE</b>	ADVANCE	COCOA PURCHASES	16.1			16.10	USE OF INVOICES FROM COBOD	31/03/2025	insurance bond





## 6.6 FEDCO BOARD

The Company currently has seven (7) directors.

Summary of Director details			
NAME OF DIRECTOR	PROFESSION	POSITION	OTHER DIRECTORSHIPS
STEPHEN ANTWI-ASIMENG	FINANCIAL ANALYST	INDEPENDENT DIRECTOR (CHAIRMAN)	INTERNATIONAL COMMUNITY SCHOOL
MARIA ZIBO ADAMU	BANKER	EXECUTIVE (MANAGING) DIRECTOR	MARHABAH FARMS LTD JALBAH & BROTHERS COMPANY LIMITED.
LYDIA BAWA	LAWYER	INDEPENDENT DIRECTOR	FEDERATED LOGISTICS LTD
ABDUL AZIZ IDDRISU	BUSINESSMAN	NON-EXECUTIVE DIRECTOR	GLOBAL HAULAGE GROUP OF COMPANIES WOFAZ AGRO LIMITED
ADAMU ABDUL RAUF	BUSINESSMAN	NON-EXECUTIVE DIRECTOR	ARI COMPANY LIMITED AFRISHIP LOGISTICS AND TRADING LIMITED
VINCENT BEYUO	LAWYER	INDEPENDENT DIRECTOR	BEYUO AND COMPANY LTD
SAMUEL KWAKU BONSU	PROFESSOR	INDEPENDENT DIRECTOR	FEDERATED LOGISTICS LTD CORNERSTONE CAPITAL ADVISORS LIMITED.

### 6.6.1 Board Committees

The board of the issuer has three (3) committees namely Legal & Governance Committee, Operations, Strategy, and Marketing Committee and Finance and Accounting Committee.

BOARD COMMITTEE	BOARD COMPOSITION
LEGAL & GOVERNANCE COMMITTEE	LYDIA BAWA MARIA ZIBO ADAMU VINCENT BEYUO
OPERATIONS, STRATEGY, AND MARKETING COMMITTEE	SAMUEL KWAKU BONSU LYDIA BAWA ABDUL AZIZ IDDRISU

FINANCE AND ACCOUNTING COMMITTEE	ABDUL AZIZ IDDRISU MARIA ZIBO ADAMU STEPHEN ANTWI-ASIMENG
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## 6.6.2 Board Profile

### 6.6.2.1 STEPHEN ANTWI-ASIMENG- (BOARD CHAIRMAN)

Stephen Antwi-Asimeng has over Twenty-five (25) years' experience in the financial services sector, having worked with the UT Bank Limited, Universal Merchant Bank Limited, Fidelity Capital Partners Limited, Ecobank Ghana Limited amongst others. His last position was Chief Executive Officer of UT Bank Limited.

Mr Antwi-Asimeng has overseen projects worth millions of dollars in his career as a finance person. While at UT Bank Limited, he supervised the acquisition, installation and implementation of a new banking Information Technology (IT) infrastructure that led to savings of over US\$1.0 million (40%), supervised extensive branch and alternate channel rollout that led to the deployment of several new ATMs and 6 new branches within one year and managed and supervised procurement, acquisition and implementation of a new core banking application and achieved significant price discounts (over 50%), flexible payment terms and fast track implementation. He was the one who managed the implementation of VISA project for Universal Merchant Bank (UMB) from project resumption to completion within budget.

Mr Antwi-Asimeng had his tertiary education at the University of Wales, United Kingdom and at the University of Ghana, Legon. He is a sports enthusiast with interest in football, tennis, motor sports and athletics. He is also a director of International Community School.

### 6.6.2.2 MARIA ADAMU-ZIBO- (EXECUTIVE (MANAGING) DIRECTOR)

Hajia Maria Adamu-Zibo is the Managing Director of Federated Commodities Ltd. She was at the erstwhile Royal Bank as Senior Vice - President Business Development and Investor Relations. Prior to her engagement at the Bank, she worked at Cocoa Merchants (Gh.) Ltd for 12 years in various managerial positions, exiting as the Deputy Managing Director in charge of Finance and Administration. She holds an MBA in Finance from GIMPA, a Bachelor's Degree in Business Administration & Finance from HEC (Montreal, Canada) and a diploma in Accounting. Hajia Maria has recently completed an MSc. in Banking Practice and Management from the IFS University College in the UK. This also qualifies her as a Chartered Fellow of IFS University College.

She is also a director of Marhabah Farms Ltd and Jalbah & Brothers Company Limited.

### 6.6.2.3 ALHAJI ABDUL AZIZ ADAMU IDDRISU-(DIRECTOR)

Alhaji Abdul Aziz Adamu Iddrisu is the Managing Director of Global Haulage Limited, one of the biggest Haulage Companies in Ghana. This position he has held since October 2007. Prior to this current position he worked as Corporate Director, Operations Director and Transport Manager with Global Haulage from 1992 to 2007. Alhaji Abdul Aziz Adamu Iddrisu holds BSc. Administration (Banking and Finance) from the University of Ghana Legon and the University of Central England – West Midlands and a Niveau Baccalaureat from the College de L'Union – Cotonou (Benin).

He is also a director of Global Haulage Group of Companies and Wofaz Agro Limited.

### 6.6.2.4 SAMUEL (SAMMY) K. BONSU-(DIRECTOR)

Samuel (Sammy) K. Bonsu is a Professor of Marketing and Consumption Studies at the Ghana Institute of Management and Public Administration (GIMPA), Achimota, Accra. He has been serving as the Rector of GIMPA since September 2021. He was the Dean, GIMPA Business School until December 2017.

Professor Bonsu has published widely in leading journals both in Ghana and abroad. He is the recipient

of Danish Government Research Grant which runs till 2022. He has taught in Universities across the globe; from the International Univ. of Business Agric and Tech. (IUBAT), Bangladesh and Faculty of Business, Simon Fraser University (SFU), Canada to the York University, Toronto, Canada.

Professor Bonsu holds a Doctor of Philosophy (PhD) degree in Business Administration (Marketing) from the University of Rhode Island, Kingston, USA; Certificate in Cultural Dimensions of Business Research University of South Denmark, Odense, Denmark; Master of Business Administration (MBA) SFU, Canada; and Bachelor of Business Administration (BBA), University of Prince Edward Island, Charlottetown, Canada.

He is also a director of Federated Logistics Ltd and Cornerstone Capital Advisors Limited.

#### **6.6.2.5 VINCENT KIZITO BEYUO-(DIRECTOR)**

Vincent Kizito Beyuo is the founding Managing Partner of Beyuo & Co, a legal practice firm located in Cantonments, Accra. He was called to the Ghana Bar in 1993 and has been in private practice since then, focusing mainly on corporate/commercial financial practice and litigation.

He has advised international and domestic companies, ranging from financial institutions, to state and parastatal institutions on complex transactions and tasks. These have included advising State owned banks listing on the Ghana Stock Exchange and a host of clients on syndicated financial packages, commercial agreements, regulatory and compliance issues.

Mr Beyuo is also a court-going lawyer and has represented multinational companies such as AngloGold Ashanti before.

He is a trained Arbitrator and has acted both as counsel, sole and co-arbitrator. Mr Beyuo is a member of the Ghana Bar Association, Ghana Arbitration Centre, London Court of International Arbitration and the Rules of Courts Committee of the Republic of Ghana (This a creation of the 1992 Constitution).

He is also a director of Beyuo and Company Ltd.

#### **6.6.2.6 LYDIA LARIBA BAWA -(DIRECTOR)**

Lydia Lariba Bawa, a Ghanaian lawyer and chartered insurer, served as the Commissioner of Insurance in Ghana from 2013 to 2017. She has a distinguished career in insurance, having worked extensively with the State Insurance Company (SIC) in roles such as Chief Manager and Area Manager for the Northern Sector. She is also an educator, lecturing at the West African Insurance Institute and the Ghana Insurance College.

Lydia Lariba Bawa has a robust educational background that spans multiple disciplines, reflecting her expertise in law, insurance, and business management. She earned a bachelor's degree in English and History from the University of Ghana in 1981. To deepen her specialization in insurance, she obtained a diploma from the West African Insurance Institute in Liberia in 1984. She later pursued legal studies at the Ghana School of Law, where she was called to the Ghana Bar in 1995. Further expanding her qualifications, she achieved Chartered Insurer status from the Chartered Insurance Institute (UK) in 1992. In 2006, she completed an Executive MBA in Finance at the University of Ghana Business School, enhancing her financial management expertise.

She is also a director of Federated Logistics Ltd.

#### **6.6.2.7 ADAMU ABDUL RAUF-(DIRECTOR)**

Adamu Abdul Rauf is an accomplished executive with over 20 years of experience in the construction and logistics industries, currently serving as Managing Director of ARI Company Limited. His leadership expertise includes optimizing financial and operational performance, strategic risk management, and effective client and project resource management. With a robust background in Safety, Health, Environment, and Quality (SHEQ) standards, Mr. Rauf has successfully led major infrastructure projects, including office refurbishments, warehouse constructions, and airport terminal upgrades.

Mr. Rauf has also served as a board member for prominent organizations, including The Royal Bank, Federated Commodities Limited, Imperial General Assurance Co. Limited, and Cocoa Merchants Limited. He has demonstrated strategic foresight in governance, product development, and market

expansion, notably contributing to the acquisition of The Royal Bank by foreign investors. He holds a BSc in Biology from College de La Venure, Benin Republic, and certifications in Administration, Shipping Management, and various technical tools, equipping him with the skills to drive organizational growth and sustainability.

He is also a director of Ari Company Limited and Afriship Logistics and Trading Limited.

#### **6.6.2.8 ANASS MOHAMMED - (SECRETARY TO THE BOARD)**

Anass Mohammed Esq. joined Federated Commodities Ltd.(FEDCO) on the 1st of March 2018 as Head of Legal & Human Resources. He is a Barrister-at-Law and Solicitor of the Supreme Court of Ghana. He had his Bachelor of laws –LLB from the Kwame Nkrumah University of Science and Technology from 2007 to 2011. In 2016, he enrolled at the University of the Western Cape in South Africa where he acquired his Masters of laws- LLM in International Trade, Investment and Business Law. He had worked as a private legal practitioner with Afadjato Chambers from 2013 prior to joining FEDCO, focusing mainly on litigation and Alternative Dispute Resolution (ADR) of cases. He was also a Tutor at the University of the Western Cape, South Africa in 2017. He practised as a journalist with the Ghana Broadcasting Corporation from 2004 to 2007. Anass became a recipient of the United Nations University-International Courses Fellowship in 2006 and a prize winner of the Olusegun Obasanjo Presidential Library Inaugural Africa-Wide Essay Competition. He is a notary public.

## 6.7 PROFILE OF MANAGEMENT TEAM

### 6.7.1 MARIA ADAMU-ZIBO-MANAGING DIRECTOR

Hajia Maria Adamu-Zibo is the Managing Director of Federated Commodities Ltd. She was at Royal Bank as Senior Vice - President Business Development and Investor Relations. Prior to her engagement at the Bank, she worked at Cocoa Merchants (Gh.) Ltd for 12 years in various managerial positions, exiting as the Deputy Managing Director in charge of Finance and Administration. She holds an MBA in Finance from GIMPA, a Bachelor's Degree in Business Administration & Finance from HEC (Montreal, Canada) and a diploma in Accounting. Hajia Maria has recently completed an MSc. in Banking Practice and Management from the IFS University College in the UK. This also qualifies her as a Chartered Fellow of IFS University College. Maria Adamu-Zibo was born on 25th February, 1976.

### 6.7.2 MORKPORKPOR DZIGBORDI – FINANCIAL CONTROLLER

He joined FEDCO in December 2016 as the Financial Controller. Prior to his appointment he was the head of finance at Cocoa Merchant (Gh) Limited from 2011. Other Positions he held since joining the company in September 2000 as an Accounts Officer, Senior Accounts Officer and Finance Manager. He began his career with the Ghana Water Company in 1991. He then joined Multichoice Ghana Ltd, Minproc Ghana Ltd and Resolute Amansie Ltd. He is a Chartered Accountant (CA Ghana) and holds an MBA in Finance and Accounting. Morkporkpor Dzigbordi was born on 21st November, 1968.

### 6.7.3 JOE DEBRAH-MINKAH – HEAD OF OPERATIONS

He joined FEDCO in June 2010 as a Sector Manager responsible for monitoring. He was promoted as Head of Operations in July 2015, making him responsible for the supervision, monitoring and strategic decisions. He is a graduate (BSc. Hons, Agriculture) of KNUST, Ghana. He joined the cocoa industry as a Research Officer of Armajaro Ghana Ltd in year 2005 where he rose to become the Traceability Officer. Joe Debra was born on 6th October, 1980

### 6.7.4 PATRICK NYARKOH– DEPUTY FINANCIAL CONTROLLER

Patrick Nyarkoh joined FEDCO in 2009 as the Assistant Finance Manager, bringing a strong background in finance and auditing to the organization. Prior to this role, he served as an Audit Supervisor at A.D. & Associates Chartered Accountants, where he gained extensive experience in financial auditing and compliance. In addition to his current responsibilities, Patrick is a Partner with OLN Partners, further showcasing his expertise and leadership in financial management and advisory services. He holds an MBA in Finance and is a distinguished member of the Institute of Chartered Accountants, Ghana (ICAG), and the Chartered Institute of Taxation, Ghana (CITG). These affiliations underscore his commitment to professional excellence and continuous development in the fields of accounting and taxation.

## 6.8 PHYSICAL ADDRESS OF DIRECTORS

The physical address of the directors are as follows:

NAME	PHYSICAL ADDRESS
Lydia Bawa	Plot 4, Monsieur Zangbe Avenue near Taxi Rank East Legon
Abdul Aziz Iddrisu	H/No. 13, Mandarin Street, East Legon
Adamu Abdul Rauf	Windy Ridge, Takoradi Sekondi
Maria Zibo Adamu	7 Cashew Lane Teshie
Vincent Beyuo	31 Daresalam Haatso
Stephen Antwi-Asimeng	P34 Baatsona Accra
Samuel Kwaku Bonsu	9, New Drive Accra

## 6.9 USE OF PROCEEDS

The proceeds from this commercial paper issuance will be used to finance our working capital requirements, in the purchase of high quality, well fermented and dried cocoa beans from farmers in all cocoa growing communities in Ghana, at the correct weight, bulk it properly, evacuate to designated Take Over Centres and hand over the produce to Cocoa Marketing Company (CMC), a subsidiary of COCOBOD.

## 6.10 RISK FACTORS

Investing in commercial paper involves risks, including market fluctuations, credit risk, operational changes, and regulatory impacts. Potential investors should carefully consider these risks before investing.

## 6.11 CREDIT GUARANTEE

The purpose of the insurance coverage is to protect investors in the event of a default within the tenure of the commercial paper. GLICO General Insurance LTD will provide the credit guarantee. GLICO has proceeded to contract TBM Risk Consult, an independent monitoring company. TBM Risk Consult Ltd is a specialized risk management and consulting firm focused on providing comprehensive monitoring and assurance services across various sectors including the cocoa sector. With a strong expertise in supply chain risk management, TBM Risk plays a critical role in overseeing the proper utilization of funds within the cocoa industry. When funds are released to the Licensed Buying Company (LBC) after notifying GLICO, TBM Risk actively monitors and ensures that cocoa beans are purchased, delivered to the designated depots, and subsequently evacuated. Through its robust risk assessment and monitoring framework, TBM Risk Consult Ltd enhances operational transparency, mitigates financial risks, and supports the integrity of commodity financing transactions.

## 6.12 FINANCIAL INFORMATION

[Audited Financial Statements for 2021, 2022, and 2023]

[Interim (Unaudited Financial Statements for FY 2024)]

## 6.13 CREDIT RATINGS

FEDCO's commercial paper is rated A1 with stable outlook by Beacon Rating Agency indicating high credit quality and low risk of default.

## 6.14 TERMS AND CONDITIONS

This commercial paper is governed by the terms set forth in this Information Memorandum, including redemption and repayment procedures.

## 6.15 LEGAL AND REGULATORY INFORMATION

FEDCO complies with all relevant legal and regulatory requirements. There are no current legal proceedings that could materially impact the issuance.

## 6.16 SUBSCRIPTION AND SALE

Interested investors can subscribe to the commercial paper through First Atlantic Brokers Limited.

## 6.17 TAXATION

Investors are advised to consult their tax advisors regarding the tax implications of investing in this commercial paper. The Issuer is required by the Income Tax Act, 2015 (Act 896) to withhold tax at the rate of 8% on all interest payments to Commercial Paper holders except under conditions where the Commercial Paper holder is exempted under the Applicable Law.

## 6.18 RELATED PARTIES

The following companies are affiliates of Federated Commodities Plc:

Federated Logistics Ltd

Federated Foods Processing Ltd.

## 6.19 RELATED PARTY TRANSACTIONS

The total amount due from related parties as of 19th November 2024, is as follows:

Amount due from related parties	
FEDERATED LOGISTICS LTD	GHS2,438,447.00
FEDERATED FOODS PROC ESSING LTD	GHS1,618,937.38
	GHS4,057,384.38

The total amount due to related parties was nil as of 19th November 2024.

## 6.20 ESCROW ACCOUNT DETAIL

### 6.20.1 Account Details for Collections with Receiving Bank

Account Name: FEDERATED COMMODITIES PLC CP COLLECTION ESCROW ACCOUNT

Account Number: 0136861601019

Bank Name: First Atlantic Bank Ltd

Branch: Head Office

### 6.20.2 Account Details of Payments with the Paying Bank

Account Name: FEDERATED COMMODITIES PLC COMMERCIAL PAPER ESCROW A/C

Account Number: 1011200010592

Bank Name: GCB Bank Plc

Branch: High Street

## 6.21 APPENDICES

[Supporting Documents and Additional Information]

## 6.22 MATERIAL CONTRACTS

Cocobod has entered into a tripartite agreement with FEDCO Plc and International buyers in a special funding arrangement for the current season. Under the new agreement for sourcing and delivery of cocoa beans for the 2024/25 crop season Cocobod has outlined the following;

1. LBCs will purchase for their nominated off takers and deliver to CMCs take over centers.
2. All purchased stocks shall be assigned and delivered/shipped to the nominated off takers by the CMC in accordance with delivery instructions.
3. Processing factories upon allocation of stocks will pay CMC 60% of the invoice value and other off takers will pay 60% of the invoice value after shipment and receipt of non-negotiable bill of lading and all accompanying documents.
4. The CMC upon receipt of the 60% invoiced will transfer same to Cocobod which will be used to pay for the corresponding CTORS of the delivered stocks.
5. The buyer/off taker will pay 40% of the outstanding invoice value through the existing Cash Against Document (CAD) process with CMC's bankers for release of original shipping documents including negotiable bill of lading.

## 6.23 ASSIGNMENT OF RECEIVABLES LETTER FROM COCOBOD

Cocobod has committed to pay Federated Commodities Plc and First Atlantic Brokers Ltd. jointly in respect of cocoa purchases due the issuer for the 2024/2025 cocoa purchases when invoices are presented to Cocobod for payment. The structure in 6.21 above serves as a basis for this. Please refer to Appendix D for a copy of the letter by Cocobod.

## 7.0 FINANCIAL REPORTS AND PERFORMANCE

**Deloitte.**

### **Federated Commodities PLC Reporting Accountants' Report**

### **Review of Historical Statement**

Proposed Commercial Paper issuance by Federated Commodities PLC

*Final Reporting Accountants' Report*

**November 2024**

This Report is solely for the use of the Directors of Federated Commodities PLC and the related parties to the Proposed Commercial Paper issuance by Federated Commodities PLC. No part of it may be circulated, quoted, or reproduced for distribution without prior written approval from Deloitte & Touche.



**Federated Commodities PLC**  
*Reporting Accountants' Report*  
*for the year ended 30 September 2023*

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Federated Commodities PLC  
Reporting Accountants' Report  
for the year ended 30 September 2023

**Deloitte.**

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09 December 2024

The Managing Director  
Federated Commodities PLC  
P.O. Box KA 30448,  
Airport,  
Accra.

Dear Madam,

**Reporting Accountants' Report on the Financial Statements of Federated Commodities PLC (the "Company" or "FEDCO PLC") for the three years ended 30 September 2023 in respect of the proposed Commercial Paper issuance by FEDCO PLC**

The financial statements for the three years ended 30 September 2023 were audited by Boateng, Offei & Co. The financial statements comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, and a summary of significant accounting policies, and other explanatory notes.

We have reviewed the audited financial statements for the three years ended 30 September 2023 in respect of which, the auditors issued unqualified audit opinion, and have considered the applicable International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB).

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal controls as Management determines are necessary to enable the preparation of financial statements that are free from misstatements, whether due to fraud or error.

Our examination of the audited financial statements was conducted in accordance with the "International Standard on Review Engagements (ISRE) 2400 (Revised) – Engagements to Review Historical Financial Statements". This standard requires that we plan and perform our examination to obtain moderate assurance that the audited financial statements are free from material misstatements. Such moderate assurance provides less assurance than an audit and does not require us to issue an audit opinion.

Management also provided high level summary of the unaudited account for the year ended 30 September 2024, which was included as the base year for the forecast financial statements covering October 2024 to September 2029. It is important to note that, we have not subjected the unaudited account for the year ended 30 September 2024 to the same level of detailed review as done for the audited accounts. This is inline with our scope of work and the regulatory requirements for Reporting Accountants work, which restricts our work to review of audited accounts and prospective information only.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position, financial performance and cash flows of FEDCO PLC for the three years ended 30 September 2023 and, in accordance with the International Financial Reporting Standards.

**Federated Commodities PLC**  
*Reporting Accountants' Report*  
*for the year ended 30 September 2023*

Please note that the Directors of FEDCO PLC are responsible for the contents of the prospectus in which this report is included.

Yours faithfully,  
For: Deloitte & Touche



Yaw Appiah Larrey  
Partner

# FEDERATED COMMODITIES PLC PROSPECTUS

**Federated Commodities PLC**  
Reporting Accountants' Report  
for the year ended 30 September 2023

## Statement of Financial Position

	Notes	2023 GHS	2022 GHS	2021 GHS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	2	197,547,875	197,004,874	118,743,043
<b>Current Assets</b>				
Inventories	5	111,619,488	32,457,761	8,626,761
Trade and other receivables	3	80,764,705	172,316,066	94,729,905
Current tax receivable	6	2,207,425	624,100	431,331
Cash and cash equivalents	7	14,754,478	5,069,880	34,169,333
<b>Total current assets</b>		<b>209,346,096</b>	<b>210,467,807</b>	<b>137,957,330</b>
<b>Total assets</b>		<b>406,893,971</b>	<b>407,472,681</b>	<b>256,700,373</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Medium term loan	10	17,574,469	19,670,176	8,699,509
Deferred tax	4	4,901,609	300,874	1,694,563
<b>Total non-current liabilities</b>		<b>21,764,903</b>	<b>22,174,490</b>	<b>10,394,072</b>
<b>Current liabilities</b>				
Trade and other payables	11	19,815,599	17,603,770	20,959,608
Short term loan	10	100,000,000	64,534,803	60,000,000
Current tax payable	6	111,779	-	-
Bank overdraft	10	81,930,879	124,489,542	56,959,454
<b>Total current liabilities</b>		<b>201,858,257</b>	<b>206,628,115</b>	<b>137,919,062</b>
<b>Total liabilities</b>		<b>223,623,160</b>	<b>228,802,605</b>	<b>148,313,134</b>
<b>Equity</b>				
Stated capital	8	89,795,604	89,795,604	89,795,604
Reserves	9	88,573,598	88,573,598	13,726,478
Retained earnings (Deficit)		4,901,609	300,874	4,865,157
<b>Total equity</b>		<b>183,270,811</b>	<b>178,670,076</b>	<b>108,387,239</b>
<b>Total equity and liabilities</b>		<b>406,893,971</b>	<b>407,472,681</b>	<b>256,700,373</b>

## Statement of profit or loss and other comprehensive income

	Notes	2023 GHS	2022 GHS	2021 GHS
Revenue	12	882,596,250	654,696,869	935,244,351
Cost of sales	13	(826,381,184)	(618,743,017)	(894,545,041)
<b>Gross profit</b>		<b>56,215,066</b>	<b>35,953,852</b>	<b>40,699,310</b>
Other operating income	14	27,718,352	19,583,136	16,994,297
Other operating expenses		(44,111,807)	(30,706,096)	(25,550,200)
<b>Operating profit</b>		<b>39,821,611</b>	<b>24,830,892</b>	<b>32,143,407</b>
Finance costs	15	(33,128,512)	(28,585,424)	(28,373,186)
<b>Profit/loss before taxation</b>		<b>6,693,099</b>	<b>(3,754,532)</b>	<b>3,770,221</b>
Taxation	16	(2,092,365)	(809,751)	(1,481,102)
<b>Profit/loss for the year</b>		<b>4,600,734</b>	<b>(4,564,283)</b>	<b>2,289,119</b>

**Federated Commodities PLC**  
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**Statement of changes in equity**

	Stated Capital	Reserve for valuation of financial instruments	Retained earnings (Deficit)	Total equity
	GHS	GHS	GHS	GHS
Balance at October 1 2020	24,220,148	13,726,478	2,576,038	40,522,664
Loss for the year	65,575,456	-	-	65,575,456
Other comprehensive income	-	-	2,289,119	2,289,157
<b>Balance at October 1 2021</b>	<b>89,795,604</b>	<b>13,726,478</b>	<b>4,865,157</b>	<b>108,387,239</b>
Loss for the year	-	-	(4,564,283)	(4,564,283)
Other comprehensive income	-	74,847,120	-	74,867,120
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>74,847,120</b>	<b>(4,564,283)</b>	<b>70,282,837</b>
Balance at October 1 2022	89,795,604	88,573,598	300,875	178,670,077
Profit for the year	-	-	4,600,734	4,600,734
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,600,734</b>	<b>4,600,734</b>
Balance as at September 30 2023	89,795,604	88,573,598	4,901,609	183,270,811
Note(s)	8			

**Statement of cash flows**

	Notes	2023 GHS	2022 GHS	2021 GHS
<b>Cash flows from operating activities</b>				
Cash generated from/ (used in) operations		59,299,838	(8,077,243)	8,536,644
Finance costs	15	(33,128,512)	(28,585,424)	(28,373,186)
Tax paid	18	(1,877,791)	(192,773)	(1,439,612)
<b>Net cash from operating activities</b>		<b>24,293,535</b>	<b>(36,855,440)</b>	<b>(21,276,154)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant, and equipment	2	(5,419,764)	(7,423,190)	(74,746,157)
Proceeds from sale of property, plant, and equipment	2	-	(326,293)	-
<b>Net cash from investing activities</b>		<b>(5,419,764)</b>	<b>(7,749,483)</b>	<b>(74,746,157)</b>
<b>Cash flows from financing activities</b>				
Movement in term loans	10	33,369,490	10,970,667	32,055,874
Movement in borrowings		(42,558,663)	4,534,803	-
Increase/ (Decrease in equity funds)		-	-	65,575,456
<b>Net cash generated from financing activities</b>		<b>(9,189,173)</b>	<b>15,505,470</b>	<b>97,631,330</b>
<b>Total cash movement for the year</b>		<b>9,684,598</b>	<b>(29,099,453)</b>	<b>29,982,203</b>
Cash and cash equivalents at the beginning of the year		5,069,880	34,169,333	4,187,130
<b>At end of the period</b>		<b>14,754,478</b>	<b>5,069,880</b>	<b>34,169,333</b>

**Federated Commodities PLC**  
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## 1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

### 1.1. Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of 2019 (Act 992).

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Cedis, which is the company's functional currency.

These accounting policies are consistent with the previous periods.

### 1.2. Significant judgements and sources of estimation uncertainty

#### Critical judgements in applying accounting policies

Management did not make critical judgments in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

### 1.3. Property, plant, and equipment

Property, plant, and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant, and equipment is initially measured at cost. Cost includes all expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalization of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognized.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	4 years
IT equipment	Straight line	5 years
Tarpaulins	Straight line	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

#### 1.4. Tax

##### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

#### 1.5. Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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## 1.6. Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## 1.7. Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

## 1.8. Employee benefits

### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.



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### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the company is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

### 1.9. Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

## **1.10. Revenue from contracts with customers**

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

## **1.11. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when: expenditures for the asset have occurred;

- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **1.12. Translation of foreign currencies**

A foreign currency transaction recorded, on initial recognition in Cedis, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

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When a gain or loss on a non-monetary item is recognized to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognized to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Cedis by applying to the foreign currency amount the exchange rate between the Cedi and the foreign currency at the date of the cash flow.

**2. Property, Plant and Equipment**

FY23						
(GHS)	Land	Depot buildings	Furniture, fittings & equipment	Motor Vehicles	Office equipment	Total
<b>Cost</b>						
Balance at 1 October	92,137,298	99,151,381	1,351,613	30,039,982	9,486,448	232,166,722
Additions in the year	36,700	1,061,129	114,080	4,174,571	33,282	5,419,762
<b>30 September</b>	<b>92,173,998</b>	<b>100,212,510</b>	<b>1,465,693</b>	<b>34,214,553</b>	<b>9,519,730</b>	<b>237,586,484</b>
<b>Depreciation</b>						
Balance at 1 October	-	5,368,484	1,064,341	23,262,310	5,466,711	35,161,846
Charge for the year	-	948,440	130,264	2,673,355	1,124,702	4,876,761
Disposal	-	-	-	-	-	-
<b>30 September</b>	<b>-</b>	<b>6,316,924</b>	<b>1,194,605</b>	<b>25,935,665</b>	<b>6,591,413</b>	<b>40,038,607</b>
<b>Net Book Value 30 September</b>	<b>92,173,998</b>	<b>93,895,586</b>	<b>271,088</b>	<b>8,278,888</b>	<b>2,928,315</b>	<b>197,547,875</b>
<b>FY22</b>						
Plant, property and equipment (GHS)	Land	Depot buildings	Furniture, fittings & equipment	Motor Vehicles	Office equipment	Total
<b>Cost</b>						
Balance at 1 October	17,265,177	99,101,381	1,046,194	27,508,177	4,649,190	149,570,119
Additions in the year	74,872,121	50,000	305,419	2,531,805	4,837,258	82,596,603
<b>30 September</b>	<b>92,137,298</b>	<b>99,151,381</b>	<b>1,351,613</b>	<b>30,039,982</b>	<b>9,486,448</b>	<b>232,166,722</b>
<b>Depreciation</b>						
Balance at 1 October	-	4,421,182	887,891	21,270,272	4,247,729	30,827,074
Charge for the year	-	947,302	176,450	1,992,038	1,218,982	4,334,772
<b>30 September</b>	<b>-</b>	<b>5,368,484</b>	<b>1,064,341</b>	<b>23,262,310</b>	<b>5,466,711</b>	<b>35,161,846</b>
<b>Net Book Value 30 September</b>	<b>92,137,298</b>	<b>93,782,897</b>	<b>287,272</b>	<b>6,777,672</b>	<b>4,019,735</b>	<b>197,004,874</b>
<b>FY21</b>						
Plant, property and equipment (GHS)	Land	Buildings	Furniture, fittings & equipment	Motor Vehicles	Office equipment	Total
<b>Cost</b>						
Balance at 1 October	14,240,177	33,525,925	955,043	21,645,627	4,457,190	74,823,962
Additions in the year	3,025,000	65,575,456	91,151	5,862,550	192,000	74,746,157
<b>30 September</b>	<b>17,265,177</b>	<b>99,101,381</b>	<b>1,046,194</b>	<b>27,508,177</b>	<b>4,649,190</b>	<b>149,570,119</b>
<b>Depreciation</b>						
Balance at 1 October	-	1,993,485	760,408	19,743,967	3,947,634	26,445,494
Charge for the year	-	2,427,697	127,483	1,526,305	300,095	4,381,580
<b>30 September</b>	<b>-</b>	<b>4,421,182</b>	<b>887,891</b>	<b>21,270,272</b>	<b>4,247,729</b>	<b>30,827,074</b>

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Net Book Value 30 September	17,265,177	94,680,199	158,303	6,237,905	401,459	118,743,043
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#### Changes in estimates

The company reassesses the useful lives and residual values of items of company at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

#### Revaluations

The company's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value.

The fair value measurements as of Saturday, September 30, 2023, were performed by Apex Property Surveying Consult Limited, an independent valuer not related to the company, Apex Property Surveying Consult limited are members of the Institute of Valuers and they have the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

### 3. Trade and other receivables

	2023	2022	2021
<b>Financial instruments:</b>			
Trade Receivables	9,384,861	147,147,755	71,867,592
Other Receivables	68,340,304	22,609,687	19,881,772
<b>Non-financial instruments:</b>			
Prepayment	3,039,540	2,558,624	2,980,541
	<b>80,764,705</b>	<b>172,316,066</b>	<b>94,729,905</b>

### 4. Deferred Tax

#### Deferred Tax Liability

	2023	2022	2021
Property plant and equipment	(4,190,434)	(2,504,314)	(1,694,563)

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2023	2022	2021
Deferred Tax Liability	(4,190,434)	(2,504,314)	(1,694,563)

#### Reconciliation of deferred tax asset / (liability)

	2023	2022	2021
At the beginning of the year	(2,504,314)	(1,694,563)	(1,302,660)
Taxable / (deductible) temporary difference movement on tangible fixed assets	(1,686,120)	(809,751)	(391,896)
	<b>(4,190,434)</b>	<b>(2,504,314)</b>	<b>(1,694,556)</b>

#### Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilization of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

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5. Inventories

	2023	2022	2021
Central cocoa stock	111,619,488	32,457,761	8,626,761

6. Current tax payable (receivable)

	2023	2022	2021
Normal tax	2,207,425	624,100	431,331
Other tax	(111,779)	-	-
	<b>2,095,646</b>	<b>624,100</b>	<b>431,331</b>

Net current tax receivable (payable)	2023	2022	2021
Current assets	2,207,425	624,100	431,331
Current liabilities	(111,779)	-	-
	<b>2,095,646</b>	<b>624,100</b>	<b>431,331</b>

7. Cash and cash equivalent

	2023	2022	2021
Cash and cash equivalents consist of:			
Cash on hand	14,655	9,655	9,655
Bank Balances	14,739,823	5,060,225	34,159,678
	<b>14,754,478</b>	<b>5,069,880</b>	<b>34,169,333</b>

8. Stated Capital

	2023	2022	2021
<b>Authorised</b>			
Ordinary shares of no-par value (Million)	500	500	500
<b>Issued:</b>			
Ordinary	89,795,604	89,795,604	89,795,604

9. Reserves

	2023	2022	2021
Capital Surplus	88,573,598	88,573,598	13,726,478

10. Borrowings

	2023	2022	2021
Medium term loan	17,574,469	19,670,176	8,699,509
Short term loan	100,000,000	64,534,803	60,000,000
	<b>117,574,469</b>	<b>84,204,979</b>	<b>68,699,509</b>

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The company has been granted credit facilities made up of Seed funds, overdraft, and term loans by its bankers.

	2023	2022	2021
Bank overdraft	81,930,879	124,489,542	56,959,454
	<b>81,930,879</b>	<b>124,489,542</b>	<b>56,959,454</b>

The Company secured an overdraft facility from GCB bank PLC, Absa Ghana Limited, Access bank Ghana Limited and Republic bank Limited using its warehouses as collateral for the facilities. In total, the facilities have a limit of GHS100 million.

Term Loans	2023	2022	2021
Short term loan	100,000,000	64,534,803	60,000,000
Medium term loan	17,574,469	19,670,176	8,699,509
	<b>117,574,469</b>	<b>84,204,979</b>	<b>68,699,509</b>

The term loan is secured from;

- Zenith Bank Ghana Limited facility. This facility amounts to GHS60 million to finance the purchase of cocoa beans for 2023/2024 crop season at an interest rate of 31.28% (GRR: 28.28 plus a margin of 2%) per annum for a tenor of five months (5) or upon receipt of seed funds from Ghana Cocoa Board (Cocobod) whichever is earlier.
- Access Bank Ghana Limited. During the 2023/2024 cocoa season, Access Bank granted the Company GHS40 million for the purchase of cocoa beans with an interest rate of 34% (GRR: 32% plus a margin of 2%) per annum for a tenor of twelve months (12) from the date of issuance. Security on the borrowings is secured on the Company's warehouse.
- Absa Ghana Limited granted the Company a loan facility of GHS7.4 million to finance the purchase of weighing scale, tractors, vehicles and tarpaulins. The interest on the loan is 30% per annum for 90 days.
- Consolidated Bank of Ghana granted the Company USD 702,062 to refinance 60% of funds needed to acquire 20 trucks, and the acquisition of land. The facility attracts interest of 19% per annum for a tenor of 48 days. The facility is secured on the Company's warehouse.

## 11. Trade and other payables

	2023	2022	2021
Trade payables	13,581,345	9,878,506	6,463,315
Other payables	717,650	1,153,063	460,771
Accrued expense	5,412,989	6,572,201	14,035,522
Accrued audit fees	103,615	-	-
	<b>19,815,599</b>	<b>17,603,770</b>	<b>20,959,608</b>

## 12. Revenue

	2023	2022	2021
Producers price	811,302,400	599,668,724	864,433,020
Buyers margin	71,293,850	55,028,145	70,811,331
	<b>882,596,250</b>	<b>654,696,869</b>	<b>935,244,351</b>

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**13. Cost of sales**

	2023	2022	2021
Opening inventory	32,457,761	8,626,761	48,030,490
Purchases	879,582,400	623,499,940	827,603,040
Logistics	492,737	1,088,697	1,419,882
Handling charges	16,515,374	12,034,241	18,215,158
Primary evacuation	5,727,481	3,301,823	4,661,885
Purchases commission	3,224,919	2,649,318	3,241,347
Closing inventory	(111,619,488)	(32,457,763)	(8,626,761)
	<b>826,381,184</b>	<b>618,743,017</b>	<b>894,545,041</b>

**14. Other operating income**

	2023	2022	2021
Tracking (Cocoa evacuation)	15,717,152	10,440,520	14,802,529
Certification	12,001,200	9,142,616	2,191,768
	<b>27,718,352</b>	<b>19,583,136</b>	<b>16,994,297</b>

**15. Finance costs**

	2023	2022	2021
Seed funds	10,035,368	4,630,228	2,702,385
Interest on loans and overdraft	14,853,685	18,748,407	19,509,324
Processing, guarantee and commission on Akuafu cheques	8,239,459	5,206,789	6,161,477
	<b>33,128,512</b>	<b>28,585,424</b>	<b>28,373,186</b>

**16. Taxation**

	2023	2022	2021
<b>Major components of the tax expense</b>			
<b>Current</b>			
Corporate Tax	294,466	809,751	1,481,102
Growth & sustainability levy	111,779	-	-
	<b>406,245</b>	<b>809,751</b>	<b>1,481,102</b>
Deferred Tax	1,686,120	-	-
	<b>2,092,365</b>	<b>809,751</b>	<b>1,481,102</b>

**17. Employee costs**

	2023	2022	2021
Salaries & wages	6,519,800	5,526,016	4,025,214
Security men wages	602,250	488,145	372,919
Out-of-station allowance	46,950	55,180	27,443
Staff allowance	390,460	288,197	-
Provident fund	213,620	147,357	112,357
Social security	914,420	709,401	772,751
Medical	332,911	443,747	155,111
Gratuity	8,855	-	48,640
Commuted allowance	12,038	18,729	108,505
	<b>9,041,304</b>	<b>7,676,772</b>	<b>5,622,940</b>

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**18. Tax paid**

	2023	2022	2021
Balance at the beginning of the year	624,100	431,327	80,921
Current tax recognised in profit or loss	(406,245)	(809,751)	(1,809,206)
Balance at end of the year	(2,319,204)	624,100	(431,327)
	<b>(2,101,349)</b>	<b>245,676</b>	<b>(2,159,612)</b>

**Detailed Income Statement**

	Notes	2023	2022	2021
<b>Revenue</b>				
Producers price		811,302,400	599,668,724	864,433,020
Buyers margin		71,293,850	55,028,145	70,811,331
	12	<b>882,596,250</b>	<b>654,696,869</b>	<b>935,244,351</b>
<b>Cost of sales</b>				
Opening stock		(32,457,761)	(8,626,761)	(48,030,490)
Purchases		(905,542,911)	(642,574,017)	(855,141,312)
Closing stock		111,619,488	32,457,761	8,626,761
	13	<b>(826,381,184)</b>	<b>(618,743,017)</b>	<b>(894,545,041)</b>
<b>Gross profit</b>		<b>56,215,066</b>	<b>35,953,852</b>	<b>40,699,310</b>
<b>Other operating income</b>				
Truck & haulage		15,717,152	12,233,750	14,802,529
Certification		12,001,200	6,025,794	2,191,768
		-	1,323,592	-
	14	<b>27,718,352</b>	<b>19,583,136</b>	<b>16,994,297</b>
<b>Expenses</b>		<b>(44,111,807)</b>	<b>(30,706,096)</b>	<b>25,550,200</b>
<b>Operating profit</b>		<b>39,821,611</b>	<b>24,830,892</b>	<b>32,143,407</b>
Finance costs	15	(33,128,512)	(28,585,424)	(28,373,186)
<b>Profit (loss) before taxation</b>		<b>6,693,099</b>	<b>(3,754,532)</b>	<b>3,770,221</b>
Taxation	16	(2,092,365)	(809,751)	(1,481,102)
<b>Profit (loss) for the year</b>		<b>4,600,734</b>	<b>(4,564,283)</b>	<b>2,289,119</b>
<b>Other operating expenses</b>				
Advertising		41,860	89,340	634,109
Bank charges		420,032	223,597	202,779
Cleaning		54,084	57,068	51,150
Delivery		438,114	66,330	74,314
Depreciation		4,876,761	4,334,775	4,381,580
Donations		905,740	-	-
Employee costs		9,041,304	7,676,772	562,294
Awards & business promotion		1,415,526	901,959	-
Estate & property cost		877,269	839,320	-
Electricity & water		517,703	470,031	355,036
Rent & rate		560,527	1,180,792	1,090,400
Hotel & accommodation		288,985	287,107	574,140
Board fees & expenses		568,850	365,290	431,125
Legal & consultancy fees		333,936	363,121	325,144
Sundry expenses		-	48,339	17,534
Port		797,976	1,144,291	1,048,744
Registration & licensing		875,819	1,345,858	789,730
Audit & internal inspection		2,122,933	636,255	317,536
Insurance		1,284,355	536,956	694,233
IT Expenses		-	-	404,658
Medical expenses		-	-	42,731
Fuel & lubricant		11,318,777	5,643,841	6,337,970
Audit fees		103,615	71,550	71,550
Seminars and conferences		58,735	45,148	-
Printing and stationery		442,570	259,707	420,426



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Staff expenses	-	26,850	-
Repairs and maintenance	3,336,266	2,674,375	631,040
Funeral /Grants	71,370	37,780	-
Subscriptions	508,848	305,089	179,791
Telephone and fax	213,781	179,739	107,667
Training	1,342,130	245,094	493,938
Travel - local	564,621	250,207	219,953
Travel - overseas	729,320	399,515	29,982
	<b>44,111,807</b>	<b>30,706,096</b>	<b>25,550,200</b>

**Tax Computation**

Net income per income statement	6,693,099
Non-deductible/Non-taxable Items	
Depreciation	4,876,761
Excess expense capitalized	2,964,478
Tax paid	1,157,872
Funerals	71,370
	<b>9,070,481</b>
<b>Less</b>	
Capital allowance	(14,585,718)
<b>Taxable income</b>	<b>1,177,862</b>
<b>Tax thereon @ 25%</b>	<b>294,466</b>
Tax liability	
Amount owing/(prepaid) at the beginning of year	(624,100)
Tax owing/(prepaid) for the current year	
<b>Normal tax</b>	
Per calculation	294,466
Installment taxes	(300,000)
Growth & Sustainability Levy Other payments	111,779
Other payments	(2,084,908)
Withholding tax	(116,983)
	(2,095,646)
<b>Amount owing/(prepaid) at the end of year</b>	<b>(2,095,646)</b>

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## **Federated Commodities PLC**

### **Review of financial projections for the Five years ended 30 September 2029**

Proposed Commercial Paper issuance by Federated Commodities PLC

*Final Reporting Accountants' Report*  
**November 2024**

This Report is solely for the use of the Directors of Federated Commodities PLC ("FEDCO PLC") and the related parties to the proposed Commercial Paper issuance by Federated Commodities PLC. No part of it may be circulated, quoted, or reproduced for distribution without prior written approval from Deloitte & Touche.

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9 December 2024

**The Managing Director**  
Federated Commodities PLC  
P.O. Box KA 30448,  
Airport, Accra.

Dear Madam,

**Reporting Accountants' Report on the Financial Forecasts of Federated Commodities PLC for the five years ending 30 September 2025, 30 September 2026, 30 September 2027, 30 September 2028, 30 September 2029.**

We have examined the accounting bases and hypothetical assumptions for the financial forecasts of Federated Commodities PLC ("FEDCO PLC" or the "Company") for the five years ending 30 September 2025, 30 September 2026, 30 September 2026, 30 September 2028 and 30 September 2029, in accordance with the International Standard on Assurance Engagements (ISAE) 3400, applicable to the examination of prospective financial information.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal controls as Management determines is necessary to enable the preparation of financial statements that are free from misstatements, whether due to fraud and/or error.

We wish to emphasise that no business is free from major risks and few financial projections are free from errors of commission or omission. These financial projections relate to the future and consequently may be affected by unforeseen events as there may be differences between forecast, estimated, budgeted, or projected results and the actual results because events and circumstances frequently do not occur as expected; and those differences may be material.

#### **Basis for Conclusion**

The financial forecasts were presented in a set of Microsoft Excel spreadsheets showing the assumptions underlying the forecast and how these assumptions were processed into calculating the various line items presented in the forecast financial statements. Such disclosures, we believe, have materially enhanced our understanding and review of the forecast information provided by management.

#### **Conclusion**

Based on our examination of the evidence supporting the assumptions nothing has come to our attention that causes us to believe that the financial forecasts are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Yours faithfully



**Yaw Appiah Lartey**  
Partner

**Federated Commodities PLC**

*Reporting Accountants' Report*

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**Introduction**

This report has been prepared to summarize the information provided by the Directors of Federated Commodities PLC and their basic assumptions at the time of their projections of the profits after taxation for the five years ending 30 September 2028.

**The offer**

Federated Commodities PLC ("the Company" or "FEDCO PLC") is seeking to raise capital from investors by way of issuing Commercial Paper ("the proposed transaction"). The Company is seeking to raise a sum of GHS3.7 billion from investors in five tranches with a tenor of 5 months per tranche. The Company intends to raise GHS200 million in FY25, GHS500 million in FY26, GHS1 billion in FY27, GHS1 billion in FY28 and GHS1 billion in FY29. Proceeds from the Commercial Paper is expected to be used to support working capital.

# FEDERATED COMMODITIES PLC PROSPECTUS

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## Forecast Statement of Financial Position

	Actual Sep24 GHS'000	Forecast Sep 25 GHS'000	Forecast Sep 26 GHS'000	Forecast Sep 27 GHS'000	Forecast Sep 28 GHS'000	Forecast Sep 29 GHS'000
<b>Non-Current Assets</b>						
Property, plant, and equipment	200,562	201,958	199,865	198,665	198,370	196,061
	<b>200,562</b>	<b>201,958</b>	<b>199,865</b>	<b>198,665</b>	<b>198,370</b>	<b>196,061</b>
<b>Current Assets</b>						
Inventories	352,750	123,810	153,394	210,327	232,836	304,358
Trade and other receivables	322,014	261,787	335,834	390,896	413,489	383,735
Cash and cash equivalents	84,602	-	-	-	-	-
Others	1,439	1,906	2,645	3,642	4,237	4,902
	<b>760,805</b>	<b>387,503</b>	<b>491,873</b>	<b>604,865</b>	<b>650,562</b>	<b>692,996</b>
<b>Total assets</b>	<b>961,331</b>	<b>589,461</b>	<b>691,738</b>	<b>803,530</b>	<b>848,932</b>	<b>889,057</b>
<b>Equity</b>						
Stated Capital	89,796	89,796	89,796	89,796	89,796	89,796
Reserves	88,574	88,574	88,574	88,574	88,574	88,574
Retained earnings (Deficit)	15,606	45,127	127,480	198,991	345,861	513,638
<b>Total equity</b>	<b>193,976</b>	<b>223,497</b>	<b>305,850</b>	<b>377,361</b>	<b>524,231</b>	<b>692,008</b>
<b>Non-Current Liabilities</b>						
Medium term loan	12,850	11,507	9,876	9,876	9,875	9,876
Deferred tax	4,201	5,451	6,701	7,951	9,201	10,451
	<b>17,051</b>	<b>16,958</b>	<b>16,577</b>	<b>17,827</b>	<b>19,076</b>	<b>20,327</b>
<b>Current Liabilities</b>						
Trade and other payables	301,714	16,771	17,569	21,464	23,583	30,602
Short term loan	49,588	100,000	100,000	100,000	100,000	100,000
Bank overdraft	399,068	232,235	251,742	286,878	182,042	46,120
	<b>750,340</b>	<b>349,006</b>	<b>369,311</b>	<b>408,342</b>	<b>305,625</b>	<b>176,722</b>
<b>Total liabilities</b>	<b>767,391</b>	<b>365,964</b>	<b>385,888</b>	<b>426,169</b>	<b>324,701</b>	<b>197,049</b>
<b>Total equity and liabilities</b>	<b>961,367</b>	<b>589,461</b>	<b>691,738</b>	<b>803,530</b>	<b>848,932</b>	<b>889,057</b>

## Financial position ratios

	Actual Sep23	Forecast Sep 24	Forecast Sep 25	Forecast Sep 26	Forecast Sep 27	Forecast Sep 28
Current assets to total assets	79.1%	65.7%	71.1%	75.3%	76.6%	77.9%
Inventory to total assets	36.7%	21.0%	22.2%	26.2%	27.4%	34.2%
Return on assets	1.1%	5.0%	11.9%	8.9%	17.3%	18.9%
Return on equity	5.5%	13.2%	26.9%	19.0%	28.0%	24.2%

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Forecast Statement of Comprehensive Income

	Actual FY 24	Forecast FY 25	Forecast FY 26	Forecast FY 27	Forecast FY 28	Forecast FY 29
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Revenue	1,232,258	3,729,600	5,166,668	7,107,196	8,292,446	9,567,170
Cost of Sales	(1,147,189)	(3,477,988)	(4,827,211)	(6,645,839)	(7,754,485)	(8,946,836)
<b>Gross profit</b>	<b>85,069</b>	<b>251,612</b>	<b>339,457</b>	<b>461,357</b>	<b>537,961</b>	<b>620,334</b>
Other operating income	43,666	85,313	135,552	177,948	205,273	232,369
Operating expenses	(47,548)	(96,015)	(137,904)	(176,119)	(206,371)	(239,600)
<b>Operating profit</b>	<b>81,187</b>	<b>240,910</b>	<b>337,105</b>	<b>463,186</b>	<b>536,863</b>	<b>613,102</b>
Finance costs	(69,341)	(201,549)	(227,301)	(367,838)	(341,038)	(389,399)
<b>Profit (loss) before taxation</b>	<b>11,846</b>	<b>39,361</b>	<b>109,804</b>	<b>95,349</b>	<b>195,825</b>	<b>223,704</b>
Taxation	(1,141)	(9,840)	(27,451)	(23,837)	(48,956)	(55,926)
<b>Profit (loss) for the year</b>	<b>10,705</b>	<b>29,521</b>	<b>82,353</b>	<b>71,511</b>	<b>146,869</b>	<b>167,778</b>

Profitability ratios

	Actual FY 24	Forecast FY 25	Forecast FY 26	Forecast FY 27	Forecast FY 28	Forecast FY 29
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Gross margin	6.9%	6.7%	6.6%	6.5%	6.5%	6.5%
Revenue growth	88.2%	202.7%	38.5%	37.6%	16.7%	15.4%
Cost of sales growth	85.4%	203.2%	38.8%	37.7%	16.7%	15.4%
Gross profit growth	136.6%	195.8%	34.9%	35.9%	16.6%	15.3%
Administrative & general expense growth	54.8%	101.9%	43.6%	27.7%	17.2%	16.1%

Forecast Statement of Cash Flows

	Actual FY 24	Forecast FY 25	Forecast FY 26	Forecast FY 27	Forecast FY 28	Forecast FY 29
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
<b>Operating activities</b>						
Profit / (Loss) for the year	10,705	29,521	82,353	71,511	146,869	167,778
Depreciation of Property, Plant and Equipment	6,538	8,182	8,448	8,678	8,947	9,206
Changes in working capital	(453,000)	255,913	(103,572)	(109,097)	(43,578)	(35,415)
Taxes paid	1,141	1,250	1,250	1,250	1,250	1,250
<b>Net cash generated from operating activities</b>	<b>(434,616)</b>	<b>294,866</b>	<b>(11,521)</b>	<b>(27,658)</b>	<b>113,488</b>	<b>142,819</b>
<b>Investing activities</b>						
Purchase of PPE	(9,552)	(9,578)	(6,355)	(7,478)	(8,652)	(6,897)
<b>Net cash generated from investing activities</b>	<b>(9,552)</b>	<b>(9,578)</b>	<b>(6,355)</b>	<b>(7,478)</b>	<b>(8,652)</b>	<b>(6,897)</b>
<b>Cash from financing activities</b>						
Movement in term loans	-	(300,411)	(1,631)	-	-	-
Movement in borrowings	514,016	(69,479)	19,507	35,136	(104,836)	(135,922)
<b>Net cash generated from financing activities</b>	<b>514,016</b>	<b>(369,890)</b>	<b>17,876</b>	<b>35,136</b>	<b>(104,836)</b>	<b>(135,922)</b>
<b>Total cash movement for the year</b>	<b>69,848</b>	<b>(84,602)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning	14,754	84,602	-	-	-	-
<b>Cash and cash equivalents at year end</b>	<b>84,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Federated Commodities Limited**  
 Reporting Accountants' Report  
 On the financial projections for the five years ended 30 September 2028

**Methodology and procedures**

We have reviewed the compilation of the financial projections to enable us report on whether it has been prepared based on the underlying assumptions and in accordance with the requirements of the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

In so far as our work relates to projections, we accept no responsibility for the projections, or for the ultimate realisation of the prospective financial information. The bases and assumptions are the sole responsibility of the directors of FEDCO PLC. Furthermore, please note that, since any prospective financial information relates to the future and may be affected by unforeseen events, there may be differences between forecast, estimated, budgeted, or projected results and the actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Consequently, we do not express any opinion as to whether the actual results achieved will correspond to those planned, projected, or forecast.

The reviews were limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Our procedures and enquiries did not include verification work nor constitute an audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB) and, accordingly, we did not express an audit opinion.

**Bases and assumptions**

The following are the basis and principal assumptions underlying the financial projections for the five years ending 30 September 2028.

**Basis**

The Company's audited financial statements for the period ended 30 September 2023 have been prepared on a basis consistent with the accounting policies adopted by the Company, under the International Financial Reporting Standards (IFRS).

**Overall historical performance**

FEDCO PLC is a leading indigenous Licensed Cocoa Buying company, established in March 1996, following a decision by Government of Ghana in 1992 to introduce competition in the internal marketing of cocoa, to be regulated by Cocobod. The Company's core function is to purchase high quality, well fermented and dried cocoa beans from farmers in all cocoa growing communities in Ghana, at the correct weight, bulk it properly, evacuate them to designated Take Over Centres and hand over the produce to Cocoa Marketing Company (CMC), a subsidiary of Cocobod. The Company currently has 2,200 purchasing clerks across its 68 depots in 7 Regions of Ghana. Over the historical review between FY21 – FY23, the Company generated total revenue of GHS2.5 billion.

**Federated Commodities PLC's profit projections**

**Assumptions and notes**

i. **Revenue / gross profit**

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	FY24	FY25	FY 26	FY 27	FY 28	FY 29
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Producers price	∅	3,360,000	4,654,656	6,402,880	7,470,672	8,619,072
Margins on deliveries	∅	369,600	512,012	704,317	821,774	948,098
<b>Total revenue</b>	<b>1,232,258</b>	<b>3,729,600</b>	<b>5,166,668</b>	<b>7,107,197</b>	<b>8,292,446</b>	<b>9,567,170</b>

- The Company largely generates revenue from sale of cocoa beans to the Cocoa Marketing Company (CMC), a subsidiary of Cocobod, through its 2,200 purchasing clerks across its 68 districts/depots in 7 Regions of Ghana. For reporting purposes, the gross revenue is decomposed into the portion relating to the purchase price (also known as producer price) and the margins on deliveries, which represents the buyer's margin. The Directors have projected revenue to increase by a CAGR of 26.6% over the forecast period FY25-FY29, with the growth expected to be driven by a combination of an increase in sales volume and an increase in cocoa prices over the forecast period. Whilst sales volume has been projected to increase



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by a CAGR of 6.4% from 70,000 MT in FY25 to 89,782 MT in FY29, cocoa prices have been projected to increase by a CAGR of 18.9% from GHS53,280/MT in FY25 to GHS106,560/MT in FY29. Overall, revenue is projected to increase year-on-year from GHS1.2 billion in FY24 to GHS9.6 billion in FY29.

- Management explained that sales volume, over the forecast period, is expected to be boosted mainly by planned investments in additional warehouses and depots to increase the Company's capacity to buy cocoa and increase sales to the CMC, strengthen relationships with Franchisees and expand the network of purchasing clerks to increase cocoa buying network and further increase purchasing and sales capacity, as well as general increase in cocoa production across the country.
- Sales volumes over the forecast period are also expected to be boosted by a strategy to strengthen relationships with and expand the network of, Funding Partners/Off-takers such as Mars Incorporated, Afrotropics Cocoa Processing Limited, ETG World, and Cargill. These partners provide working capital funding to support the operations of the Company. Cocobod currently requires funding Partners to provide 60% of the required funding needed by License Buying Companies (LBCs) to pre-finance the purchases of cocoa beans. The remaining 40% is expected to be financed from the Company's operations or from financial institutions.
- In terms of cocoa prices, both the producer prices and profit margins are set by The Price Review Committee (PRC) of Cocobod at the beginning of the cocoa season. This helps Cocobod to control prices throughout the country. Producer prices relate to the cost of buying cocoa beans from farmers while margins relate to the profit made on each sale made to Cocobod. According to management, the buyer's margin, which represents the net sales revenue to LBCs, was historically set at 10% per MT by the PRC. Management has however projected this at 11% over the forecast period FY25-FY29 based on a revised buyer's margin by PRC, which is expected to remain the same over the forecast period.

ii. **Cost of Sales**

	Actual FY24 GHS'000	Forecast FY25 GHS'000	Forecast FY 26 GHS'000	Forecast FY 27 GHS'000	Forecast FY 28 GHS'000	Forecast FY 29 GHS'000
Purchases	∅	3,360,000	4,654,656	6,402,880	7,470,672	8,619,072
<b>Direct Cost</b>						
PCS' handling charges	∅	45,696	63,303	87,079	101,601	117,219
Franchise fees	∅	40,992	56,787	78,115	91,142	105,152
DMs primary evacuation	∅	11,200	23,273	32,014	40,749	50,278
Farmers and pcs' bonus	∅	11,200	16,873	28,813	30,562	32,322
Agency cost	∅	8,900	12,319	16,938	19,759	22,793
<b>Total cost of sales</b>	<b>1,147,189</b>	<b>3,477,988</b>	<b>4,827,211</b>	<b>6,645,839</b>	<b>7,754,485</b>	<b>8,946,836</b>

The costs of sales consist of purchases, purchasing clerks' (PC's) handling charges, District Managers' (DMs) primary evacuation costs, farmers, and purchase clerks' bonuses, agency costs, and franchise costs. The Directors have projected cost of sales to increase at a CAGR of 26.6% over the forecast period, from GHS3.5 billion in FY25 to GHS8.9 billion in FY29, with the growth expected to be driven mainly by the projected increase in volumes of cocoa purchases and sales over the forecast period. The Directors expect purchases, in volume, to increase from 70,000 MT in FY25 to 89,782 MT in FY29, mainly driven by an expected increase in global demand for cocoa products. The components of cost of sales are explained as follows:

- *Purchases* represent the cost of cocoa beans purchased from producers, the price of which is set and regulated by the Producer Price Review Committee (PPRC) of COCOBOD. The projected purchase costs constitute an average of 96.4% of total cost of sales between FY25-FY29 and to increase by a CAGR of 26.6% from GHS3.4 billion in FY25 to GHS8.6 billion in FY29. The projected growth is in line with the Company's strategy to expand its operations across the Country for purposes of increasing its purchases and sales capacity.
- *Purchasing clerks (PC) handling charges* relate to commissions paid to purchasing clerks for providing services such as weighing, drying, grading, purchasing cocoa beans, bagging and safe storage of cocoa beans before they get to the district office. As the business expands, the services and activities of purchasing clerks must necessarily increase to accommodate the expansion in business, hence management's projection of the related cost to increase at a CAGR of 26.6% from GHS45.7 million in FY25 to GHS117.2 million in FY29. For each bag of cocoa beans sold to the Company, the Company pays PCs an amount equivalent to 85% of the cost of 1 kilogram of cocoa. The projected increase over the forecast period is largely due to the Company's strategy to expand its operations, which will increase the activities and services of the PCs, as well as the related costs.

# FEDERATED COMMODITIES PLC PROSPECTUS

## Federated Commodities PLC

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- *Franchise fees* relate to incentives paid to district clerks who are able to purchase more than 2,000 tons of cocoa beans in a year. It is expected to increase at a CAGR of 26.6% over the forecast period from GHS41 million in FY25 to GHS105.2 million in FY29, also in line with the projected growth in sales over the forecast period.
- *District Manager (DM) primary evacuation* relates to payments made to District Managers for the evacuation of cocoa beans from purchasing clerks to the Company's depots (district). As the business expands, cocoa beans to be evacuated by the DMs and the related costs is expected to also increase. This cost is projected to increase at a CAGR of 45.6% from GHS11.2 million in FY25 to GHS50.3 million in FY29. Aside the projected growth in volumes to be evacuated by the DMs, the Company intends to increase the amount per bag paid to the DMs for evacuation to incentivize the DMs and boost evacuation volumes. In this regard, the Company projects to pay GHS10 per bag in FY25, GHS20 in FY26, GHS25 in FY27, GHS30 in FY28 and GHS35 in FY29 as commission to DMs for cocoa evacuation to the Company's depots.
- *Farmers and purchasing clerks' bonus* relate to incentives paid to purchasing clerks and farmers per bag of cocoa purchased. As the business expands and volumes increase over the forecast period, the cost of these bonuses is expected to increase at a CAGR of 30.3% from GHS11.2 million in FY25 to GHS32.3 million in FY29. Farmers incentive per bag of cocoa beans is projected to be GHS5 in FY25, GHS7 in FY26, and GHS10 between FY27 and FY29 while PCs incentive per bag of cocoa beans is projected to be GHS20 in FY25, GHS30 in FY26 and GHS50 between FY27-FY29
- *Agency costs* relate to commissions to PCs, franchise commissions, and handling charges at the port of departure. It is expected to increase at a CAGR of 26.5% from GHS8.9 million in FY25 to GHS22.8 million in FY29. The projected increase over the forecast period is largely due to the Company's strategy to expand its operations, which will increase the activities and services of the agents at the ports and PCs.

### iii. Other income

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	FY24	FY25	FY 26	FY 27	FY 28	FY 29
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Cocoa evacuation margin	∅	50,400	93,093	128,058	149,413	172,381
Certification	∅	34,913	42,459	49,890	55,860	59,988
<b>Total</b>	<b>43,666</b>	<b>85,313</b>	<b>135,552</b>	<b>177,948</b>	<b>205,273</b>	<b>232,369</b>

- *Cocoa evacuation margin* relates to income from Cocobod in the form of reimbursement for the transportation of cocoa beans from the Company's depots to the port of departure. It is projected to increase at a CAGR of 36% over the forecast period from GHS50.4 million in FY25 to GHS172.4 million in FY29. Given that the evacuation margin is determined as a fixed percentage of the producer price, the projected increase is expected to be driven by increased producer price per MT as well as the projected increase in sales volumes. The evacuation margin, which is a predetermined percentage of the producer price set by the PRC of Cocoa Board, is projected to increase from 1.5% of the producer price in FY24 (as was the case historically) to 2% over the period FY25 to FY29 based on a revised margin by PPRC in FY24, which is expected to remain the same over the forecast period.
- *Certificate income* relates to incentives or bonuses paid by Off-takers/Funding Partners to the Company for buying from cocoa farmers who have adopted best practices. The Company receives US\$50 per bag as reimbursement for training cocoa farmers to adopt best practices such as avoiding child labour, use of organic fertilizers etc. The scope of the training is defined by the funding partners or off-takers, however, the trainings are undertaken by FEDCO PLC. Certificate income is projected to increase at a CAGR of 14.5% from GHS34.9 million in FY25 to GHS60.0 million in FY29, mainly due to the projected increase in the number of cocoa bags to be purchased from certified farmers.

### iv. Finance Costs

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	FY24	FY25	FY 26	FY 27	FY 28	FY 29
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Interest on Commercial Paper	∅	25,833	64,583	129,167	129,167	129,167
Cost of listing Commercial Paper	∅	3,780	9,450	18,900	18,900	18,900
<b>Finance cost relating to Commercial Paper</b>	<b>∅</b>	<b>29,613</b>	<b>74,033</b>	<b>148,067</b>	<b>148,067</b>	<b>148,067</b>

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Processing & guarantee charges (short term loans)		14,400	13,035	20,014	17,250	21,570
Short term loans	∅	114,583	90,406	120,805	99,688	132,688
<b>Term loans (interest and processing charges)</b>	<b>∅</b>	<b>128,983</b>	<b>103,441</b>	<b>140,819</b>	<b>116,938</b>	<b>154,258</b>
Hedging cost	∅	32,667	37,013	62,250	56,875	65,275
Commission on Akafo cheque	∅	7,728	10,706	14,727	17,183	19,824
Interest on term debts	∅	2,558	2,108	1,975	1,975	1,975
Seed fund interest charges	∅	-	-	-	-	-
<b>Total</b>		<b>69,341</b>	<b>201,549</b>	<b>227,301</b>	<b>341,038</b>	<b>389,399</b>

Finance costs largely relate to interest cost on the Commercial Paper, processing, guarantee charges, interest on overdrafts and term loans, commission on Akafo cheque, hedging cost, and seed fund interest. In total, finance cost is projected to increase at a CAGR of 17.9% over the forecast period from GHS201.5 million in FY25 to GHS389.4 million in FY29. The projected increase is expected to be driven mainly by the interest on term loans and the cost of processing the term loans, which, in total, is set to increase by a CAGR of 4.6% from GHS129 million in FY25 to GHS 154.3 million in FY29. The components of finance costs are explained as follows:

- *Interest on Commercial Paper* relates to projected interest to be charged on the Commercial Paper. The Commercial Paper is expected to attract an interest of 33% per annum. It is projected to increase from GHS25.8 million in FY25 to GHS129.2 million in FY29 due to the increase in the amount expected to be realized from the Commercial Paper over the forecast period.
- *The hedging cost* relates to interest on funding support from Sustainability Partners. The Sustainability Partners are offtakers who provide funding for the Company to buy Cocoa. The funding is expected to attract an interest of 28% per annum over the forecast period. The projected increase in interest on hedging from GHS32.7 million in FY25 to GHS65.3 million in FY29 is largely due to the projected increase in funding from Sustainability Partners.
- *Processing and guarantee charges* relate to a 1.2% processing fee expected to be charged on the amounts to be raised via the Commercial Paper. The year-on-year increase is largely due to the projected increase in the amounts to be raised per annum.

**v. Administrative and general expenses**

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	FY24	FY25	FY 26	FY 27	FY 28	FY 29
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Vehicle running expenses (trucks)	∅	35,280	65,165	89,640	104,589	120,667
Sustainability costs	∅	17,457	21,230	24,945	27,930	29,994
Selling & administrative expenses	∅	13,505	16,881	21,101	26,377	32,971
Staff cost	∅	10,775	12,930	15,516	18,619	22,343
Depreciation	∅	8,182	8,448	8,678	8,947	9,206
Monitoring cost	∅	5,416	6,770	8,462	10,578	13,222
Estate cost (rent & rate)	∅	5,400	6,480	7,776	9,331	11,197
<b>Total</b>		<b>47,548</b>	<b>96,015</b>	<b>137,904</b>	<b>176,118</b>	<b>239,600</b>

- Administrative and general expenses consist of vehicle running expenses, staff costs, sustainability costs, rent and rates, monitoring costs, selling and administrative expenses and depreciation. Administrative expenses are projected to increase at a CAGR of 25.7% from GHS96.0 million in FY25 to GHS239.6 million in FY29 mainly due to a combination of growth in business and general cost inflation over the period. The components of administrative and general expenses are explained as follows:
- *Vehicle running expenses* relate to the cost of transporting cocoa beans from the depots to the port by Federated Logistics Limited (Fedlog). FEDCO PLC over the years has outsourced the transportation of its cocoa beans to Fedlog, a related Company. This arrangement is expected to remain the same over the forecast period FY25-FY29. Vehicle running expenses are expected to constitute an average of 48.5% of total administrative and general expenses over the forecast period FY25-

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FY29. The vehicle running expenses recorded in admin and general expenses represents 70% of the reimbursement received from Cocobod for evacuation, which reflects the terms of the evacuation contract between FEDCO PLC and Fedlog. The projected increase from GHS35.3 million in FY25 to GHS120.7 million in FY29 is largely due to the projected increase in sales volumes over the forecast period.

- *Sustainability cost* relates to the cost of training farmers to ensure sustainable cocoa farming practices. Per agreement with its offtakers, the Company receives US\$50 per bag as reimbursement for training cocoa farmers who have adopted best practices. FEDCO PLC allocates US\$25 per bag (50% of US\$50) to the farmers. The scope of the training is defined by the off takers however, the trainings are undertaken by FEDCO PLC. Sustainability cost is projected to increase at a CAGR of 14.5% from GHS17.5 million in FY25 to GHS30 million in FY29. The projected increase is largely due to the increased number of farmers expected to be trained over the forecast period.
- *Selling and administrative expenses* relate to advertisement costs, banking charges, delivery expenses, fuel, lubricants, repairs, and maintenance etc. It is projected to increase at a CAGR of 25% from GHS13.5 million in FY25 to GHS33 million in FY29 mainly due to a projected increase in the Company's operations coupled with cost inflation.
- *Depreciation and amortization* is projected to increase at a CAGR of 3% from GHS8.2 million in FY25 to GHS9.2 million in FY29. The projected increase is largely due to expected additions to the stock of PPE over the forecast period FY24-FY28. The Directors have indicated plans to invest in additional PPE to support the planned growth in business over the forecast period.
- *Staff cost* largely relates to salaries and wages, out-of-station allowance, staff allowance, provident fund, gratuity, and social security contributions. Directors have projected staff costs to constitute an average of 9.4% of total administrative and general expenses over the forecast period. Staff cost is projected to increase by a CAGR of 20% from GHS10.8 million in FY25 to GHS22.3 million in FY29 mainly on account of increased staff salaries. According to management, the current on-field staff have enough capacity available to support the projected growth in business hence no material increase in staff strength is expected.
- *Monitoring costs* relate to the cost of transportation, fuel and hotel/accommodation of regional managers who go around the depots and farms to inspect the quality of cocoa beans to ensure that they meet the standards of the Company. It is projected to constitute an average of 5.2% of total administrative and general expenses over the forecast period. The projected increase over the forecast period is expected to be driven by business expansion, which will occasion an increase in the frequency of inspections to be done by regional managers.
- *Estate cost (rent and rates)* relates to the cost of renting depots and ground rent for other properties across the 7 cocoa producing regions of Ghana. The Company currently has 68 depots and warehouses across the country. As the Company expands its operations, the Directors have projected that additional depots and warehouses will be needed to supplement the existing ones. This is expected to drive the projected estate cost over the forecast period.

vi. **Current Assets:**

	Actual Sep 24 GHS'000	Forecast Sep 25 GHS'000	Forecast Sep 26 GHS'000	Forecast Sep 27 GHS'000	Forecast Sep 28 GHS'000	Forecast Sep 29 GHS'000
<b>Current Assets</b>						
Inventories	352,750	123,810	153,394	210,327	232,836	304,358
Trade and other receivables	322,014	261,787	335,834	390,896	413,489	383,735
Cash and cash equivalents	84,602	-	-	-	-	-
Others	1,439	1,906	2,645	3,642	4,237	4,902
<b>Total</b>	<b>760,805</b>	<b>387,503</b>	<b>491,873</b>	<b>604,865</b>	<b>650,562</b>	<b>692,996</b>

- Current assets consist of inventory, trade and other receivables, cash and cash equivalents and other assets. Current assets are projected to constitute an average of 74% of total assets and are expected to grow from GHS 760.8 million as at Sep 2024 to, GHS 387.5 million as at Sep 2025, and thereafter, to grow year-on-year to reach GHS 693 million by end of Sep 2029. The projected increase is mainly driven by inventory and trade and other receivables which constitute an average of 99.4% of the total current assets over the period. The components of current assets are explained as follows:
- *Inventory* is projected to grow at an average rate of 25.6% annually over the forecast period, declining from GHS352.8 million as of Sep 2024 to GHS123.5 million by end of Sep 2025 and subsequently increase to GHS304.5 million by end of Sep 2029. The projected growth in inventory reflects the Company's plan to significantly expand purchases and sales of cocoa beans over the forecast period, which will occasion stocking high volumes of the beans for sale.

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- *Trade and other receivables* largely relate to payment due from Cocobod. The Directors, based on previous experience, are of the opinion that, invoices would be paid within 20 days of issuing same to Cocobod. Trade and other receivables have been projected to grow at an average rate of 10.8% per annum, rising from GHS 261.1million at Sep 2025 to GHS 383.7million by end of Sep 2029 largely reflecting the projected growth in sales over the forecast period.
- *Cash and cash equivalents* have been projected as a nil balance at the end of each reporting period spanning FY25 to FY29. The nil projected cashflow balance is the result of projected negative net free cash flows in each forecast year, with equal amounts projected to be raised via overdraft facilities to fully fund the deficit.
- *Other current assets* are advances given to District Managers, usually at the beginning of each cocoa season to purchase trucks, weighing scales etc. to support the operations of the Company. Other current assets are expected to grow from GHS1.9 million in Sep 2025 to GHS4.9 million in Sep 2029 mainly driven by growth in advances to the DMs as the business grows and purchase volumes increases. The advances are interest free with repayments being deducted from the DMs salaries and bonuses.

vii. Non-current assets:

	Actual Sep 24 GHS'000	Forecast Sep 25 GHS'000	Forecast Sep 26 GHS'000	Forecast Sep 27 GHS'000	Forecast Sep 28 GHS'000	Forecast Sep 29 GHS'000
<b>Non-Current Assets</b>						
Property, plant and equipment (PPE)	200,562	201,958	199,865	198,665	198,370	196,061
<b>Total</b>	<b>200,562</b>	<b>201,958</b>	<b>199,865</b>	<b>198,665</b>	<b>198,370</b>	<b>196,061</b>

- Non-current assets are solely made up of the Net Book Value (NBV) of PPE. PPE largely consists of buildings, motor vehicles, office, and IT equipment. It is projected to decline from GHS 200.5 million as at Sep 2024 to GHS 196.1 million by end of Sep 2029 amidst total additions to PPE of GHS39 million projected over the period Sep 2025 to Sep 2029. The projected decline in NBV of PPE is mainly due to expected depreciation of the assets, which is only partly compensated by the projected additions to PPE. The Company depreciates its PPE using the straight-line method and same has been maintained for the forecast. Depreciation is projected to grow by a CAGR of 3% from GHS8.2 million in FY25 to GHS9.2million in FY29.

viii. Equity

	Actual Sep 24 GHS'000	Forecast Sep 25 GHS'000	Forecast Sep 26 GHS'000	Forecast Sep 27 GHS'000	Forecast Sep 28 GHS'000	Forecast Sep 29 GHS'000
Stated Capital	89,796	89,796	89,796	89,796	89,796	89,796
Reserves	88,574	88,574	88,574	88,574	88,574	88,574
Retained earnings (Deficit)	15 606	45 127	127 480	198 991	345 861	513 638
<b>Total equity</b>	<b>193,976</b>	<b>223,497</b>	<b>305,850</b>	<b>377,361</b>	<b>524,231</b>	<b>692,008</b>

- Equity is projected to increase at an average rate of 32.8 % annually, growing from GHS 194 million as of Sep 2024 to GHS 692 million by end of 2029 mainly on account of net profit accumulated in the Company's retained earnings account in equity. The Company has projected a net profit of GHS 29.5 million, GHS 82.4 million, GHS 71.5 million, GHS146.9 million and GHS 167.8 million in FY25, FY26, FY27, FY28 and FY29 respectively, which are projected to be fully retained in income surplus over the forecast period. As a result, retained earnings is set to grow from GHS45.1 million by end of Sep 2025 to GHS 513.6 million by end of Sep 29. The Directors do not expect additional capital injection by shareholders over the forecast period, hence stated capital is projected to remain constant. Also, no dividend payments are expected over the forecast period, hence net profits projected to be fully retained in income surplus over the forecast period.
- Reserves largely relate to revaluation gain of the Company's land and buildings. The Company over the historical period adopted to revalue its land and buildings every 3 years. However, Directors are of the opinion that, no revaluation will be performed over the forecast period FY24-FY28 as they don't expect the NBV of its land and buildings to materially differ from their fair value.

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ix. Non-current liabilities

	Actual Sep 24 GHS'000	Forecast Sep 25 GHS'000	Forecast Sep 26 GHS'000	Forecast Sep 27 GHS'000	Forecast Sep 28 GHS'000	Forecast Sep 29 GHS'000
Medium term loan	12,850	11,507	9,876	9,876	9,875	9,876
Deferred tax	4,201	5,451	6,701	7,951	9,201	10,451
<b>Total</b>	<b>17,051</b>	<b>16,958</b>	<b>16,577</b>	<b>17,827</b>	<b>19,076</b>	<b>20,327</b>

**Non-current liabilities:** This is made up of term loans and deferred tax which constitute an average of 5.3% of the total liabilities over the forecast period. Overall, non-current liabilities have been projected to grow from GHS17 million at Sep 2025 to GHS20.3 by end of 2029 mainly driven by projected growth in deferred tax. The components of non-current assets are explained as follows:

- Medium term loans are mainly loans from CBG, ABSA and other banks. Medium term loan is projected to decline from GHS 12.9 million at Sep 2024 to GHS 9.9 million by end of Sep 2029. The projected decline in medium term loan is largely due to the Company's intention to rely more on short term loans over the forecast period.
- Deferred tax liabilities represent liabilities expected to be resolved from the timing difference between taxable profit and accounting profit. It is expected to grow at an average rate of 17.7% from GHS5.4 million by end of Sep 2025 to GHS10.5 million by end of Sep 2029. The projected increase is mainly on the account of the projected growth in profit after tax.

x. Current liabilities

	Actual Sep 24 GHS'000	Forecast Sep 25 GHS'000	Forecast Sep 26 GHS'000	Forecast Sep 27 GHS'000	Forecast Sep 28 GHS'000	Forecast Sep 29 GHS'000
Trade and other payables	301,714	16,771	17,569	21,464	23,583	30,602
Short term loan	49,588	100,000	100,000	100,000	100,000	100,000
Bank overdraft/bank debt	399,068	232,235	251,742	286,878	182,042	46,120
<b>Total</b>	<b>750,340</b>	<b>349,006</b>	<b>369,311</b>	<b>408,342</b>	<b>305,625</b>	<b>176,722</b>

Current liabilities largely consist of trade and other payables, short-term borrowings, and bank overdraft. Current liabilities are projected to constitute, on average, 94.6% of total liabilities over the forecast period and have been projected to grow from GHS 750.3 million as at Sep 2024 to GHS 408.3 million by end of Sep 2027 and further decline to GHS 176.7 by end of Sep 2029 largely driven by repayment of the bank overdraft which is projected to decline from GHS 301.7 million as at Sep 2024 to GHS 46.1 million by end of Sep 2029. The components of current liabilities are explained as follows:

- *Short term loans* represent pre-season loans from Access Bank, Zenith and ABSA Bank which is payable within 3 to 5 months. The short-term loans are expected to attract interest of 33% per annum over the forecast period. The Company has agreement with the banks to provide pre-season loan of GHS 100 million per annum over the forecast period.
- *Trade and other payables* largely consist of amount due to customers that buy cocoa for the Company on a franchise agreement. The Franchisees buy the cocoa on behalf of the company with their own money but are often paid within two (2) weeks after they supply the cocoa to Cocobod on behalf of the Company. This is projected to decline from GHS49.6 million at Sep 2024 to GHS 16.8 million by end of Sep 2025 as the company secures more credit facility to pay creditors on time. Thereafter, trade and other payables are expected to grow to GHS 17.6 million by Sep 2026 and further up to GHS 30.6 million by end of Sep 2029 largely driven by a projected increase in purchases over the period.

**Federated Commodities PLC***Reporting Accountants' Report**On the financial projections for the five years ended 30 September 2029***General assumptions**

- i. There will be no material changes in the accounting policies currently adopted by FEDCO PLC.
- ii. There will be no significant changes in the Bank of Ghana's monetary and fiscal policies that will adversely affect the operations of the Company.
- iii. There will be no drastic changes in the political and economic environment that will adversely affect the operations of the Company despite the 2024 general elections.
- iv. Operating results will not be affected by industrial disputes within the cocoa sector or in the country.
- v. There will be no new legislation materially affecting the agriculture industry.
- vi. There will be no litigation with adverse material consequence to FEDCO PLC.

**Company background information and summary of significant accounting policies**

A summary of the principal accounting policies, which are consistent with the current accounting policies of the Company, and which have been applied in the preparation of the financial projections is set out below. The Company plans to consistently apply the following principal accounting policies throughout the forecast period.

**Significant accounting policies**

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

**Functional and presentation currency**

Items included in the projected financial statements of FEDCO PLC are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Ghana Cedis (GHS) which is the Company's functional currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 the profit or loss under 'general and administrative expenses'.

**Revenue and costs****Revenue recognition**

Revenue is recognised after Cocobod has inspected the cocoa beans and is satisfied with its quality. Cocobod then takes over the cocoa beans and issues Cocoa Taken Over Receipt (CTOR) to the Company at the port of departure. This we noted is in line with IFRS 15 – Revenue.

**Commercial Paper fees**

The Directors have assumed that the Company will incur 1.2% fee on the Commercial Paper.

**Commercial Paper**

Directors did not project for the closing balance of the Commercial Paper since repayment of both the principal and the interest will be made within 5 months after issuance with no outstanding balance at the end of each year, hence no balances in relation to the Commercial Paper have been projected in the balance sheet over the forecast period.

**Short-term debt – from commercial banks**

In addition to the Commercial Paper, the Company has projected to raise GHS 3.6 billion in short-term loans from commercial banks to support its operations by raising GHS 733 million in FY25, GHS 557.5 million in FY26, GHS 778.8 million in FY27, GHS 625 million in FY28, and GHS 865 million in FY29. Similar to the Commercial Paper, these short-term loans are expected to be contracted and fully paid for within the year with no outstanding balance at the end of each year, hence no balances in relation to these have been projected in the balance sheet over the forecast period.

**Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board, the Company Act, 2019, (Act 992), the Foreign Exchange Act, 2006 (Act 723), the Stock Exchange Act, 1971 (Act 384), Securities Industry Act, 2016 (Act 929) and other regulations as may be applicable. These financial statements comprise the projected statement of financial position, projected statement of comprehensive income, statement of cash flows, and notes to the projected financial statements.

## **Federated Commodities PLC**

*Reporting Accountants' Report*

*On the financial projections for the five years ended 30 September 2029*

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Having reviewed the forecast financial statements of the Company, we did not identify anything of material consequences that suggest that the forecast financial statements, in substance, are at variance with the requirements of IFRS and IAS. To this end, we are of the view that the forecast financial statements have been prepared largely in line with the accounting principles and rules of the IFRS and IAS, which have been applied to all periods presented.

### **Basis of preparation**

The projected financial statements have been prepared under the historical cost convention, as modified by financial assets and liabilities at fair value through profit or loss which have been measured at fair value and non-current assets held for sale which are carried at the lower of carrying amount or fair value less costs to sell.

### **Use of estimates and judgements**

The preparation of the projected financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

### **Reporting entity**

FEDCO PLC is a leading indigenous Licensed Cocoa Buying company, established in March 1996, following a decision by Government of Ghana in 1992 to introduce competition in the internal marketing of cocoa, to be regulated by Cocobod. The Company's core function is to purchase high quality, well fermented and dried cocoa beans from farmers in all cocoa growing communities in Ghana, at the correct weight, bulk it properly, evacuate to designated Take Over Centres and hand over the produce to Cocoa Marketing Company (CMC), a subsidiary of Cocobod.

The Company's head office is in Accra, Ghana and have operational offices across the seven regions earmarked by Cocobod. The Company has staff strength of over 350 and engage the services of over 2,200 Purchasing Clerks who source cocoa beans directly from farmers nationwide.



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## 8.0 CREDIT RATING REPORT

### Beacon Ratings

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November 14, 2024

The Managing Director  
 Federated Commodities Plc  
 ANT/AB/88 Park Avenue  
 Achimota, Accra, Ghana

The General Manager  
 First Atlantic Brokers Ltd  
 Accra, Ghana

Dear Sir/Madam,

#### Commercial Paper Credit Rating Report

#### RE: Federated Commodities Plc Credit Rating

We refer to the Credit Rating Service Agreement signed on August 31<sup>st</sup>, 2024 between Beacon Credit Rating Agency (Beacon Ratings) and Federated Commodities Plc herewith. The agreement provides that Beacon Ratings undertakes credit rating of Federated Commodities Plc for the financial year 2023 (Initial Rating), for the purpose of Two Hundred Million Ghana Cedis (GH¢200,000,000) Commercial Paper issuance.

This letter hereby conveys the initial credit rating report covering January 1<sup>st</sup> 2023 to December 31<sup>st</sup> 2023, with outlook covering 2024 financial year, together with rating opinion on the Commercial Paper issuance.

Please find attached the Rating Report with the following rating details:

#### Federated Commodities Plc Credit Rating:

Rating Action:	Initial
Medium-Term Rating:	A
Rating Outlook:	Stable
Financial Year:	2023
Rating Report Date:	November 8 <sup>th</sup> , 2024

#### Short-Term Commercial Paper Credit Rating

Rating Action:	Initial
Short-term Rating:	A1
Rating Outlook:	Stable
Financial Years:	2024-2025
Rating Report Date:	November 8 <sup>th</sup> , 2024

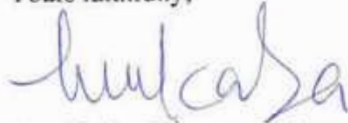
**Federated Commodities Plc Rating Grade: A – Investment Grade**

<b>High credit quality</b>	Low expected credit risk. Capacity for timely payment of financial commitments is considered strong, but capacity may be vulnerable to changes in circumstances or in economic conditions.
<b>Risk is minor</b>	Reasonable and containable risks with mitigating factors already in place.
<b>Stable outlook</b>	Rating grade is not likely to change in the foreseeable future.

**Short-Term Commercial Paper Credit Rating Grade: A1 – Investment Grade**

<b>Interpretation:</b> Strong capacity for timely repayment	<b>Risk Level:</b> Risk is marginal
<b>Stable outlook</b>	Rating grade is not likely to change in the foreseeable future.

Yours faithfully,



Yao Akaba, Director, Ratings

## APPENDIX A: COMPREHENSIVE SCHEDULE OF LITIGATION

No.	Name [Description of the litigation matter]	Nature of Claim [Brief Description of the nature of the litigation matter/Original Claim]	State of Process [Status of proceedings]
1	CM/TAX/0219/2020 <b>1. Kuapa Kooko Co. Ltd, 2.Federated Commodities Co. Ltd &amp; 11Ors</b> vrs. <b>1.Ghana Revenue Authority 2.Ghana Cocoa Board</b> Commercial Court	Thirteen (13) Licensed Buying Companies (LBC) sued the GRA and Cocobod for a declaration that cocoa and its haulage are VAT – exempt. And even if they were held not to be VAT – exempted it is the responsibility of Cocobod to pay VAT on cocoa and or its haulage since the LBCs work as agents of Cocobod.	The case is currently at the pre-trial stage.
2.	BC/273/2014 <b>Fredrick Owusu Boateng</b> vrs. <b>Federated Commodities Co. Ltd</b> General Jurisdiction Court	The Plaintiff sued FedCo for wrongful dismissal among others. The Plaintiff has however, abandoned the case. It has been almost a decade now.	The Plaintiff filed a writ of summons and a statement of claim suing the Defendant for wrongful dismissal among others. The Plaintiff has till date not filed any further processes.
3.	CM/0323/2018 <b>Federated Commodities Co. Ltd</b> vrs. <b>Samuel Crabbe &amp; Omany Online Ltd</b> Commercial Court	FedCo sued the Defendants for a refund of GHS 233,498.25 which was advanced to the Defendants to pilot a payment system. The court gave judgment in favour of FedCo by directing the Defendants to pay back the sum of GHS 233,498.25 to FedCo. However, the court refused for interest to be calculated on the refund amount.	The court delivered its final judgment in favour of the Plaintiff.
4.	CM/BDC/0323/2018 <b>Federated Commodities Co. Ltd</b> vrs. <b>Samuel Crabbe &amp; Omany Online Ltd</b>	The Defendants have appealed against the judgment of the High Court.	The Defendants/ Appellants have commenced appeal against the decision of the High Court.

## APPENDIX B: LICENSING

<b>Internal Marketing of Cocoa Dealer's Licence (Licensed Buying Company)</b>	
<b>Nature of licence</b>	Licence to operate as an internal marketer of cocoa (Licensed Buying Company).
<b>Issued by</b>	Ghana Cocoa Board
<b>Date issued/Entry into force</b>	1st October 2024
<b>Duration</b>	One (1) year
<b>Expiry date</b>	30th September 2025
<b>Renewal provisions</b>	None
<b>Transferability</b>	The licence is not transferable and can only be used by Federated Commodities Limited.
<b>Other material provisions</b>	None
<b>Penalty for breach of conditions of licence to operate as an internal marketer of cocoa</b>	Not provided
<b>Comments:</b>	None

## APPENDIX C: BORROWINGS BY THE COMPANY

<b>Revolving Short Term Loan with Ecobank Ghana PLC</b>	
<b>Nature of agreement</b>	A revolving short term loan by Ecobank Ghana PLC to FEDCO to be used pre-finance the purchase of cocoa beans in the short term.
<b>Parties</b>	Ecobank Ghana Limited – a company incorporated in Ghana Federated Commodities Limited – a company incorporated in Ghana.
<b>Date executed/entry into force</b>	25th July 2024
<b>Duration</b>	120 days
<b>Amount</b>	Ghana Cedi Equivalent of USD 3,000,000
<b>Interest and fees</b>	<p>Ghana Reference Rate (currently 29.35%) as announced from time to time, minus a Risk Premium of 5.66% per annum, payable in bullet within 120 days of each disbursement. Ecobank Ghana PLC reserves the right to review its Risk Premium in line with market conditions with notice to the client.</p> <p>The facility fee is 0.40% flat on the facility amount payable upon acceptance of our offer (To be paid by Guarantor on the day disbursement)</p> <p>The processing fee is 0.35% flat on the facility amount payable upon presentation of our offer (To be paid by Guarantor on the day of disbursement)</p>
<b>Default interest</b>	None
<b>Assignment</b>	No provisions
<b>Events of default</b>	<p>The following shall constitute events of default</p> <ol style="list-style-type: none"> <li>a. Non-payment of principal and interest on due dates.</li> <li>b. Breach of any of the conditions relating to the facility.</li> <li>c. Material adverse change in the management, business or financial position of the borrower.</li> </ol> <p>In the event of default as per sub-clause (a) above, Ecobank Ghana PLC shall forthwith and without notice to the borrower, charge a rate of 10% above the Ghana Reference Rate (as determined and published from time to time), on the sums outstanding from the date of default up to the date of actual payment (as well after as before judgment)</p> <p>Regarding all events of default, if the borrower shall fail or be unable to remedy such default within 30 days of receipt of written notice thereof from Ecobank Ghana PLC. Ecobank Ghana PLC shall reserve the right to call in the facility.</p> <p>In the event of default, the Bank reserves the right to enforce the collateral pledged as security with the Bank as stipulated under the Borrowers and Lenders Act.</p>
<b>Dispute Resolution</b>	No provisions

<b>Security</b>	<ol style="list-style-type: none"> <li>1. Assignment to Ecobank Ghana PLC of USD 3,000,000 out of total USD Investment of USD 5,000,000 belonging to SUCDEN held at Ecobank Ghana PLC. As a continuing security, the investment shall be rolled over upon maturity and Ecobank Ghana PLC shall have a lien over all future rollovers during the tenor of the facility granted to the borrowers.</li> <li>2. Assignment and domiciliation of sale proceeds from Cocoa Marketing Company commensurate with level of financing to the bank</li> </ol>
<b>Other material provisions</b>	N/A
<b>Comments</b>	None

<b>Transactional Guarantee Line of Credit and a Revolving Short Term Loan with Ecobank Ghana PLC</b>	
<b>Nature of agreement</b>	<p>a. A transactional guarantee line of credit by Ecobank Ghana PLC to FEDCO to be used to back the issuance of a bank guarantee to enable borrower to obtain seed funds Ghana Cocoa Board (COCOBOD) for the purchase of cocoa beans during the 2023/2024 crop season.</p> <p>b. A revolving short term loan by Ecobank Ghana Plc to FEDCO to to enable it prefinance the purchase of cocoa during the 2023/2024 crop season.</p>
<b>Parties</b>	<p>Ecobank Ghana Limited – a company incorporated in Ghana</p> <p>Federated Commodities Limited – a company incorporated in Ghana.</p>
<b>Date executed/entry into force</b>	22nd November 2023
<b>Duration</b>	480 days
<b>Amounts</b>	<p>a. Transactional guarantee line of credit of GHS 50,000,000.</p> <p>b. Revolving short term loan of GHS 20,000,000.</p>
<b>Interest and fees</b>	<p><b>Transactional guarantee line of credit</b></p> <p>a. Ghana Reference Rate (currently 32% per annum) as announced from time to time, plus a Risk Premium of 2.5% per annum, payable in arrears. Ecobank Ghana PLC reserves the right to review its interest rate in line with market conditions with notice to the client.</p> <p>The processing fee is 0.5% flat on the facility amount payable upon presentation of our offer. The guarantee issuance fee is 0.25% flat on facility amount payable upfront upon the issuance of the guarantee. The funding fee is 0.5% of the funded portion.</p> <p><b>Revolving short term loan</b></p> <p>b. Ghana Reference Rate (currently 32% per annum) as announced from time to time, plus a risk premium of 2.5% per annum, payable in arrears. Ecobank Ghana PLC reserves the right to review its interest rate in line with market conditions with notice to the client.</p> <p>The processing fee is 0.25% flat on the facility amount payable upon presentation of our offer. The facility fee is 0.25% flat on facility amount payable upfront upon the acceptance of our offer.</p>



<b>Default interest</b>	None
<b>Assignment</b>	No provisions
<b>Events of default</b>	<p>The following shall constitute events of default</p> <ul style="list-style-type: none"> <li>a. Non-payment of principal and interest on due dates.</li> <li>b. Breach of any of the conditions relating to the facility.</li> <li>c. Material adverse change in the management, business or financial position of the borrower.</li> </ul> <p>In the event of default as per sub-clause (a) above, Ecobank Ghana PLC shall forthwith and without notice to the borrower, charge a rate of 10% above the Ghana Reference Rate (as determined and published from time to time), on the sums outstanding from the date of default up to the date of actual payment (as well as before judgment)</p> <p>Regarding all events of default, if the borrower shall fail or be unable to remedy such default within 30 days of receipt of written notice thereof from Ecobank Ghana PLC. Ecobank Ghana PLC shall reserve the right to call in the facility.</p> <p>In the event of default, the Bank reserves the right to enforce the collateral pledged as security with the Bank as stipulated under the Borrowers and Lenders Act.</p>
<b>Dispute Resolution</b>	No provisions

<p><b>Security</b></p>	<ul style="list-style-type: none"> <li>a. A charge over borrower’s cash collateral account to be credited with the Seed Fund amount of GHS 50,000,000.</li> <li>b. A legal mortgage over commercial property situate on part of Plot No. 11 Axim Road Light Industrial Area, Takoradi (Digital Address WS – 294- 4926) with open market value of GHS 45,480,000 and forced market value of GHS 33,200,000.</li> <li>c. Assignment and domiciliation of sales proceeds from COCOBOD commensurate with level of financing to the Bank.</li> <li>d. Undertaking by borrower to pay COCOBOD receivables commensurate with level of financing through the Bank.</li> <li>e. Fiduciary insurance (covering purchasing clerks at various depots) as well as goods-in-transit insurance with EGH listed as loss payee.</li> <li>f. Floating debenture over stocks.</li> <li>g. Joint and several guarantee of directors of the company supported by their personal networth statements and an undertaking not to dispose of any of their personal assets without the consent of the bank.</li> <li>h. Insurance from a reputable company acceptable to EGH covering all assets (i.e., properties mortgaged and stocks) pledged to EGH as security (and commencement with EGH’s level of exposure) with EGH listed as loss payee.</li> </ul>
<p><b>Other material provisions</b></p>	<p>N/A</p>
<p><b>Comments</b></p>	<p>None</p>

<b>Overdraft Facility, Seed Fund Guarantee and a Revolving Short Term Loan with GCB Bank PLC</b>	
<b>Nature of agreement</b>	<ul style="list-style-type: none"> <li>a. An overdraft by GCB Bank PLC to FEDCO to support cocoa purchases for 2023/24 crop season.</li> <li>b. A seed fund guarantee by GCB Bank Plc to FEDCO to support cocoa purchases and access seed fund from COCOBOD.</li> <li>c. A revolving short term loan to support cocoa purchases for the 2023/24 crop season.</li> </ul>
<b>Parties</b>	GCB Bank PLC – a company incorporated in Ghana Federated Commodities Limited – a company incorporated in Ghana.
<b>Date executed/entry into force</b>	2nd November 2023
<b>Duration</b>	<ul style="list-style-type: none"> <li>a. Overdraft - 12 months from date of set up</li> <li>b. Revolving short term loan – 12 months from date of set up</li> <li>c. Seed fund guarantee – 30th September 2024</li> </ul>
<b>Amounts</b>	<ul style="list-style-type: none"> <li>a. Overdraft of GHC 20,000,000.</li> <li>b. Seed fund guarantee of GHC 30,000,000.</li> <li>c. Revolving short term loan of GHC 20,000,000</li> </ul>
<b>Interest and fees</b>	<p>Ghana Reference Rate (currently 32% per annum) plus 3% per annum for overdraft and revolving short term loan or any other rate to be determined by the Bank from time to time.</p> <p>The processing fee is 0.20% of amount approved.</p> <p>The facility fee is 0.20% of amount approved.</p>
<b>Default interest</b>	None
<b>Assignment</b>	No provisions

<p><b>Events of default</b></p>	<p>The occurrence of any or all of the following events shall constitute a default. If any of the following events shall occur and be continuing the Bank may call in the Facilities, demand repayment of the Facilities and realize the security herein:</p> <ul style="list-style-type: none"> <li>a. If the customer does not operate its account to the satisfaction of the Bank, (i.e. lack of satisfactory swings on the overdraft account, excesses on sactioned overdraft limit, evidence of hardcore on overdraft).</li> <li>b. Failure to inform the Bank of any event likely to have a substantial effect on the customer’s ability to repay the facilities or continued financial viability of the customer’s business.</li> <li>c. Where the Bank has reason to believe that the customer may not be able to repay the Facilities and/or abide by the terms and conditions of the facilities.</li> <li>d. Where the Bank is not informed of any change in ownership structure of the customer’s business before execution and/ or change in directorship and manangement of the business.</li> <li>e. If the customer shall fail to repay the Facilities or any instalment thereof on their due date.</li> <li>f. If any representation or warranty made by the customer under or in connection with this agreement shall prove to be incorrect in any material respect when made.</li> <li>g. If the customer shall fail to perform or observe any of its covenants above described.</li> <li>h. If any extraordinary situation shall occur or change adversely affecting the functions, business and financial position of the customer which situation or change gives reasonable grounds to conclude in the judgment of the Bank that the customer may not or may be unable in the normal course of business to perform its obligations under this agreement.</li> <li>i. If an order of the court is made or an effective resolution is passed for the winding up of the customer’s business.</li> <li>j. If the customer shall fails to provide information required by the Bank.</li> <li>k. If the customer diverts the Facilities or any part thereof to finance projects other than those stated in the purpose clause herein before mentioned.</li> <li>l. If any distress, execution, sequestration or other process is levied against any of the properties of the customer and is not discharged within seven (7) days.</li> <li>m. If in the opinion of the Bank the customer ceases or threatens to cease to carry on its business or carry on any substantial part thereof.</li> <li>n. If the customer’s inflows cease to materialize.</li> </ul>
<p><b>Dispute Resolution</b></p>	<p>No provisions</p>

<b>Security</b>	<ul style="list-style-type: none"> <li>a. A proposed legal mortgage to be taken over warehouse property on plot number IND/A/ 29/2C &amp; 2D situated at Tema Industrial Area valued at GHC 106,498,000 (fsv as at September 2022).</li> <li>b. Letter from COCOBOD assigning receivables to the tune of the GCB exposure for the 2023/2024 season.</li> <li>c. An all risk (fire, burglary, stock and fidelity) insurance policy with GCB named loss payee</li> </ul>
<b>Other material provisions</b>	N/A
<b>Comments</b>	None

**Bank Guarantee (Renewal), Bank Overdraft, Bank Guarantee (On-Lending) and an Invoice Discounting (Sub-Limit) with Access Bank (Ghana) PLC**

<b>Nature of agreement</b>	<ul style="list-style-type: none"> <li>a. A bank guarantee (renewal) by Access Bank (Ghana) PLC to FEDCO to enable FEDCO access seed funds from COCOBOD for the purchase of cocoa beans on behalf of COCOBOD during the 2023/2024 crop season.</li> <li>b. A bank overdraft sub-limit (OD) by Access Bank (Ghana) PLC to FEDCO for cocoa purchases and cocoa related expenses such as purchase of cocoa sacks and fueling of haulage vehicles for cocoa evaluation to Cocoa Marketing takeover point.</li> <li>c. A bank guarantee – on-lending by Access Bank (Ghana) PLC to FEDCO for on-lending to Kadco Agro Ltd (a related cocoa buying company) to enable them access seed funds from COCOBOD for the purchase of cocoa beans during the 2023/2024 crop season.</li> <li>d. An invoice discounting (sub-limit) by Access Bank (Ghana) PLC to FEDCO for FEDCO/ Kadco to discount 70% of confirmed CTORs purchases during the 2023/2024 crop season while awaiting payment from COCOBOD.</li> </ul>
<b>Parties</b>	Access Bank (Ghana) PLC – a company incorporated in Ghana Federated Commodities Limited – a company incorporated in Ghana.
<b>Date executed/entry into force</b>	26th October 2023
<b>Duration</b>	<ul style="list-style-type: none"> <li>a. Bank guarantee - 12 months</li> <li>b. Bank overdraft sub-limit – The overdraft will continue with the remaining tenor of the bank guarantee facility after the required portion of the Bank Guarantee has been retired.</li> <li>c. Bank guarantee – on- lending – 12 months (in tandem with FEDCO's bank guarantee tenor)</li> <li>d. Invoice discounting (sub-limit) – The invoice discounting will run with the remaining tenor after the required portion of the bank guarantee has been retired.</li> </ul>

<b>Amounts</b>	<ul style="list-style-type: none"> <li>a. Bank guarantee of GHC 80,000,000.</li> <li>b. Bank overdraft of GHC 40,000,000.</li> <li>c. Bank guarantee of GHC 10,000,000</li> <li>d. Invoice discounting of GHC 24,000,000</li> </ul>
<b>Interest and fees</b>	<ul style="list-style-type: none"> <li>a. Bank Guarantee (Renewal) The guarantee commission is 0.25% payable every quarter on the seed fund. The facility fee is 0.35% flat payable upfront on facility amount.</li> <li>b. Bank Overdraft (sub-limit) The facility fee is 0.35% flat payable upfront on facility amount. The processing fee is 0.35% flat payable upfront on facility amount. Interest is 33.09% per annum. Annual Percentage Rate is 33.79%.</li> <li>c. Bank Guarantee – on – lending The guarantee commission is 0.35% per quarter payable on the outstanding seed fund amount from COCOBOD.  The facility fee is 0.50% flat payable upfront on facility amount.</li> <li>d. Invoice Discounting (Sub-limit) The facility fee is 0.35% flat payable upfront on facility amount.  The processing fee is 0.35% flat payable upfront on facility amount.  Interest is 33.09% per annum. Annual Percentage Rate is 33.79%.</li> </ul>
<b>Default interest</b>	None
<b>Assignment</b>	No provisions
<b>Events of default</b>	None
<b>Dispute Resolution</b>	No provisions

<p><b>Security</b></p>	<p>a. A tripartite legal mortgage to be provided by the Company to cover 50% for the bank guarantee and 120% of direct sub-limits including invoice discounting facilities. The Bank has the properties pledged with details as follow:</p> <ul style="list-style-type: none"> <li>• Tripartite legal mortgage over commercial property being all piece and parcel of land in extent 0.356 hectare (0.880 of an acre) more or less situate at Community 25 (GN – 0544-5024) in the Greater Accra Region of Ghana belonging to Alhaji Abdul Aziz Adamu (Director, Federated Commodities Limited) with OMV of GHC 43,500,000 and FSV of GHC 34,800,000 (as valued by Home Select &amp; Appraisers in May 2022) Perfected.</li> <li>• Tripartite legal mortgage over two (2) residential properties being piece or parcel of land in extent 0.699 hectare (1.727 acres) more or less being GLPIN GA616123-017-8185) in the Greater Accra Region of Ghana belonging to Alhaji Abdul Aziz Adamu (Director, Federated Commodities Limited): The two properties have been valued separately by Home Select &amp; Appraisers in June 2022 with the following values: <ul style="list-style-type: none"> <li>• GA-017-7285: OMV of GHC 29,432,000 and FSV of GHC 25,016,000</li> <li>• GA-017-8185 OMV of GHC 31,680,000 and FSV of GHC 26,928,000</li> </ul> </li> </ul> <p>b. Execution of assignment of receivables supported with a letter from COCOBOD to make payments in respect of CTORs of GHC 90,000,000 in the joint names of Federated Commodities Limited/ Access Bank (Ghana) PLC.</p> <p>c. Assignment of Certified Cocoa Taken Over Receipts (CTORs) of GHC 45,000,000 issued by COCOBOD to be duly assigned to Access Bank and payable within 182 days supported by:</p> <p>Execution of Letter of Undertaking by Federated Commodities to directly assign Certified CTOR's to Access Bank to be paid within 182 days of issuance of BGs.</p> <p>Execution of Letter of Undertaking from Federated Commodities to discharge the portion of BG's to be issued under Certified CTORs from COCOBOD upon 182 days after the commencement of the crop season ending March 2024.</p>
<p><b>Other material provisions</b></p>	<p>N/A</p>
<p><b>Comments</b></p>	<p>None</p>


<b>Overdraft Facility with Access Bank (Ghana) PLC</b>	
<b>Nature of agreement</b>	A bank overdraft (reallocated from bank guarantee line) by Access Bank (Ghana) PLC to FEDCO to enable FEDCO continue cocoa purchases during the 2023/2024.
<b>Parties</b>	Access Bank (Ghana) PLC – a company incorporated in Ghana Federated Commodities Limited – a company incorporated in Ghana.
<b>Date executed/entry into force</b>	5th February 2024
<b>Duration</b>	8 months (within the approved tenor of the existing bank guarantee)
<b>Amount</b>	GHC 55,000,000 (initially GHC 40,000,000 to be disbursed to FEDCO as a Bank Overdraft reallocated from the Bank Guarantee upon discharge of the Bank Guarantees)
<b>Interest and fees</b>	The facility fee is 0.35% flat payable upfront on the enhanced facility amount of GHC 15,000,000. Interest is 34.17% per annum.
<b>Default interest</b>	None
<b>Assignment</b>	No provisions
<b>Events of default</b>	None
<b>Dispute Resolution</b>	No provisions
<b>Security</b>	N/A
<b>Other material provisions</b>	N/A
<b>Comments</b>	None

<b>Multi Option Facility with Absa Bank (Ghana) LTD</b>	
<b>Nature of agreement</b>	<ul style="list-style-type: none"> <li>a. A BGI facility by Absa Bank (Ghana) LTD to FEDCO to support allocation of Seed Funds by Cocobod for 2023/2024 cocoa season.</li> <li>b. An overdraft facility by Absa Bank (Ghana) LTD to FEDCO to support FEDCO's operational expenses and the purchase of cocoa beans for the 2023/2024 cocoa season.</li> </ul>
<b>Parties</b>	Absa Bank (Ghana) LTD – a company incorporated in Ghana Federated Commodities Limited – a company incorporated in Ghana.
<b>Date executed/entry into force</b>	1st November 2023
<b>Duration</b>	BGI facility – 12 months
<b>Amount</b>	<ul style="list-style-type: none"> <li>a. BGI facility – GHC 70,000,000</li> <li>b. Overdraft facility – GHC 30,000,000</li> </ul>



<b>Interest and fees</b>	<ul style="list-style-type: none"> <li>a. BGI facility – BGI fees – 0.30 per cent of the amount of the obligation issued, payable quarterly in advance, commencing on the date on which the obligation to be issued.</li> <li>b. Overdraft facility – Interest is 3.39 per cent per annum above the Ghana Reference Rate</li> <li>c. Arrangement fees of GHC 500,000 which is payable upon acceptance of the commercial terms.</li> </ul>
<b>Default interest</b>	10% per annum above the Ghana Reference Rate
<b>Assignment</b>	No provisions
<b>Events of default</b>	None
<b>Dispute Resolution</b>	No provisions
<b>Security</b>	<ul style="list-style-type: none"> <li>a. Existing security – security listed in Part A of schedule 1 to the commercial terms.</li> <li>b. New security – security listed in Part B of schedule 1 to the commercial terms.</li> </ul>
<b>Other material provisions</b>	N/A
<b>Comments</b>	None

## APPENDIX D: ASSIGNMENT OF RECEIVABLES LETTER FROM COCOBOD

 **GHANA COCOA BOARD**

COCOA HOUSE  
P. O. BOX 933  
ACCRA  
GHANA

TEL: 233-302-661752/661872/  
661757/678916/678972  
FAX: 233-302-667104/669808  
E-mail: cocobod@cocobod.gh  
WEBSITE: www.cocobod.gh  
CABLE: COCOBOD, ACCRA.

IN YOUR REPLY

PLEASE QUOTE: Reply: 1/121 DATE: 03-01-2025

THE MANAGER  
FIRST ATLANTIC BANK  
ACCRA

**RE: ASSIGNMENT OF RECEIVABLE – GHS200,000,000.00 FOR 2024/2025 CROP YEAR.**

We are in receipt of a letter from **FEDERATED COMMODITIES LTD.** dated 20<sup>th</sup> December, 2024 requesting Ghana Cocoa Board to assign receivables in respect of cocoa purchases due the company for the 2024/2025 cocoa purchases, up to Two Hundred Million Ghana Cedis (GH¢200,000,000.00), in the joint names of **FEDERATED COMMODITIES LTD. / FIRST ATLANTIC BANK.**

We write to confirm that cheques due **FEDERATED COMMODITIES LTD.** in respect of the above purchases, up to Two Hundred Million Ghana Cedis (GH¢200,000,000.00), when due, and as directed, will be issued in the joint names of **FEDERATED COMMODITIES LTD. / FIRST ATLANTIC BANK.**

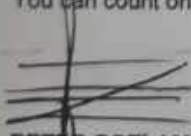
We wish to state that, where **FEDERATED COMMODITIES LTD.** submits a guarantee for seed fund which requires that payment be made in joint names of **FEDERATED COMMODITIES LTD.** and the Bank/Financial Institution that provided the Guarantee, the commitment to make the payment in joint names of **FEDERATED COMMODITIES LTD.** and the Bank/Financial Institution that provided the Guarantee shall supersede the assurance provided herein.

We further state that, where **FEDERATED COMMODITIES LTD.** has already submitted an Assignment of Receivable request of which **COCOBOD** has duly given a written assurance to honour the request but yet to execute the said assurance, it is of essence to note that, the earlier assurance will be duly honoured before the assurance provided herein.

By copy of this undertaking, **FEDERATED COMMODITIES LTD.** is being reminded to indicate the joint payment institution on each of the CTORs/invoices presented to **COCOBOD** for payment.

Please take note that this undertaking does not impose any legal obligation on **COCOBOD** and does not create a contractual relationship between **COCOBOD** and your Bank/Company.

You can count on our co-operation.

  
**PETER OSEI-AMOAKO**  
DIRECTOR OF FINANCE

cc: Deputy Chief Executive (F&A)  
Director, Legal Services  
Deputy Director of Finance (PF)  
Deputy Director of Finance, CMC  
Deputy Accounts Manager (Cash Office)  
Managing Director. **FEDERATED COMMODITIES LTD.**

**APPENDIX E: FULL YEAR UNAUDITED  
FINANCIAL STATEMENT (FY 2024)**

**FEDERATED COMMODITIES LIMITED**

**FINANCIAL REPORT (UNAUDITED)**

**FOR THE FOURTH QUARTER ENDING**

**ENDING 30TH SEPTEMBER, 2024**

**FEDERATED COMMODITIES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH SEPTEMBER, 2024**

	NOTES	2024 GHS	2023 GHS
TURNOVER	3	1,232,258,282	882,596,250
COST OF SALES	4	<u>1,147,189,435</u>	<u>828,381,154</u>
<b>GROSS PROFIT</b>		85,068,848	58,215,096
OTHER INCOME	5	43,900,794	27,718,352
		128,735,440	83,633,418
ADMINISTRATION & GENERAL EXPENSES	6	<u>47,548,250</u>	<u>44,111,807</u>
<b>PROFIT BEFORE FINANCE CHARGES</b>		81,187,381	39,821,611
FINANCE CHARGES	7	<u>69,341,027</u>	<u>33,126,512</u>
<b>PROFIT (LOSS) BEFORE TAX</b>		11,546,354	6,695,099
TAXATION		1,141,227	2,002,366
<b>PROFIT (LOSS) AFTER TAX</b>		<u>10,705,127</u>	<u>4,692,734</u>

**INCOME SURPLUS ACCOUNT  
FOR THE YEAR ENDED 30TH SEPTEMBER, 2024**

	NOTES	2024 GHS	2023 GHS
BALANCE AS AT 01/10/2023		4,901,608	300,875
PROFIT (LOSS) FOR THE PERIOD		10,705,127	4,692,734
<b>BALANCE AS AT 31/3/2024</b>		<u>15,606,735</u>	<u>4,993,609</u>

  
 MARIA ADAMU-ZIBO

  
 MORIKPOROKPOR DZIGBORIDI

The notes form an integral part of these accounts

**FEDERATED COMMODITIES LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER, 2024**

	NOTES	2024 GHS	2023 GHS
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	8	200,562,097	197,547,875
<b>CURRENT ASSETS:</b>			
STOCKS	9	352,790,192	111,819,488
ACCOUNTS RECEIVABLE & PREPAYMENTS	10	322,013,763	80,784,705
TAXATION		1,428,089	2,207,425
CASH AT BANK & IN HAND		34,601,838	14,754,473
		<u>780,804,702</u>	<u>209,546,091</u>
		<b>981,366,799</b>	<b>408,803,966</b>
<b>CURRENT LIABILITIES:</b>			
ACCOUNTS PAYABLE	11	49,568,075	19,615,569
OVERDRAFTS	13	301,714,380	81,930,879
SHORT-TERM LOAN	12	359,068,170	100,000,000
TAXATION PAYABLE			111,779
		<u>710,340,625</u>	<u>201,658,227</u>
<b>NON-CURRENT LIABILITIES</b>			
MEDIUM TERM LOAN	12	12,849,579	17,574,469
DEFERRED TAX		4,200,646	4,190,434
		<u>17,050,225</u>	<u>21,764,903</u>
<b>FINANCED BY:</b>			
STATED CAPITAL	14	88,785,004	88,785,004
SHAREHOLDERS EQUITY		88,573,598	-
INCOME SURPLUS		15,808,736	4,901,009
CAPITAL SURPLUS	15	-	88,573,598
		<u>193,973,939</u>	<u>183,270,611</u>
<b>Total Liabilities and Equity</b>		<b>981,366,799</b>	<b>408,803,971</b>



MARIA ADAMU-ZIBO



MORKORKPOR DZIGBORDI

The notes form an integral part of these accounts

**FEDERATED COMMODITIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY AS AT 30TH SEPTEMBER, 2024**

2024	Stated	Capital	Retained	Total
	Capital	Surplus	Earnings	
	GHS	GHS	GHS	
Balance as at 1/10/23	89,795,604	88,573,598	4,901,609	183,270,811
Additions for the year	-	-	-	-
Total Comprehensive Income	-	-	10,705,127	10,705,127
Balance as at 30/09/24	<b>89,795,604</b>	<b>88,573,598</b>	<b>15,606,736</b>	<b>193,975,938</b>

2023	Stated	Capital	Retained	Total
	Capital	Surplus	Earnings	
	GHS	GHS	GHS	
Balance as at 1/10/22	89,795,604	88,573,598	300,875	178,670,077
Additions for the year	-	-	-	-
Total Comprehensive Income	-	-	5,409,835	5,409,835
Balance as at 30/9/23	<b>89,795,604</b>	<b>88,573,598</b>	<b>5,710,710</b>	<b>184,079,912</b>

**FEDERATED COMMODITIES LTD**  
**STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH SEPTEMBER 2024**

	2024	2023
	GHS	GHS
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) for the year</b>	11,846,354	5,848,802
DEPRECIATION of Property, Plant and Equipment	6,537,652	4,876,761
PROFIT FROM DISPOSAL	-	-
DECREASE/(INCREASE) IN Trade and Other Receivables	(241,249,078)	91,765,212
DECREASE/(INCREASE) IN Inventory	(241,118,277)	(79,240,878)
DECREASE/(INCREASE) IN Trade Payables	29,742,479	2,300,243
TAX PAID	(375,000)	(1,019,919)
<b>NET CASHFLOW FROM OPERATING ACTIVITY</b>	<b><u>(434,615,871)</u></b>	<b><u>24,530,221</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
PROCEEDS FROM SALE OF FIXED ASSETS	-	-
ACQUISITION OF FIXED ASSETS	(9,551,871)	(5,419,761)
<b>NET CASHFLOW FROM INVESTING ACTIVITY</b>	<b><u>(9,551,871)</u></b>	<b><u>(5,419,761)</u></b>
<b>CASHFLOW FROM FINANCING ACTIVITY</b>		
INCREASE / DECREASE IN EQUITY FUND	-	-
SHORT TERM LOANS	514,015,012	(9,390,015)
<b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>	<b><u>514,015,012</u></b>	<b><u>(9,390,015)</u></b>
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	69,847,270	9,720,445
CASH AND CASH EQUIVALENT AT 1/10/23	14,754,473	5,034,028
<b>BALANCE AT 30th June</b>	<b><u>84,601,743</u></b>	<b><u>14,754,473</u></b>

**FEDERATED COMMODITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. BASIS OF ACCOUNTING**

These accounts have been prepared on historical cost basis and incorporate the following accounting policies which have been used consistently in dealing with items that we considered material in relation to the company's financial statements.

**2. ACCOUNTING POLICIES**

**[a] DEPRECIATION**

Depreciation is provided on a straight line basis at rates calculated to write off the cost of each asset over its estimated useful life. The annual rates in use are as follows:

**FIELD EQUIPMENT**

Gratings	25%	Per annum
Scales	25%	"
Tarpaulins	50%	"

**OTHER ASSETS**

Depot Buildings	1%	"
Motor Vehicles	20%	"
Office Furniture & Eq	25%	"

**[b] DEBTORS**

Debtors are stated after providing for specific bad and doubtful debts.

**[c] FOREIGN CURRENCIES**

Transactions denominated in foreign currencies are translated into Cedis and recorded at the rate of exchange ruling at the date of the transaction.

Balances denominated in foreign currencies are translated into Cedis at the rate of exchange ruling at the balance sheet date.

**3. TURNOVER**

This represents the value of Cocoa Producer Price and Buyers' Margin invoiced to Cocoa Marketing Company:

GHC	GHC
-	-
-	-
-	-



**FEDERATED COMMODITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 COST OF SALES**

	<b>2024</b>	<b>2023</b>
	<b>GHS</b>	<b>GHS</b>
Stock as at 1/10/2023	111,619,488	32,457,761
Purchases	1,357,939,218	879,582,400
Logistics	583,603	492,737
Handling Charges	15,340,617	16,515,374
Primary Evacuation	11,519,584	5,727,481
Purchasers' Commission	2,957,117	3,224,919
	<b><u>1,499,939,627</u></b>	<b><u>938,000,672</u></b>
Closing Stock as at 30/9/2024	352,750,192	111,819,488
<b>Cost Of Sales</b>	<b><u>1,147,189,436</u></b>	<b><u>826,381,184</u></b>

**5. OTHER INCOME**

	<b>2024</b>	<b>2023</b>
	<b>GHS</b>	<b>GHS</b>
Interest Income	931,464	0
Other	1,152,832	25,000
Cashew	(664,892)	1,261,963
Haulage	4,856,625	15,717,152
Certification	37,390,765	10,714,237
	<b><u>43,666,794</u></b>	<b><u>27,718,352.15</u></b>

**FEDERATED COMMODITIES LIMITED**

**6. ADMINISTRATIVE AND GENERAL EXPENSES**

STAFF COST:	2024	2023
	GHS	GHS
Salaries & Wages	8,780,865	8,519,800
Watchmen Wages	495,750	602,250
Out-of-station Allowance	67,740	46,950
SSF Expenses	1,050,544	914,420
Provident Fund Expenses	224,112	213,620
Staff Training	158,935	
Commuted Allowance	8,310	12,038
Staff Allowances	980,953	390,460
Staff Bonus	5,000,000	0
Medical Expenses	671,882	332,910
Transfer Grant	37,809	
Gratuity	39,971.00	8,855.00
	<b>17,696,670</b>	<b>9,041,304</b>
<b>GENERAL EXPENSES</b>		
Advert & Publicity	20,130	41,860
Farmer Capacity Dev't	1,501,172	1,342,130
Audit & Internal Inspection	3,893,624	2,122,933
Funeral Expenses/Grants	201,094	71,370
Auditors Remuneration	90,000	103,615
Awards & Business Promobon	713,198	1,415,526
Bank Charges & Commissions	910,877	420,032
Cleaning & Sanitation	53,381	54,084
Directors Fees	773,188	588,850
Electricity & water	876,176	517,703
CSR	1,262,700	905,740
Estate & Property Cost	664,236	877,269
Fuel & Lubricants	1,925,709	11,318,777
Hotel Expenses	432,722	288,985
Insurance	1,173,948	1,284,355
Legal & Other Professional Charges	485,074	333,936
Licensing & Registration	644,935	875,818
Port & Harbour Expenses	841,934	797,976
Printing & Stationery	750,795	442,570
Rent & Rates	992,779	560,527
Repairs & maintenance - M/Vehicles	1,357,548	3,336,266
Subscription & Donation	1,292,104	508,848
Seminar and Conferences	262,323	58,735
Telecommunication	252,365	213,781
Toll & Sundry Expenses	52,944	438,114
Travelling & Transport	1,668,979	1,293,941
Depreciation Charge	6,537,852	4,876,761
	<b>29,851,588</b>	<b>35,070,503</b>
<b>TOTAL</b>	<b>47,548,259</b>	<b>44,111,807</b>
<b>7. DIRECT FINANCE COST</b>		
Seed Fund Interest	4,473,955	10,035,368
Processing & Guarantee Fees	11,488,826	7,419,032
Commission on Akuafo Cheque	2,500,700	819,527
Interest On Loans & Overdrafts	50,877,746	14,853,685
	<b>69,341,027</b>	<b>33,128,512</b>

**FEDERATED COMMODITIES LIMITED**

**8. FIXED ASSETS AS AT 30/09/24**

	<b>CAPITAL WIP</b>	<b>MOTOR VEHICLE</b>	<b>FIELD EQUIPMENT</b>	<b>FURNITURE, FITTINGS &amp; EQUIPMENT</b>	<b>LAND AND DEPOT BUILDINGS</b>	<b>TOTAL</b>
<b>COST:</b>						
AS AT 01/10/23	-	33,888,261	9,519,728	1,465,894	192,386,508	237,260,191
ADDITIONS	-	6,483,586	1,269,100	636,272	1,162,914	9,551,871
DISPOSAL	-	-	-	-	-	-
<b>NBV AT FAIR VALUE</b>	<b>-</b>	<b>40,371,847</b>	<b>10,788,828</b>	<b>2,101,966</b>	<b>193,549,422</b>	<b>246,812,062</b>
<b>DEPRECIATION:</b>						
AS AT 01/10/23	-	25,809,371	6,591,413	1,194,805	6,310,924	39,712,313
CHARGE FOR THE PERIOD	-	3,818,220	1,540,615	233,232	945,585	6,537,652
DISPOSAL	-	-	-	-	-	-
<b>ACC. DEPRECIATION</b>	<b>-</b>	<b>29,427,592</b>	<b>8,132,028</b>	<b>1,427,837</b>	<b>7,262,509</b>	<b>46,249,965</b>
<b>NET BOOK VALUE</b>						
AS AT 30/09/2024	-	10,944,255	2,656,801	674,129	186,286,912	200,562,097
AS AT 1/10/23	-	8,278,890	2,928,316	271,089	186,069,584	197,547,878

**FEDERATED COMMODITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024	2023
	GHS	GHS
<b>9. STOCKS</b>		
Cocoa	352,750,192	111,619,383
Jute Sacks/Twine	-	287,852
	<u>352,750,192</u>	<u>111,907,235</u>
<b>10. ACCOUNTS RECEIVABLE &amp; PREPAYMENTS</b>		
Trade Debtor	286,952,791	68,340,304
Staff Debtors	1,878,894	235,907
Deferred Expenses	3,316,739	4,452,395
Prepayment	2,247,753	2,803,633
Sundry Debtors	27,617,606	4,932,466
	<u>322,013,783</u>	<u>80,764,705</u>
<b>11. ACCOUNTS PAYABLE</b>		
Accrued Expenses	24,316,153	5,412,989
Sundry Creditors	25,241,924	14,402,610
	<u>49,558,078</u>	<u>19,815,599</u>
<b>12. MEDIUM &amp; SHORT-TERM LOANS</b>		
Seed Fund	2,733,800	-
Short term Loans	396,334,370	100,000,000
Medium Term loan	12,849,579	17,574,469
	<u>411,917,749</u>	<u>117,574,469</u>
<b>13. PROFIT BEFORE TAXATION</b>		
<b>Is stated after charging:</b>		
Director's remuneration	773,188	568,850
Auditors' remuneration	90,000	103,615
Depreciation	6,537,652	4,876,761

**FEDERATED COMMODITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**14. STATED CAPITAL**

(a) The authorised capital is 500,000,000 shares of no par value.

(b) The stated capital is represented by:

	No. Of Shares	Value
	GHS	GHS
issued for cash & fully paid	820,988	820,988
Other than cash consideration	88,974,616	88,974,616
	<b>89,795,604</b>	<b>89,795,604</b>

(c) There are no shares in treasury and no calls or instalments unpaid on any share.

**15. CAPITAL SURPLUS**

This represents the surplus on revaluation of imovable assets of the Company by Assenta Property Consulting, a firm of valuers and international property and development consultants.

**16. CAPITAL COMMITMENTS**

There is no capital commitment at the balance sheet date.

**17. CONTINGENT LIABILITIES**

There is no Pending Liability at the balance sheet date.

**18. EXCHANGE CONTROL**

All remittances from Ghana are subject to the approval of the exchange control authorities.

## APPENDIX F: LEGAL ADVISOR'S OPINION



10<sup>th</sup> December, 2024

The Director-General  
Securities and Exchange Commission  
30, Third Circular Road Cantonments,  
Accra Ghana

The Managing Director  
Ghana Stock Exchange  
5th Floor, Cedi House  
Liberia Road,  
Accra Ghana

Dear Sirs,

**FEDERATED COMMODITIES PLC  
ESTABLISHMENT OF A SHORT-TERM COMMERCIAL PAPER ISSUANCE OF GHS 200 MILLION  
ON THE GHANA FIXED INCOME MARKET**

**1. INTRODUCTION**

We have acted as legal counsel to Federated Commodities PLC ("**FEDCO**"), a public limited liability company incorporated under the laws of Ghana in connection with a standalone issuance of a short term commercial paper to the tune of GHS 200,000,000 on the Ghana Fixed Income Market (GFIM).

**2. DOCUMENTS EXAMINED**

- 2.1 For the purpose of giving this opinion, we have examined draft copies of the following documents (the "**Commercial Paper Documents**");
- 2.1.1 the Information Memorandum (the "**Prospectus**");
  - 2.1.2 the escrow agreement to be entered into between FEDCO, the Lead Managers and Escrow Agents (the "**Escrow Agreement**");
  - 2.1.3 the agency agreement to be entered into between FEDCO, the Paying Bank and Central Securities Depositories Limited (the "**Agency Agreement**");
  - 2.1.3 the credit guarantee to be given on behalf of FEDCO by GLICO general Insurance LTD (the "**Credit Guarantee**")
- 2.2 Unless otherwise indicated, all expressions defined in the Prospectus have the same meanings when used in this opinion.
- 2.3 In addition, we have examined originals or copies certified to our satisfaction of the following documents:
- 2.3.1 the reissued certificate of incorporation of FEDCO dated 27<sup>th</sup> August 2015;
  - 2.3.2 the reissued certificate to commence business of FEDCO dated 27<sup>th</sup> August 2015;

1



[www.gasarpongandco.com](http://www.gasarpongandco.com)  
[admin@gasarpongandco.co](mailto:admin@gasarpongandco.co)

Tel: +233302223411  
Fax: +233302234219

House No. C301/3, Ofewah House,  
Kanfla Close, Asylum Down, AccP. O. Box  
C2826, Cantonments, Accra.

- 2.3.3 a resolution of the board of directors of FEDCO dated 11<sup>th</sup> November 2024 approving the issuance of a 150-day commercial paper by FEDCO of capital on the GFIM and in accordance with the GFIM regulations and guidelines;
- 2.3.4 a resolution of the board of directors of FEDCO dated 11<sup>th</sup> November 2024 approving the issuance of a 150-day commercial paper by FEDCO of capital in accordance with the Security and Exchange Commission's regulations and guidelines;
- 2.3.5 a resolution of the shareholders of FEDCO dated 13<sup>th</sup> November 2024 approving and authorising, *inter alia*, the raising of capital by FEDCO on the GFIM by FEDCO of a short-term commercial paper in the amount of GHS200,000,000 in an aggregate amount not exceeding GHS300,000,000 on the GFIM;
- 2.3.6 a resolution of the board of directors of FEDCO dated 11<sup>th</sup> November 2024 approving the application for admission a 150-day commercial paper to the Central Securities Depository and to appoint same as a registrar for the same security.
- 2.3.8 a special resolution of the shareholders of FEDCO dated 24<sup>th</sup> July 2024 approving and authorising the conversion of FEDCO into a public company;
- 2.4 We have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us to give this opinion.

### 3. SCOPE AND PURPOSE OF THE OPINION

- 3.1 We are qualified to practice law in Ghana. This opinion is limited to matters of Ghanaian law as in force and applied at the date of this opinion. We have not investigated the laws of any country other than Ghana and we express no opinion as to any law other than the laws of the Republic of Ghana.
- 3.2 This opinion is given on the basis of the assumptions set out in Schedule A (Assumptions) and is subject to the qualifications set out in Schedule B (Qualifications).

### 4. OPINION

Based on the preceding paragraphs, we are of the opinion that:

#### 4.1 Incorporation

- 4.1.1 FEDCO is duly incorporated as a public limited liability company under the laws of Ghana.
- 4.1.2 FEDCO has perpetual corporate existence and the capacity to sue or be sued in its name and to carry on its businesses as currently conducted.
- 4.1.3 To the best of our knowledge and upon due enquiry, FEDCO has all the necessary power and authority to own its property and assets and to carry on its businesses as currently conducted and no steps have been (or are being taken) to appoint any administrator, receiver, liquidator or analogous person or body over, or to wind up or dissolve, FEDCO (or to take any analogous action) nor has a moratorium been declared on the payment of any indebtedness of FEDCO.

#### 4.2 Powers and Authorisations

FEDCO:

- 4.2.1 is duly licensed as a duly licenced as a Licensed Buying Company (LBC);

4.2.2 has the power to enter into, and perform its obligations under, the Commercial Paper Documents;

4.2.3 has taken all necessary action to authorise the entry into, and performance of its obligations under, the Commercial Paper Documents; and

4.2.3 has taken all necessary action to authorise the signature and delivery of all notices, certificates, communications and other documents to be delivered by it under the Commercial Paper Documents.

#### 4.3 Regulatory Approvals and Consents

4.3.1 The approval of the Securities and Exchange Commission is required for the public offer of the commercial paper.

4.3.2 The approval of the Ghana Stock Exchange is required for the commercial paper issuance.

4.3.3 Apart from the approvals referred to under paragraph 4.3.1 to paragraph 4.3.2, no other regulatory approvals, consents or licenses or authorisations are required or advisable under Ghanaian law for the establishment of the commercial paper issuance.

#### 4.4 Prospectus and the Commercial Paper Documents

4.4.1 The Prospectus complies with the relevant provisions of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (L. I. 1728) as amended, Schedule 10 of the Companies Act, 2019 (Act 992), Commercial Paper Issuance Admission Rules of February 2024, and the GFIM Rules, 2022.

4.4.2 The Commercial Paper Documents constitute the legal, valid and binding obligations of FEDCO, enforceable in accordance with their terms in Ghana.

4.4.3 The claims of the commercial paper holders against FEDCO under the Prospectus rank and (subject to any changes in the laws of Ghana after the date of this opinion) will rank, at least, equally and rateably *pari passu* with all present and future unsecured and unsubordinated indebtedness of FEDCO other than any such indebtedness which is then mandatorily preferred by virtue of any provision of the bankruptcy, insolvency and similar laws of general application in Ghana.

#### 4.5 Contractual Obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing FEDCO from undertaking the Information Memorandum.

#### 4.6 The Regulations

4.6.1 The establishment of the commercial paper does not contravene any provision of the Constitution.

4.6.2 The commercial paper issuance does not contravene any provision of the Constitution or any applicable laws in Ghana.



**4.7 Taxes and Stamp Duty**

- 4.7.1 The statements in the Prospectus regarding taxation in Ghana are correct in all material respects.
- 4.7.2 Interest payments under the commercial paper will be subject to withholding tax of 8%, except in relation to commercial paper holders in respect of whom payments of interest who are exempt from tax.
- 4.7.3 Each of the Agency Agreement, the Escrow Agreement and the Notes is subject to a nominal stamp duty, at a rate of GHS 0.50, by the Land Valuation Division of the Lands Commission of Ghana in accordance with the Stamp Duty Act, 2005 (Act 689) as amended in order to be admissible in evidence, and enforceable, in the courts of Ghana.

**4.8 Registrations and Filings**

Save that copies of the Prospectus are required to be delivered to the Office of the Registrar of companies and registered pursuant to the Companies Act, 2019 (Act 992), no registration or filing is required at any registry in Ghana in order for any of the Information Memorandum to be valid, binding and enforceable in accordance with their respective terms.

Yours faithfully,



**Maame Ofewah Sarpong, Esq.**

### **Schedule A**

#### **Assumptions**

In giving this opinion, we have assumed, and this opinion is given on the basis, that:

1. all original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;
2. each of the resolutions of the board of directors of FEDCO including for the issuance of the commercial paper was duly passed by the directors of FEDCO and all requirements relating to disclosure of interest and due consideration of the commercial interests of FEDCO were complied with;
3. each of the resolutions of the shareholders of FEDCO regarding the issuance of the commercial paper was duly passed by the shareholders of FEDCO after the board of directors of FEDCO fully disclosed all material details relating to the commercial paper issuance; and
4. all disclosures made to us by FEDCO and its officers as reflected in the Prospectus are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

We have found nothing to indicate that the above assumptions are not justified.

### **Schedule B**

#### **Qualifications**

Except as expressed in this Opinion:

1. Enforcement of the obligations of FEDCO under the commercial paper issuance may be affected by prescription or lapse of time; failure to institute proceedings in court to enforce a cause of action within the relevant limitation period may operate as a bar to the prosecution of such proceedings.
2. The obligations of FEDCO under the commercial paper issuance may be limited by the insolvency and liquidation laws of Ghana.
3. The remedy of an order for specific performance or for the grant of an injunction is at the discretion of the Ghanaian courts and no opinion is expressed herein as to whether such remedies will be granted in respect of an enforcement of the terms of the Commercial Paper or is to be taken as indicating that these remedies would be granted in a Ghanaian court.

## APPENDIX G: APPLICABLE PRICING SUPPLEMENT

**DATE: 17 February 2025**



(Incorporated as a public company with limited liability in the Republic of Ghana with registration number PLO00381124)

### **GHS 200 Million Commercial Paper Issuance [2025] – Rate [182-Day T-Bill + 2.5%] per annum**

This Applicable Pricing Supplement must be read together with the Information Memorandum dated 17th February 2025, prepared by the Issuer in connection with the issuance, as amended or supplemented from time to time (the "Information Memorandum"). Capitalized terms not defined in this Applicable Pricing Supplement shall have the meanings assigned to them in the section of the Information Memorandum titled "Summary of the Issuance."

This Applicable Pricing Supplement contains the final terms and conditions of the Notes and must be read in conjunction with the Information Memorandum. Where there is any inconsistency between the terms of this Applicable Pricing Supplement and the Information Memorandum, this Applicable Pricing Supplement will prevail.

The Issuer represents that it has taken all reasonable care to ensure that the information contained in this Applicable Pricing Supplement is true and accurate in all material respects as of the date hereof, and there are no other material facts in relation to the Issuer the omission of which would make misleading any statement herein, whether of fact or of opinion.

The Commercial Paper Issuance is rated A1 with a stable outlook by Beacon Rating Agency. The Issuer holds an A rating with a stable outlook, as assigned by Beacon Rating Agency on 8th November 2024.

<b>1</b>	<b>Description of the Notes</b>	
<b>1.1</b>	Issuer	Federated Commodities PLC
<b>1.2</b>	Issuance	Discrete Issuance
<b>1.3</b>	Principal Amount	GHS[200,000,000]
<b>1.4</b>	Offer open date and time	TBD
<b>1.5</b>	Issue Date	TBD
<b>1.6</b>	Specified denomination of Notes	GHS
<b>1.7</b>	Minimum Subscription Amount	GHS 20,000,000
<b>1.8</b>	Specified denomination of the Commercial Paper Notes	GHS1,000 and integral multiples of GHS1,000 in excess thereof
<b>1.9</b>	Issue Price	100% of aggregate Principal Amount
<b>1.10</b>	Status of the Notes	Secured with Credit Guarantee
<b>1.11</b>	Final Redemption Amount	100%
<b>1.12</b>	Closing date for subscription	TBD
<b>1.13</b>	Date for notification of allotment	TBD

2		Interest provisions
2.1	Commercial Paper Note Provisions	
2.1.1	Interest Rate	[182 day T-bill interest rate plus 2.5%] per annum
2.1.2	Day Count Fraction	Actual/364
2.2.	Fixed Coupon Amount	To be determined
2.3	Reference Rate	The most current 182 day T-bill interest rate issued 3 business days before issue date.
2.4	Maturity Date	150 days from issue date.
2.5	Default interest	An additional 1% per annum will be applied to the issuance interest rate.
2.6	Calculation Agent	Central Securities Depository (GH) LTD
2.7	Interest Commencement date	Same as issue date
2.8	Interest Calculation	Interest = Principal × Rate × (Actual Days/364)

3		Redemption provisions
3.1	Redemption/Payment Basis	Redemption at par
3.2	Early Redemption	Not Applicable
3.3	Other terms applicable on Redemption	As per the summary of the issuance in the Information Memorandum

4		Distribution
4.1	Method of distribution	Public Offer

5		General provisions
5.1	Date of approval for issuance by board of directors and shareholders of Issuer	Board resolution dated 11 November, 2024 (amended as per addendum dated 24 February 2025) and shareholders' resolution dated 13 November, 2024.
5.2	Form of Notes	Electronically registered on the Central Securities Depository.
5.3	Additional selling restrictions	Not Applicable
5.4	Settlement procedures and instructions	Payment of the subscription price for the Notes may be made: <ul style="list-style-type: none"> <li>by bank transfer/remittance, to be made on the instructions of the successful applicant to his bank for the funds to be credited to the Issuer's Programme GHS account number, as detailed below no later than 1500h (GMT) on TBD (Date to be determined)</li> </ul>
5.5	Bank account to which payments are to be made	Account Name: <b>FEDERATED COMMODITIES PLC CP COLLECTION ESCROW ACCOUNT</b> Account Number: <b>0136861601019</b> Bank Name: <b>First Atlantic Bank Ltd</b> Branch: <b>Head Office</b>
5.6	Listing	Ghana Fixed Income Market (GFIM)

<b>5.8</b>	Governing law	Ghanaian law
<b>5.9</b>	ISIN Code	[TBD]
<b>5.10</b>	Clearing system	Central Securities Depository (GH) LTD

## ADDITIONAL INFORMATION

<b>6.1</b>	Security	Credit Guarantee
------------	----------	------------------

## IMPORTANT DATES AND TIMES FOR OFFER

<b>Offer opening date and time</b>	TBD
<b>Offer closing date and time</b>	Applications are to be received by Dealers via email before or on TBD
<b>Allotment date</b>	All applicants will be notified of their allotment by email no later than TBD
<b>Payment date</b>	Payment for good value by successful applicants must be received by TBD
<b>Issue Date</b>	The Notes will be issued by the Issuer by TBD
<b>Delivery date</b>	Notes will be credited to CSD accounts of successful paid up (receipt of cleared funds in Issuer's designated account) applicants within 2
<b>Listing on the GFIM</b>	Issued Notes will be listed for trading within 5 Business Days of Issue Date

## MATERIAL ADVERSE CHANGE STATEMENT

There has been no material adverse change in the trading, financial position or prospects of the Issuer since 17th February, 2025.

## INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

## RESPONSIBILITY

The Issuer and its board of directors accept responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Information Memorandum referred to above, contains all information that is material in the context of the issue of the Notes.

## FEDERATED COMMODITIES PLC


By:  
Duly authorized signatory  
Name:  
Title:  
Signature

By:  
Duly authorized signatory  
Name:  
Title:  
Signature

.....

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## APPENDIX H: APPLICATION FORM

APPLICATION FORM			
			
FEDERATED COMMODITIES PLC			
(Incorporated as a public company with limited liability in the Republic of Ghana with registration number <b>PL000381124</b> )			
GHS 200 Million Commercial Paper Issuance [2025] – Rate [182-Day T-Bill + 2.5%] per annum			
Applicants must complete all sections of the application form. Please read the Section E Commercial Papers and Instructions for Completing Application Form' below for guidance. Application lists will close at 17 hours GMT on [•], [•].			
SECTION A			
Name of Applicant			
Postal Address (P. O. Box or Private Bag)			
Name of Contact Person			
Telephone number			
Facsimile number			
E-mail address			
Tax Status (Y/N)			
Central Securities Depository Account Details:			
Depository Code	Participant		
Depository Number	Account		
Account Type			
SECTION B (Subscription Amount)			
	A	B	C
	Nominal Value (GHS)	Issue Price (%)	Total Consideration (C = A x B)
Amount applied for		[•]	

**Section C (Declaration)**

Applications are made subject to the provisions of the Information Memorandum to which this form is attached. This must be completed by the applicant if an individual or his/her attorney if one has been appointed or the authorised representatives of a legal person or institutional investor.

**Section D (Instructions for the Payment of Entitlement)**

The applicant must provide information instructions relating to the payment of entitlements from the investment (coupon and principal) by the paying agent.

- a. Bank Account: All applicants should confirm the details of the bank account details from the depository member who set-up their CSD account. The Paying Agent will be said to have paid entitlements due an applicant to the bank account information provided by the Commercial Paper registrar (Central Securities Depository).

E. Photocopies or other copies of an application form shall not be accepted.

F. Applications are irrevocable and shall not be withdrawn or amended without the written consent of the Issuer. The Issuer reserves the right to accept or reject any application in whole or in part. The Issuer will notify successful applicants or the relevant Placing Agent of amounts allotted to them no later than [•] hrs (GMT) on [•], [•].

**2. Acceptance**

By signing an application form the applicant undertakes to pay the Issuer on the Issue Date in same-day funds the purchase price for the Commercial Papers allotted in accordance with the provisions of the Applicable Pricing Supplement.

**3. Settlement Procedure**

Payment of the subscription price for the Commercial Papers shall be made either:

- a. either by banker's cheque drawn in favour of "FEDCO Commercial Paper Issuance", such cheque to reach the Dealer no later than 15:00 hours (GMT) 2 Business Days before the issue date against delivery of a deposit slip; or
- b. by bank transfer or remittance, to be made on the instructions of the successful applicant to his/her/its bank for the funds to be credited to the following account, with details below:

Account Name: Federated Commodities Plc CP Collection Escrow Account  
 Bank Name: First Atlantic Bank Ltd  
 Account Number: 0136861601019  
 Bank Branch: Head Office  
 Sort Code: 170101  
 SWIFT: FAMCGHAC

**4. Delivery of Commercial Papers**

The Commercial Papers will be credited to each successful applicant's Central Securities Depository account against cleared funds within 2 Business Days of the Issue Date

**5. General**

The Information Memorandum and any contracts resulting from an acceptance of an application for the Commercial Papers shall be governed and construed in accordance with Ghanaian law.

## APPENDIX I: DECLARATION BY QUALIFIED INVESTOR

I/We, [Name of Investor/Institution], of [Address] hereby declare as follows that:

1. I/We have the requisite knowledge, skill and experience in business, financial and investment matters. I/We am/are capable of evaluating the merits and risks of an investment in [Issue Description] (the "Issue").
2. I/We have made an independent evaluation and judgment of all merits and risks before investing in the Issue and to the extent necessary, I/we have also made my/our own legal, tax, accounting and financial evaluation of the merits and risks of investing in the Issue.
3. I/We have considered the suitability of the Issue as an investment in light of my/our own circumstances and financial condition and I/we am/are able to bear the risks associated with investing in the Issue.
4. I/We confirm I/we am/are a Qualified Investor(s), in accordance with these Rules.
5. I/W make this declaration believing same to be true.

Signed By [Individual Investor]:

Name .....

Signature .....

Date .....

IN THE PRESENCE OF:

Name: .....

Address: .....

Signature: .....

Date: .....

OR

Signed for and on behalf of [Name of Institution]:

Name: .....	Name: .....
Designation: .....(Director)	Designation: .....(Director/Secretary)
Signature: .....	Signature: .....
Date:.....	Date:.....

Note:

This document may be adopted as a standalone declaration, or its contents adopted in other declaration(s) such as an Investor commitment form, provided that the said documentation is signed by the Investor and witnessed by a third party in the manner prescribed above (where applicable). This is required for investments in every new issuance.



## NOTES

## NOTES

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**FEDERATED COMMODITIES PLC**