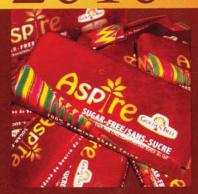


Cocoa Processing Company Limited

ANNUAL REPORT&ACCOUNTS
2010







QUALITY...
OUR
HALLMARK







CPC Officials entertaining basic school children during the **national chocolate** day celebration



Contents Page Vision & Mission Statements 7 8 Notice Of Meeting/Annual General Meeting Corporate Information 9 10 **Board Of Directors** Chairman's Statement 11 16 Corporate Governance Managing Director's Review Of Operations 18 Report Of The Directors 21 23 Independent Auditor's Report Statement Of Financial Position 25 26 Statement Of Comprehensive Income 27 Statement Of Changes In Equity 28 Statement Of Cash Flow Notes To The Financial Statements 29 63 Form Of Proxy

Managing Director of CPC (Mr. Richard Amarh Tetteh) and the Executive Director of Council for Technical and Vocational Education Training (COTVET), Mr. Baffuor Awuah signing a memorandum of understanding under which students of COTVET will have their practical attachment at CPC





Senior Managers of CPC assisting in the packing of hand-made chocolates at the newlyestablished hand-made chocolate factory Members of Parliamentary select committee on Trade, Industry and Tourism being briefed on CPC operations by Mr. C. D. Asante (DMD-OPS)





The Members of Parliament touring CPC factories



Workers of CPC undergoing fire-fighting drill



MISSION

"To be a first class food factory of international repute"

"To process cocoa and bring its health benefits to consumers worldwide"

ANNUAL GENERAL MEETING

NOTICE is hereby given that the next Annual General Meeting of Cocoa Processing Company Limited will be held at the Accra International Conference Centre on Tuesday, 29 March 2011 at 10.00 am to transact the following business:

ORDINARY BUSINESS

- To receive the Financial Statements for the Year ended 30th September,
 2010 and the Reports of the Directors and Auditors thereon.
- 2. To re-elect Dr (Mrs) RoseEmma Entsua-Mensah as a Director.
- 3. To re-elect Prof. Joshua Abor as a Director.
- 4. To re-elect Nana Kojo Toku as a Director.
- 5. To authorise the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

- 6. To approve the conversion into equity of an outstanding debt of USD14,087,120.50 owed Ghana Cocoa Board by the Company.
- Dated the 9th day of February, 2011.

BY ORDER OF THE BOARD

S. OFORI-ADJEI

SECRETARY

NOTE

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a Member of the Company. A form of proxy is provided at the end of the Annual Report and Accounts. For a form of proxy to be valid for the purpose of the meeting, it must be completed and deposited at the Registered Office of the Company or the Registrar's Office, NTHC Limited, Martco House, No. D542/4, Okai Mensah Link, Adabraka, Accra, P.O. Box 9563, Airport, Accra not less than 48 hours before the appointed time of the meeting.

CORPORATE

BOARD OF DIRECTORS

Hon. Jacob S. Arthur
Richard Amarh Tetteh
Professor Joshua Abor
Dr (Mrs) RoseEmma Entsua-Mensah
Samuel D. Arkhurst
Nana Kojo Toku
Dr Yao Asamoa
John Kofi Mensah
Anthony Fofie
Nana Oduro Owusu
Brig-Gen. (Rtd) Charles H. Mankatah
Darlington Afari-Dwamena

- Chairman

- Managing

REGISTERED OFFICE

Cocoa Processing Company Limited Heavy Industrial Area Private Mail Bag Tema, Ghana.

SECRETARY

Stephen Ofori-Adjei
Cocoa Processing Company Limited
Heavy Industrial Area
Private Mail Bag
Tema, Ghana.

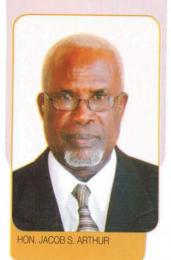
AUDITORS

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

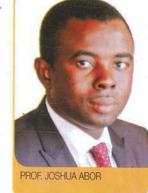
BANKERS

Barclays Bank (Ghana) Limited Ecobank Ghana Limited Prudential Bank Limited SG-SSB Bank Limited The Trust Bank Ghana Limited

BOARD OF DIRECTORS

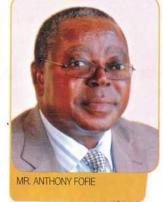








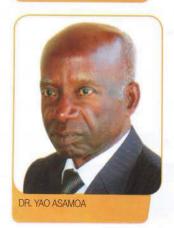








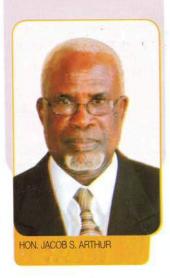








CHAIRMAN'S STATEMENTS



It gives me great pleasure to welcome you all, dear shareholders, to yet another Annual General Meeting of our company, Cocoa Processing Company Limited. It is my utmost pleasure to present to you the Annual Report and the Financial Statements of our company for the year ended September 30, 2010.

THE GLOBAL ECONOMY

The global recovery efforts following the financial crisis have gained momentum with trade rebounding and global merchandise exports accelerating sharply in recent months. Global goods exports in value terms advanced at 47 percent annualized pace by the end of 2009. Developing countries, however, reported growth at 65 percent while high income countries' exports gained 39 percent in December 2009. This brisk pace is, however, slowing, as exports from developing countries eased to 32 percent and shipment from high-income countries dropped to 16 percent during the first quarter of 2010.

In volume terms, global exports have been growing at an annualized pace of 20 percent during the first quarter of 2010, with developing countries posting annualized gains of 26 percent and high income economies 17 percent in most recent observations.

Though the most acute phase of the global financial crisis has passed, recovery remains fragile. Persistent risks to economic health include high unemployment and low growth in developed countries and scarce international financing for developing countries. The poorest countries continue to need assistance to move beyond the crisis.

OPERATIONAL CHALLENGES

The year under review was a very challenging one. Greater part of the year was devoted to completing the installation of complementary machinery in the Cocoa Factory II.

Of greater significance though, was a shortage in the supply of cocoa beans – our major raw material. This, indeed, affected seriously the company's operations. Your factories suffered a loss in production for about three months cumulatively. This, coupled with frequent power outages and disruption in water supply to the factory, as well as the astronomical increases in the cost of utility rates of over 100%, no doubt, impacted negatively on the overall productivity, and for that matter, the profitability of the Company.

The Confectionery factory where the Goldentree confectionery products are manufactured was shut down for rehabilitation. This led to a shortage of Goldentree Chocolates and "pebbles" on the market for almost seven (7) months. We wish to note that the rehabilitation was necessary to bring the factory up to modern industry standard after over forty (40) years of existence without any

major rehabilitation.

The temporary closure of the Confectionery factory also affected the cash flow of your Company and contributed to the operational losses experienced during the year under review.

In spite of the challenges mentioned above, your company remained focused

CHAIRMAN'S STATEMENT

(cont'd)

and assembled available resources to complete the outstanding installations and rehabilitations with a view to positioning the company for increased production and turnover.

RESULTS OF 2010

The operations of your company during the year under review as compared with 2009 results may be summarized as follows:

	2010	2009	%Increase
	V	2.34	100
Cocoa Beans Processed	21,554.960mt	14,178.319mt	52%
Turnover	GH¢84,127,817	GH¢45,541,422	85%
Gross Profit/ (Loss)	GH¢1,365,900	(GH¢7,848,966)	117%
Net Profit/ (Loss) Before Finance Cost	(GH¢9,120,867)	(GH¢15,225,970)	(40%)
Net Finance Cost	GH¢3,404,525	GH¢2,602,090	31%
Net Loss after			
Finance Cost	(GH¢12,525,392)	(GH¢17,828,060)	(30%)

The above results, though below our expectations as a result of the challenges mentioned earlier, are an improvement over the 2009 results and give an indication that when all the challenges are fully confronted, the company should begin to turn around.

These results were achieved as a result of prudent management and hard work by your Directors and Management, and the commitment of the entire work force.

Members of the Board of Directors, together with Management adopted costreduction strategies to reduce operational costs. The Board, for instance, insisted on utilizing the expertise of the company's in-house engineers and technicians in undertaking the installation of complementary plant and equipment without the services of an external Technical Consultant. The works were completed successfully and on time and are now ready for commissioning. This resulted in heavy savings for the company.

I wish to commend Management for taking up the challenge and providing the requisite support and logistics to enable the engineering team complete the installation on schedule.

These measures were necessary to minimize the impact of the operational difficulties experienced during the year, on the Company's finances.

CHAIRMAN'S STATEMENT

(cont'd)

DIVIDEND

Considering the losses encountered resulting from the operational difficulties explained above, your Directors are constrained to recommend any dividend for the year 2009/2010.

DEBT-EQUITY CONVERSION PROPOSAL

Your Board and Management are indeed concerned about the performance of the company vis a vis, its huge debt over-hung and have therefore been in discussion with Ghana Cocoa Board, the supplier of the company's major raw material – cocoa beans, and whom your company is heavily indebted, about restructuring the debts owed by your company. The Board of Directors of COCOBOD has accepted our proposal in this regard; a motion will be placed before you at this meeting to convert a debt of US\$14,087,120.50 to equity.

The balance of the debt of US\$32,022,146.42 has been rescheduled to be repaid over a 10-year period at concessionary interest rate. Such a debt restructuring will certainly have a significant positive impact on the company's liquidity. This significant step by COCOBOD indicated its confidence in the future direction of CPC.

SAFETY, HEALTH AND ENVIRONMENT

The safety and health of our employees continue to have a pride of place in our employee welfare schemes and policies.

The company's operations are therefore constantly and regularly evaluated and re-evaluated by the Environmental Protection Agency (EPA) to ensure and assure compliance.

RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with Section 298 of the Companies Code, 1963(ACT 179) and the Regulations of the Company, Prof. Joshua Abor, Dr (Mrs) RoseEmma M. Entsua-Mensah and Nana Kojo Toku retire from the Board by rotation and being eligible, offer themselves for re-election.

FUTURE OUTLOOK

Dear Shareholders,

The future, no doubt, looks bright and encouraging. Your Directors have reviewed the company's operations and Management's 10-year Business and Strategic plans. These plans hold the key to your company's accelerated recovery and we are determined to give all the necessary support towards their implementation. COCOBOD has also assured us of regular supply of cocoa beans, our main raw material, to ensure that all our three factories – Cocoa I, Cocoa II and the Confectionery operate at full capacity. The Board and management are grateful to COCOBOD, a major shareholder, for the expression of this support.

In addition, the Board and Management are in touch with our syndicated banks for the restructuring of their syndicated loans. The outcome of these approaches will be reported to you at our next meeting.

The Board will intensify its effort at identifying and eliminating waste and losses.

CHAIRMAN'S STATEMENT

(cont'd)

We have also commenced the installation of a dedicated line to supply power in order to forestall the frequent interruptions in electric power supply experienced in the factory. We are also keenly monitoring the implementation of the West Africa Gas supply system with a view to accessing it when it comes on stream.

It is worthy of note that, in spite, of the operational difficulties experienced in 2009/2010, your Company won the highest export achievement for non-traditional exports for 2009 known as the EXPORTER OF THE YEAR AWARD. This award was conferred by the Ghana Export Promotion Council. Cocoa Processing Company is the only Company which has won this award for five times since it was instituted.

We intend to sustain this achievement and continue to be a leader in this sector.

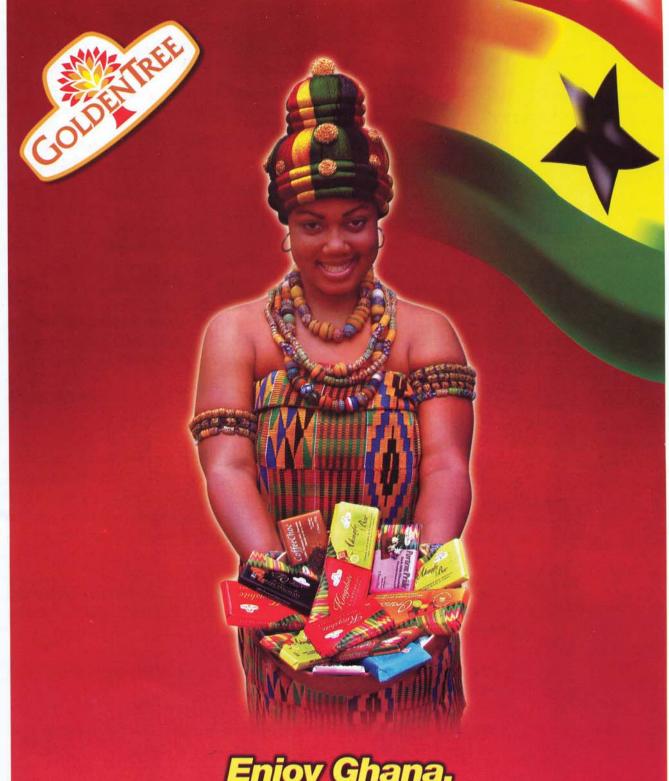
ACKNOWLEDGEMENT

The Board of Directors hereby expresses its sincere gratitude to you for your patience and trust in the Company. We pledge to work more assiduously to ensure that your company is turned around in the coming years to make it capable of increasing shareholder wealth.

I also wish to call on you to join me in expressing deep appreciation to the engineering staff of your company for stretching beyond themselves in executing the various installation tasks assigned them successfully and on schedule.

I thank you all for coming.

Chairman



Enjoy Ghana,
The Land of Golden Tree Chocolate.

Golden Tree. For Love For Life.

A Product of Cocoa Processing Company Ltd. (CPC)

CORPORATE GOVERNANCE

Cocoa Processing Company Limited (CPC) is committed to the principles and implementation of good corporate governance. The Company recognizes good governance as a tool to the sustenance of the long term viability of its business and a means to ensuring accountability to its stakeholders.

CPC believes that full disclosure and transparency in its operations are in the interests of good governance. The company adopts the International Financial Reporting Standards (IFRS) in its financial reporting and relies on sound internal control to facilitate the reliability of the financial statements.

The Company complies with all statutory requirements and adopts best practices to protect the environment and its employees.

Board of Directors

A Board of Directors comprising competent and experienced professionals from diverse fields of endeavour is in place. The Board is concerned with formulating strategies and policies towards the achievement of organizational objectives.

The responsibility of good governance resides in the hands of the Board of Directors and the Management Team.

The Board comprises ten non-executive Directors and the Managing Director as well as a representative of the workers. The non-executive Directors are independent of management and free from any constraints which could materially interfere with the exercise of their independent judgement and do submit themselves for re-election at Annual General Meetings in accordance with the regulations of the Company.

To ensure effective control and monitoring of the Company's business, the Board works through Audit, Nominations, Remuneration, Finance and Marketing, and Technical sub-committees.

The Directors have unrestricted access to the Company's records and information.

The Managing Director is a separate individual from the Chairman. He implements management strategies and policies adopted by the Board.

The Audit Subcommittee

The audit subcommittee reviews and reports to the Board of Directors on the compliance, integrity and major judgmental aspects of the Company's published financial statements, the scope and quality of the external audit and the adequacy of the company's internal controls.

The following constitutes the membership of the audit subcommittee: Prof.

CORPORATE

(cont'd)

Joshua Abor (Chairman), Dr. Yao Asamoah, Mr. J. K. Mensah, Mr. Anthony Fofie, Brig.-Gen. (Rtd) Charles H. Mankatah and Mr. Darlington Afari-Dwamena.

The External Auditors, Managing Director, Deputy Managing Director (Finance and Adminstration) and the Internal Auditor are in attendace at the meetings of the Committee.

Internal Controls

The Company has in place a system of management control to ensure effective, efficient and proper utilization of resources in pursuit of corporate objectives with due regard to the interest of shareholders and stakeholders.

The company's overall internal control system is enhanced by written policies and procedures, formalized reporting responsibilities, written descriptions of authority, well-articulated training programmes and well-defined information dissemination systems.

As part of its responsibilities for the exercise of control, management requires the maintenance of financial records which fairly reflect the assets and liabilities of the company. The integrity and objectivity of the accounting records are supported by a system of internal accounting controls. This includes procedures and techniques designed to provide reasonable assurance that transactions are duly authorized, properly recorded, assets are safeguarded and there is periodic physical inventory of assets which is verified against accounting and custodial records. This gives further assurance that accounting records are in conformity with IFRS and auditing standards.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS



INTRODUCTION

Dear Shareholders,

Our Company, Cocoa Processing Company Limited, despite experiencing a very challenging year, showed signs of improvement in its operational results. The Company attained higher turnover and managed its losses better than the previous year.

Access to credit to support operations continues to be a major setback. This, coupled with falling prices of our semi-finished cocoa products – cocoa liquor, butter and cake, and the increasing cost of fuel as well as irregular supply of electricity and water to the factory among others impacted negatively on the company's profitability.

REVIEW OF OPERATIONS

Cocoa Factories 1 And 2

A total of 21,554.960metric tons(mt) of cocoa beans was processed by the two factories into semi-finished cocoa products - liquor, butter, cake and powder. The budgeted production figure for the 2009/2010 financial year was 37,493.270mt. The actual production volume achieved therefore was 57.49% of the target for the year which was far higher than the 24.4% achieved the previous year.

The Company could have performed better in its processing throughput but for the myriad of mechanical and electrical faults on some of the plant and equipment, occasioned by the frequent power fluctuations. Coupled with the above were the poor prices offered for the semi finished cocoa products on the world market, which necessitated the adoption of production controls leading to intermittent shut-down of the two cocoa factories.

Confectionery Factory

The Confectionery Factory packed a total of 720.075mt of products for sale. This was lower than the target of 1,971mt of products set for the year and still lower than the total achieved in the previous year (2008/2009).

The confectionery production figures for the year under review are as follows:

PRODUCTS	VOLUME (MT)
Chocolate/Couverture	347.135
Pebbles	56.696
Alltime Drinking Chocolate	179.664
/ITACO Drinking Chocolate	3.135
ChocoDelight	61.036
ROYALE Natural Cocoa Powder	45.609
ce Cream Coating	26.800
TOTAL	720.075

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

(cont'd)

As mentioned elsewhere in this report, the Confectionery factory's low production figures were occasioned, among others, by the shutdown of the chocolate production section of the factory for seven (7) months for rehabilitation - the first, since the factory was set up in 1965. This involved the refurbishment of the ground floor and part of the first floor of the Confectionery factory.

Treasury Management

The Company's treasury policy seeks to reduce or eliminate any financial risks. It also ensures that sufficient liquidity is available to meet all foreseeable needs. Management therefore operated in strict accordance with set objectives approved by the Board, and regularly evaluated the systemic risks.

Research And Development

The company continued its efforts at improving and diversifying its current confectionery product range. Such efforts included developing new ingredients and introducing new product lines.

As a result of years of research and development, the Company was able to successfully introduce cashew nuts in its artisanal (handmade) chocolates which were launched onto the market during the 2010 National chocolate day celebrations.

Studies are continuing into the development of tiger nuts as a major ingredient in some of our recipes.

In the coming year, we intend to launch onto the market smaller packs of Royal Natural cocoa Powder, ALLTIME Drinking Chocolate and ChocoDelight Chocolate spread.

Marketing

With the break in production of Goldentree Chocolate for more than half of the reporting year, due to the rehabilitation of the ground floor of the Confectionery factory, efforts were made to step up the marketing of the other confectionery products such as the Alltime drinking chocolate, ChocoDelight Chocolate spread and Royale Natural Cocoa Powder.

We intend to use intensive growth strategies to stimulate the domestic market for Confectionery as well as generate demand for same in the West Africa sub-Region.

This will, no doubt, lead to transformation of more semi-finished products into finished confectionery products and consequently boost the company's sales revenues.

Human Resource

The Company continued the development of its human resource through skills acquisition and personal development programmes in accordance with its reputation as a first-class employer.

Industrial peace and harmony was promoted during the year through the positive engagement on issues between management and staff leading to the building of consensus on such matters.

Corporate Social Responsibility

As part of the Company's social responsibility programmes, a number of environmental and social initiatives were supported. Some government agencies

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

(cont'd)

and media houses were supported in programmes that aimed at creating awareness about the health benefits of cocoa and promoting consumption of chocolate and other cocoa products in Ghana.

As we do every year, the company played host to the National Award-winning Best Farmers and presented them with assorted chocolate products as gifts in appreciation of their hardwork.

Outlook For 2010/2011

The current financial results give us hope that with concerted efforts at addressing challenges related to the cost of cocoa beans to our operations as well as a few production bottlenecks, your company will definitely come out of the woods in the not-too-distant future. We have begun the extension of a dedicated medium tension electricity supply line to the factory and portions of the new medium tension switchgear have been received from the suppliers. When all the equipment is received and the installation is completed, the Company will minimize the interruptions to electricity supply and the intermittent power fluctuations that affect not only production schedules but also affect the integrity of the various processing plant and equipment.

Management has drawn up a 10-year strategic plan under the theme: **Realignment** of **Operations to Improve Margins and Return on Investment.**

The Plan identifies and addresses the challenges facing our current operations and sets out the strategies for repositioning the company to enable it improve on its profitability and its ability to create shareholder wealth. The needed financial support is being sought to facilitate the implementation of the plan.

Acknowledgement

Management and staff of the Company are indeed grateful to the Board of Directors for its support and guidance during the year. We also express our deepest gratitude to all stakeholders, especially to you, our shareholders for keeping faith with the company and for your patience and prayers which have brought us this far.

\ Richard Amarh Tetteh

Managing Director

REPORT OF THE DIRECTORS

TO THE
MEMBERS OF
COCOA
PROCESSING
COMPANY
LIMITED

The Directors present their report and the financial statements of the company for the year ended 30 September 2010.

Directors' Responsibility for the financial statements

The company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position, statements of comprehensive income, changes in equity and cash flows and ensure appropriate disclosures and explanations in notes to the financial statements, including a summary of significant accounting policies in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

The Directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Going Concern Consideration

The company reported a loss for the year of GH¢12.5 million (2009: GH¢17.8 million) and at 30 September 2010, the company's current liabilities exceeded its current assets by GH¢12.6 million. The company's total assets exceeded total liabilities by GH¢0.2 million at the year-end.

The company's main liabilities are primarily due to Cocoa Marketing Company Limited (COCOBOD), one of the shareholders and a syndicate of banks.

Based on confirmations and assurances of continued support from COCOBOD, the Directors expect the company to continue as a going concern, realising its assets and discharging its liabilities in the normal course of business.

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

REPORT OF THE DIRECTORS (cont'd)

TO THE MEM-BERS OF COCOA PRO-CESSING COM-PANY LIMITED

Financial Statements and Dividend

The results for the year are as set out in the attached financial statements.

The Directors do not recommend the payment of a dividend.

The Directors consider the state of the company's affairs to be satisfactory.

Nature of Business

Cocoa Processing Company Limited was incorporated in Ghana on 30 November 1981 as a limited liability company. The company is domiciled in Ghana and its shares are publicly traded on the Ghana Stock Exchange (GSE).

The principal activities of the company are the manufacture of high-quality chocolates, confectionery and semi-finished cocoa products such as cocoa butter, cocoa liquor, cocoa cake and cocoa powder from premium cocoa beans grown in Ghana.

Approval of the Financial Statements

The financial statements of the company were approved by the Board of Directors on 9th February, 2011 and were signed on its behalf by:

DIRECTOR

DIRECTOR

AUDITOR'S REPORT

We have audited the accompanying financial statements of Cocoa Processing Company Limited, which comprise the statement of financial position at 30 September 2010, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies as set out on pages 25 to 62.

Directors' Responsibility for the financial statements

The company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

(cont'd)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cocoa Processing Company Limited at 30 September 2010 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179) of Ghana

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the statements of financial position and comprehensive income are in agreement with the books of account.

alm a

CHARTERED ACCOUNTANTS 13 YIYIWA DRIVE, ABELENKPE P. O. BOX GP 242 ACCRA

9 February 2011

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2010

	Note	2010 GH¢	Restated 2009 GH¢	Restated 2008 GH¢
Assets	RWESTO II	*		
Non-Current Assets			t	
Property, Plant and Equipment	5	117,606,057	111,134,042	112,995,183
Leasehold Land	6	19,370,312	20,250,781	21,131,250
Total Non-Current Assets		136,976,369	131,384,823	134,126,433
Current Assets				
Inventories	7	37,651,100	33,950,277	15,114,229
Trade and Other Receivables	8	9,638,919	22,314,412	17,667,707
Cash and Cash Equivalents	9a	3,323,535	2,975,476	3,059,038
Non-current Assets held for Sale	17	61,960	123,921	123,921
Total Current Assets		50,675,514	59,364,086	35,964,895
Total Assets		187,651,883	190,748,909	170,091,328
Equity				
Stated Capital	13	16,778,315	16,778,315	16,778,315
Retained Earnings	19	16,413,542	30,110,477	48,237,151
Translation Reserves	20	(33,036,633)	(28,097,543)	(14,497,583
Total Equity		155,224	18,791,249	50,517,883
			(1000000000000000000000000000000000000	***************************************
Non-Current Liabilities		101 005 555	112 275 590	102,311,137
Long-term Borrowings	11 (ii)	121,295,555	112,275,580	800,339
Employee Benefit Obligations	12	2,881,351	1,091,589	
Total non-current Liabilities		124,176,906	113,367,169	103,111,470
D 1 0 1 0	9b	3,403,816	5,856,514	3,959,85
Bank Overdraft Trade and Other Payables	10	53,987,638	40,388,453	12,502,113
Short-term portion of Borrowings	11 (i)	5,928,299	12,345,524	
Total Current Liabilities		63,319,753	58,590,491	16,461,96
Total Liabilities		187,496,659	171,957,660	119,573,44
Total Fauity and Liabilities		187,651,883	190,748,909	170,091,32
Total Equity and Liabilities		=======================================	========	

Dethan

DIRECTOR

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Note	2010 GH¢	Restated 2009 GH¢
Turnover	14	84,127,817	45,541,422
Cost of sales	15	(82,761,917)	(53,390,388)
Gross Profit/(Loss)		1,365,900	(7,848,966)
Other income	16	154,355	62,612
Selling and distribution costs		(1,296,392)	(1,038,808)
General and administrative expenses		(9,344,730)	(6,400,808)
Loss from Operations	18	(9,120,867)	(15,225,970)
Finance income		220,280	198,496
Finance cost	23	(3,624,805)	(2,800,586)
Loss before Tax		(12,525,392)	(17,828,060)
Taxation	24		
Loss after Tax		(12,525,392)	(17,828,060)
Other Comprehensive Income			
Defined benefit plan actuarial (loss)/gains Foreign currency translation difference	12	(1,171,543) (4,939,090)	251,798 (13,599,960)
Other Comprehensive Income for the year		(6,110,633)	(13,348,162)
Total Comprehensive Income for the year		(18,636,025)	(31,176,222)
Earnings per share			
Net loss for the year Basic earnings per share Diluted earnings per share		(12,525,392) (0.0114) (0.0114)	(17,828,060) (0.0162) (0.0162)
			1. 774

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Share Capital GH¢	Translation Reserve GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 October 2008 (Restated)	16,778,315	(14,497,583)	48,237,151	50,517,883
Total comprehensive income for the year Loss for the year			(17,828,060)	(17,828,060)
Other comprehensive income Foreign currency translation differences Defined benefit plan actuarial gains		(13,599,960)		(13,599,960) 251,798
Total comprehensive income for the year		(13,599,960)	(17,576,262)	
Transactions with owners, recorded directly in equity Dividends to equity holders Balance at 30 September 2009 (Restated)	16,778,315	(28,097,543)	(550,412) 30,110,477	(550,412) 18,791,249
Balance at 1 October 2009 (Restated)	16,778,315	(28,097,543)	30,110,477	18,791,249
Total comprehensive income for the year Loss for the year			(12,525,392)	(12,525,392)
Other comprehensive income Foreign currency translation differences Defined benefit plan actuarial loss		(4,939,090)		(4,939,090) (1,171,543)
Total comprehensive income for the year	-	(4,939,090)	(13,696,935)	(18,636,025
Balance at 30 September 2010	16,778,315	(33,036,633)	16,413,542	155,224

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 SEPTEMBER 2010

	2010	Restated 2009
Cook floor from a section and disc	GH¢	GH¢
Cash flows from operating activities Loss before taxation	(12,525,392)	(17,828,060)
Adjustments for:	(12,323,392)	(17,828,000)
Depreciation charges	4,298,986	3,773,567
Amortisation of leasehold	880,469	880,469
Loss on disposal of property and equipment	5,403	21,561
Net interest charges	3,404,525	2,602,090
Employee benefit obligations	618,219	543,048
Translation differences	(4,939,090)	(13,599,960)
Impairment of assets held for sale	61,961	
	(8,194,919)	(23,607,285)
Change in inventories	(3,700,823)	(18,836,048)
Change in account receivables	12,675,493	(4,646,705)
Change in account payables	13,599,185	27,886,335
	4.4.470.006	(10.202.702)
Net cash flow used in operating activities	14,378,936	(19,203,703)
Cash flows from investing activities		
Interest received	220,280	198,496
Purchase of property, plant and equipment	(10,806,618)	(1,944,726)
Proceeds from disposal of property and equipment	30,214	10,739
Net cash flow used in investing activities	(10,556,124)	(1,735,491)
Cash flows used in financing activities		(550.410)
Dividend paid	(2.524.005)	(550,412)
Interest paid	(3,624,805)	(2,800,586)
Movement in borrowings	2,602,750	22,309,967
Net cash flow from financing activities	(1,022,055)	18,958,969
Increase in cash and cash equivalents	2,800,757 ======	(1,980,225)
Analysis of changes in cash and cash		
equivalents during the year		
Balance at 1 October	(2,881,038)	(900,813)
Increase in cash and cash equivalents	2,800,757	(1,980,225)
Balance at 30 September	(80,281)	(2,881,038)
Analysis of balances of cash and cash		
equivalents	2 222 222	2.055.455
Cash and bank balances	3,323,535	2,975,476
Bank overdraft	(3,403,816)	(5,856,514)
	(80,281)	(2,881,038)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of the financial statements are set out below.

1.1 Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities that have been measured at fair value.

1.2 Functional and Presentation Currency

The financial statements are presented in Ghana Cedis (GH¢), however, the US Dollar (US\$) is the functional currency of the Company. All values have been rounded to the nearest Ghana Cedi, except where otherwise indicated.

1.3 Statement of Compliance

The financial statements of Cocoa Processing Company Limited have been prepared in accordance with International Financial Reporting Standards (IFRS).

1.4 Segment Reporting

The Company's operations are organised into two main segments (Cocoa and Confectionery) determined on the basis of products. Each segment represents a strategic business unit (SBU) that serves different markets and are managed as such.

Cocoa

The Cocoa factory produces semi-finished products for sale on the local and overseas commodity market, which products are used by manufacturers as raw materials.

Confectionery

The confectionery factory produces chocolate and other confectionery products for sale on the local market and other markets in the West African sub region.

Transfer Pricing

Transfer pricing between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transfers between segments. All transfer gains or losses are eliminated in the financial statements of the Company. Segment results are presented in Note 4.

1.5 Foreign Currency

Transactions in local and foreign denominated currencies, except US Dollar are translated into the functional currency at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities are restated into the presentation currency at the rate of exchange ruling at the end of each period. Translation differences are recognised in other comprehensive income and presented in the foreign currency reserve (translation reserve) in equity.

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided on the depreciable amount of each component on a reducing balance basis over the anticipated useful life of the asset. The depreciable amount related to each asset is determined as the difference between the gross value and the residual value of the asset. The residual value is the estimated amount, net of disposal costs that the Company would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset.

The current annual depreciation rates for each class of property, plant and equipment are as follows:

•	Leasehold Land	(4)	Over lease period
•	Bungalow Furniture & Equipment	~	20%
•	Office Furniture & Equipment	200	20%
•	Laboratory Equipment	-	20%
•	Motor Vehicles	-	25%
•	Plant and Machinery	-	5%
•	Staff Bungalows and Flats	-	2%
•	Buildings and Roadworks		2%

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Company.

The carrying values of property, plant and equipment are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the item) is included in the statement of comprehensive income in the year the item is derecognised.

Residual values, useful lives and methods of depreciation for property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1.7 Leases

Classification

Leases that the company assumes substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

Lease Payments

Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between the finance expense and a reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.8 Intangible Assets

Research and Development Costs

Expenditure on research activities undertaken with the prospect of developing new recipes and products are written off as incurred.

Development expenditures incurred on individual products, are capitalised only if development costs can be measured reliably, the product or process are technically and economically feasible. Future economic benefits are probable and company intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure is written off as incurred. Capitalised development expenditure is measured at cost less accumulated amortization and impairment losses.

Computer Software

Acquired computer software licenses are capitalised on the basis of the costs incurred in acquiring and buying the specific software to use. These costs are amortised on the basis of the expected useful lives.

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

1.10 Employee Benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income when they are due.

Defined benefit plans

The company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value and any unrecognised past service costs. The discount rate is the yield at the reporting date on a long-dated instrument on the Ghana market. The calculation is performed using the projected unit credit method. Changes in the fair value of the plan liability are recognised in the statement of comprehensive income.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed without realistic possibility of withdrawal to a formal detailed plan to terminate employment before the normal retirement date.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the company has a present legal or constructive obligation to pay this amount in respect of past services provided by the employee and the obligation can be estimated reliably.

1.11 Non-current Assets Held for Sale

An asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated in line with IFRS 5.

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for goods sold in the normal course of business net of discounts, VAT/National Health Insurance Levy and other sales related taxes.

Export sales are recognised when the invoiced value of cocoa products supplied to customers and receivable free on board (FOB) are shipped. Local sales of confectionery and cocoa cake/powder are recognised when goods are delivered and title is passed.

1.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where appropriate, direct labour costs and overheads that have been incurred in bringing inventories to their present location and condition. Cost is calculated using the FIFO method for raw materials and the weighted average method for all other inventory. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs either to completion or to sell.

1.14 Financial Instruments

- Initial Recognition and Subsequent Measurement

Date of recognition

Purchases and sale of financial assets that require delivery of assets within a time frame generally established by regulation or convention in the market place are recognised on settlement dates.

Initial recognition of financial instruments

Financial instruments are initially recognised at their fair value plus transaction costs that are directly attributable to the acquisition or issue.

Held-to-maturity assets

Held-to-maturity assets are non-derivative financial instruments with fixed or determinable payments and maturity dates. Instruments that the Company has a positive intent and ability to hold to maturity are classified as held-to-maturity and are measured at amortised cost using the effective interest method, less impairment losses.

Loans and receivables

Loans and receivables are accounted for at amortised cost using the effective interest method. Loans and receivables are initially recognised, in the case of credit sales when sale is consummated at fair value and in the case of staff loans, when cash is advanced to staff.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1.14 Financial Instruments

- Initial Recognition and Subsequent Measurement (cont'd)

Subsequent measurement of financial instruments

The fair value of financial instruments traded in active markets at the end of each period, is based on their quoted market price or dealer price without any deduction of transaction costs. Where market prices are not available the Company establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants.

1.15 Derecognition of Financial Assets and Liabilities

A financial asset or a portion thereof, is derecognised when the Company's rights to cash flows has expired; or when the Company has transferred its rights to cash flows relating to the financial assets, including the transfer of substantially all the risk and rewards associated with the financial assets or when control over the financial assets has passed.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled or expired.

1.16 Impairment of Financial Assets

Framework for impairing financial assets

At each period end the Company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired. Evidence of impairment may include indications that the customer is experiencing significant financial difficulty, default or delinquency repayment of carrying amount of the debt, or the fact that the debt is being restructured to reduce the burden on the customer.

Trade & other receivables

The company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a category of financial assets with similar risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2010 If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income.

1.17 Issued Debt and Equity Financial Instruments

Financial instruments issued by the Company are classified as liabilities if they contain an obligation to transfer economic benefits. Financial instruments issued by the Company are classified as equity where they confer on the holder a residual interest in the company.

Treasury shares represent issued equity shares repurchased by the company which have not been cancelled. Treasury shares are deducted from shareholders' equity and represent the purchase consideration, including directly attributable costs. Where treasury shares are subsequently sold or reissued, net proceeds received are included in shareholders' equity. No profit or loss is recognised on the purchase or sale of treasury shares.

1.18 Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including: cash and non-restricted balances such as treasury bills and other eligible bills and short-term government securities.

1.19 Dividend

Dividends declared are treated as an appropriation of profit in the year of approval while dividends proposed are disclosed as a note to the financial statements.

2. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS & JUDGMENTS

In preparation of the financial statements, the Company makes estimations and applies judgment that could affect the reported amount of assets and liabilities within the next financial year. Key areas in which judgment is applied include:

2.1 Impairment of Financial Assets

The Company makes an allowance for unrecoverable trade and other receivables, loans and held-to-maturity investments when there is objective evidence that the carrying amount may not be recoverable. Significant management judgment is required to determine when objective evidence of impairment exists, and also in estimating future cash flows from the assets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2.2 Impairment of Non-financial Assets

The Company assesses at least at each financial year end whether there is any evidence that non financial assets such as property, plant and equipment may be impaired. Where indicators of impairment exist, an impairment test is performed. This requires an estimation of the value in use of the asset or the cash-generating units to which the asset belong. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select a suitable discount rate in order to calculate the present value of those cash flows.

2.3 Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3. FUTURE DEVELOPMENTS/ CHANGES IN ACCOUNTING POLICIES

3.1 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 September 2010, and have not been applied in preparing these financial statements.

- i. Various Improvements to IFRS (excluding IFRS 2) Share-based Payment; IAS 38 Intangible Assets Additional consequential amendments arising from revised IFRS 3; IFRIC 9 Reassessment of Embedded Derivatives; IFRIC 16 Hedges of a Net Investment in a Foreign Operation) for financial statements annual periods commencing on or after 1 January 2010. This change has no impact on the company.
- ii. IFRS 2 amendment Group Cash-settled Share-based Payment Transactions (withdrawal of IFRIC 8 and IFRIC 11) for financial statements annual periods commencing on or after 1 January 2010. The amendment clarifies accounting for group cash-settled share-based payment transactions. The entity receiving the goods or services shall measure the share-based payment transaction as equity-settled only when the awards granted are its own equity instruments, or the entity has no obligation to settle the share-based payment transaction. The entity settling a share-based payment transaction when another entity in the group receives the goods or services recognises the transaction as equity-settled only if it is settled in its own equity instruments. In all other cases, the transaction is accounted for as cash-settled. This change will have no impact on the company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

- iii. IAS 32 amendment IAS 32 Financial Instruments: Presentation Classification of Rights Issues for financial statements annual periods commencing on or after 1 February 2010. The amendment clarifies the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer. The amendment states that if such rights are issued pro rata to an entity's existing shareholders for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.
- iv. IFRS 9 Financial Instruments for financial statements beginning on or after 1 January 2013. The amendments clarify that if a financial asset is reclassified at fair value through profit or loss category it must be assessed for embedded derivatives at the date of reclassification. In addition, a contract that includes an embedded derivative that cannot be separately measured, is prohibited from being reclassified out of the 'at fair value through profit or loss' category. This change will have no impact on the company's financial statements.

3.2 New standard adopted

The company applies revised IAS 1 Presentation of financial statements (2007), which became effective for companies with financial year ends 31 December 2009. As a result, the company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3.3 Comparative information

The previous year's figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison to ensure consistency of information.

4. SEGMENT RESULTS

Revenue and profit regarding the company's segments are shown below:

Year ended 30 September 2010

	Cocoa Factory GH¢	Confectionery Factory GH¢	Inter- Segment Transactions GH¢	Company GH ₀
Revenue for reportable segments Sales to external customers Inter segment sales	79,964,243 352,037	4,163,574	(352,037)	84,127,817
	80,316,280	4,163,574	(352,037)	84,127,817
Cost of sales Inter segment cost of sales	(77,523,381)	(5,238,536) (352,037)	352,037	(82,761,917
Gross profit/(loss)	2,792,899	(1,426,999)		1,365,900
Other income	115,766	38,589	-	154,355
Operating profit/(loss)	2,908,665	(1,388,410)		1,520,255
Expenditure for reportable segments Selling and distribution costs Administrative costs Finance costs Finance income Loss before tax	(972,294) (7,008,548) (2,718,604) 165,210 (10,534,236) (7,625,571)	(324,098) (2,336,182) (906,201) 55,070 (3,511,411) (4,899,821)		(1,296,392 (9,344,730 (3,624,805 220,280 (14,045,647 (12,525,392
Year ended 30 September 2009	Cocoa Factory GH¢	Confectionery Factory GH¢	Inter- Segment Transactions GH¢	Company GH¢
Revenue for reportable segments Sales to external customers Inter segment sales	39,060,037 1,133,078	6,481,385	(1,133,078)	45,541,422
	40,193,115	6,481,385	(1,133,078)	45,541,422
Cost of sales Inter segment cost of sales	(46,335,945)	(7,054,443) (1,133,078)	1,133,078	(53,390,388
Gross loss	(6,142,830)	(1,706,136)		(7,848,966
Other income	46,959	15,653		62,612
Operating loss	(6,095,871)	(1,690,483)	-	(7,786,354
Expenditure for reportable segments Selling and distribution costs Administrative costs Finance costs Finance income	(779,106) (4,800,607) (2,100,439) 148,872	(259,702) (1,600,201) (700,142) 49,624	<u>.</u>	(1,038,808 (6,400,808 (2,800,586 198,496
	(7,531,280)	(2,510,426)	-	(10,041,706
Loss before tax	(13,627,151)	(4,200,909)		

The assets were valued on the basis of their current open market and forced sale values. Three (3) machinery owned by the company and Property, plant and equipment were professionally revalued by Valuation and Investment Associates, a firm of valuers in September 2008. installed at the factory at Tema with a total value of GH¢2,181,324 have been used as security for overdraft and loan facilities.

PROPERTY, PLANT & EQUIPMENT - 2009

Total GH¢	114,818,321 1,944,726 (37,389)	116,725,658		1,823,138 3,773,567 (5,089)	5,591,616	111,134,042
Laboratory Equipment GH¢	320,455	320,455		32,150 47,609	79,759	240,696
Bungalow Furn & Equip GH¢	35,468 26,141	61,609		3,785	10,651	50,958
Office Furniture and Equipment GH¢	241,403 40,557	281,960		40,230	78,559	203,401
Motor C Vehicles GH¢	746,283 173,083 (37,389)	881,977		144,288 150,445 (5,089)	289,644	592,333
Plant and Machinery GH¢	82,135,618 202,783	82,338,401		1,456,541	4,717,822	77,620,579
Buildings and Staff Bungalows Road Works and Flats GH¢	377,360	377,360		569 6,384	6,953	370,407
Buildings and Road Works GH¢	18,676,466	18,676,466		145,575 262,653	408,228	18,268,238
Capital Work In Progress GH¢	12,285,268	13,787,430		1 1, 1	-	13,787,430
Gross Value	At 1/10/08 (Restated) Additions Disposals	At 30/09/09 (Restated)	Accumulated Depreciation	At 1/10/08 Charge for the year Released on disposals	At 30/09/09 (Restated)	Net Book Value (Restated)

5.2 PROPERTY, PLANT & EQUIPMENT - 2008

Capital Work Buildings and Staff Bungalows Plant and CHe Motor Office Furnalities Office Informent Buildings In Progress Road Works and Flats Machinery CHe CH						,				
33,258,406 6,781,474 32,000 22,721,701 1,167,151 411,181 17,158 164,621 64, 15,963,445 1,400,697 - 8,753,810 32,641 29,929 20,137 114,276 26, 16,903,683 1,926,663 - 35,010,020 1,285,268 18,575,683 1,926,663 377,360 82,135,618 746,283 241,403 35,468 320,455 114,276 20, 112,285,268 18,530,891 376,791 80,679,077 601,995 201,173 31,683 288,305 112.		Capital Work In Progress GH¢	Buildings and Road Works GH¢	Staff Bungalows and Flats GH¢	Plant and Machinery GH¢	Motor Vehicles GH¢	Office Furniture and Equipment GH¢	Bungalow Furn & Equip GH¢	Laboratory Equipment GH¢	Total GH¢
15,963,446 6,781,474 32,000 22,721,701 1,167,151 411,181 17,158 164,621 64, 15,963,445 1,450,697 8,753,810 32,641 29,929 20,137 114,276 26, 15,963,683 1,926,663 1,926,90 1	Gross Value			*						
(36,936,683) 1,926,663 - 35,010,020 - - (71,002) 24,102 12,285,268 18,676,466 377,360 82,135,618 746,283 241,403 35,468 320,455 114,285 - - - 71,244 24,105 559 48,315 - - - - - (71,244) (24,105) (559) 48,315 - - - - - - (48,315) - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td>At 1/10/07 Additions Disposals</td> <td>33,258,406 15,963,545</td> <td>6,781,474 1,450,697</td> <td>32,000</td> <td>22,721,701 8,753,810</td> <td>1,167,151 32,641 (126,692)</td> <td>411,181 29,929 (31,917)</td> <td>17,158 20,137 (646)</td> <td>164,621 114,276</td> <td>64,553,692 26,365,035 (159,255)</td>	At 1/10/07 Additions Disposals	33,258,406 15,963,545	6,781,474 1,450,697	32,000	22,721,701 8,753,810	1,167,151 32,641 (126,692)	411,181 29,929 (31,917)	17,158 20,137 (646)	164,621 114,276	64,553,692 26,365,035 (159,255)
12,285,268 18,676,466 377,360 82,135,618 746,283 241,403 35,468 320,455 114,	Transfers Revaluation	(36,936,683)	1,926,663 8,517,632	345,360	35,010,020	(326,817)	(167,790)	(1,181)	(71,002)	24,129,851
isposals	At 30/09/08 (Restated)	12,285,268	18,676,466	377,360	82,135,618	746,283	241,403	35,468	320,455	114,818,321
n disposals 71,244 24,105 559 48,315	Accumulated Depreciation									
145,575 569 1,456,541 144,288 40,230 3,785 32,150 11 145,575 569 1,456,541 144,288 40,230 3,785 32,150 11 12,285,268 18,530,891 376,791 80,679,077 601,995 201,173 31,683 288,305 112	At 1/10/07	0	i.			71,244	24,105	559	48,315	144,223
12,285,268 18,530,891 376,791 80,679,077 601,995 201,173 31,683 288,305 111	Released on disposals Transfers Charge for the year		145.575	- 569	1,456,541	144,288	40,230	3,785	(48,315) 32,150	(48,315) (48,315) 1,823,138
12,285,268 18,530,891 376,791 80,679,077 601,995 201,173 31,683 288,305	At 30/09/08 (Restated)	'	145,575	695	1,456,541	144,288	40,230	3,785	32,150	1,823,138
	Net Book Value (Restated)	12,285,268	18,530,891	376,791	710,679,077	601,995	201,173	31,683	288,305	112,995,183

5.1 Disposal of Property and equipment

	2010 GH¢	2009 GH¢
Gross Value	62,778	37,389
Less: Accumulated Depreciation	(27,161)	(5,089)
Net Book Value	35,617	32,300
Sales proceeds	30,214	10,739
Loss on disposal of property and equipment	(5,403)	(21,561)
	====	=====

6. LEASEHOLD LAND

Balance at 1 October Amortisation for the year	20,250,781 (880,469)	21,131,250 (880,469)
Amortisation for the year	(680,403)	(880,409)
Balance at 30 September	19,370,312	20,250,781

The land was professionally revalued by Valuation and Investment Associates, a firm of valuers in September 2008 prior to the transition to IFRS. The land was valued on the basis of its current open market and forced sale value. The remaining term of the lease was twenty-four years at the date of revaluation.

7. INVENTORIES

	2010 GH¢	2009 GH¢
Raw Materials	2,309,108	15,148,745
Packaging Materials	4,180,514	3,508,029
Finished Goods	28,603,114	12,734,764
Γechnical Store Parts	2,449,477	2,422,522
Fuel and Lubricants	108,887	136,217
	37,651,100	33,950,277
	37,031,100	33,930,277

8. TRADE AND OTHER RECEIVABLES

2010 GH¢	2009 GH¢
5,570,682	13,207,646
1,047,017	576,271
2,036,597	5,649,664
263,095	619,023
721,528	2,261,808
9,638,919	22,314,412
	5,570,682 1,047,017 2,036,597 263,095 721,528

Included in staff debtors are staff loans which attract no interest. The maximum amount due from staff during the year was GH¢1,047,017 (2009: GH¢923,650).

9. CASH AND CASH EQUIVALENTS

2010 GH¢	2009
GHE	CIL
	GH
1,539,912	599,650
14,871	29,860
40,690	33,203
1,728,062	2,312,763
3,323,535	2,975,476
	REST TORONOUS AND

The Fixed Deposits and 91-day Treasury Bills have been used as collateral for bank overdraft and loans with Prudential Bank Limited.

b. Bank Overdraft

The company had overdraft facilities of GH¢2 million (2009: GH¢3.4 million) with its bankers at the year-end which had been fully utilised.

	2010 GH¢	2009 GH¢
Prudential Bank (Cedi)	3,403,816	4,769,936
Prudential Bank (USD)		1,086,578
	3,403,816	5,856,514

b. Bank Overdraft (cont'd)

In December 2006, Prudential Bank Limited, made an overdraft facility of GH¢2,000,000 available to the company to supplement its working capital. This facility was renewed in June 2009. The overdraft is to be repaid within a period of 12 months from the date of completion of legal documentation to support the facility. Interest is charged at the bank's base rate minus 3.0% or such other rates as may be determined by the bank from time to time.

The facility is secured with the following assignments.

- The company's fixed deposit number 004FXDL073340040004 with a balance of GH¢848,499 at year-end.
- ii. General charge over three (3) machines installed at the factory at Tema with a total value of GH¢2,181,324.

10. TRADE AND OTHER PAYABLES

	2010 GH¢	2009 GH¢
Trade Payables	46,978,875	35,851,133
EDIF Loan Payable	12	179,242
Other Payables	7,008,763	4,358,078
	53,987,638	40,388,453

11. BORROWINGS

		2010	2009
	Note	GH¢	GH¢
Barclays Bank led Syndicate Euro Loan	(a)	24,517,466	30,396,795
Barclays Bank led Syndicate Dollar Loan	(b)	29,637,547	31,823,845
EDIF Loan (Cedis)	(c)	4,779,533	
Prudential Dollar Loan	(d)	2,814,150	*
COCOBOD Dollar Loan	(e)	65,475,158	62,400,464
3		127,223,854	124,621,104
(i) Short term portion of borrowings		5,928,299	12,345,524
(ii) Long-term borrowings		121,295,555	112,275,580

11. BORROWINGS

(CONT'D)

- (a) This represents the balance on a twenty-two million Euro (Euro 22 million) loan facility from a syndicate of banks led by Barclays Bank of Ghana Limited for expansion of production capacity from 25,000 metric tonnes to 65,000 metric tonnes. The other participating banks are SG-SSB Bank Limited, The Trust bank and Ecobank Ghana Limited. The loan facility is secured by fixed and floating charges over assets of the company. Although disbursement of the loan started in September 2003, the facility agreement was formally signed on 18 February 2005. The syndicated loan is denominated and repayable in Euros over 5 years in equal monthly instalments after one year moratorium. Interest on the facility is charged at EURIBOR plus 2.5% per annum.
- (b) This represents the outstanding balance on another loan facility of twenty-two million US Dollars (US\$22 million) from the syndicate of banks in (a) above led by Barclays Bank of Ghana Limited for expansion of production capacity. The loan facility is secured by an assignment of export contracts and receivables amounting to a maximum of eighty percent (80%) of all receivables and fixed and floating charges over the assets of the company stamped to cover the overall exposure as well as debentures over the debt service reserve account of the company. Although disbursement of the loan started in September 2003, the facility agreement was formally signed on 18 February 2005. The syndicated loan is denominated and repayable in US Dollars over 5 years in equal quarterly instalments after one year moratorium. Interest on the facility is charged at LIBOR plus 3.32% per annum.

The company was unable to meet the terms of the repayment schedule of the two syndicated loan agreements, (a) and (b) above. Management is currently negotiating a revised repayment schedule with the banks.

- (c) The company obtained a loan facility of four million five hundred thousand Ghana cedis (GH¢4,500,000) from the Export Development and Investment Fund (EDIF) to supplement its working capital during the year. The facility is secured over the company's fixed deposits with a total balance of GH¢1,728,062 at year-end and general charge over three (3) machines installed at the factory at Tema with a total value of GH¢2,181,324. The total amount is repayable in quarterly instalments over a period of forty-two (42) months from 26 November 2009 including a moratorium period of six (6) months on both principal and interest. Interest is chargeable at twelve and a half percent (12.5%) per annum.
- (d) The company obtained a two million dollar short term loan facility from Prudential Bank on 10 December 2010 to complement its resources and supplement its working capital during the year. The loan is secured on the company's cedi and dollar fixed deposits as well as three machines installed at the company's factory at Tema as stated in (c) above. The facility attracts interest at a rate of 10.50% per annum. The facility is repayable in quarterly instalments over a period of 24 months including six months moratorium on both principal and interest.
- (e) This represents balances on COCOBOD's current account which has been converted into a medium term loan. The terms of the loan had not yet been formally agreed on at the year-end.

12. EMPLOYEE BENEFIT OBLIGATIONS

Post-employment and long-term benefit plan

Apart from the legally required social security scheme, the company has an independent pension plan.

12. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

Employee benefit obligations recognised in the Statement of financial position

		2010	2009
		GH¢	GH¢
Pension funds:	defined benefit plan	2,881,351	1,091,589
			======
Reconciliation	of assets and employee benefit obligations recognised in	the Statement of	
financial positi			
		2010	2009
		GH¢	GHe
Defined benefi	t pension plan		
Present value of	f funded obligation	1,00	
Fair value of pla	anned assets	(Se)	1.7
Excess of liabil	ities/(assets) of funded obligations	0.2	¥
	f unfunded obligations	2,881,351	1,091,589
	ed actuarial (losses)/gains	16	-
Unrecognised a	ssets	-	-
	benefit obligations recognised		
in the Statem	nent of financial position	2,881,351	1,091,589
	the present value of defined		
benefit obliga	ations		
11-6-1-11-6-	-11 - C. III - C C. C C. I	1 001 500	800 220
	ned benefit obligations as of 1 September	1,091,589	800,339
Current service	cost	475,222	398,986
Interest	. 11	142,997	144,062
Recognised act	uarial losses/(gains)	1,171,543	(251,798)
Total number of	l		
	value of defined benefit	2 001 251	1 001 500
obligation at	30 September	2,881,351	1,091,589
			
Evnancae raca	gnised in the statement of comprehensive income		
Expenses reco	gnised in the statement of comprehensive income		
Current service	cost	475,222	398,986
Interest expense		142,997	144,062
	n on plan assets	172,777	144,002
Past service cos			
Employees' con			
Employees co.	10410113		
Total defined	benefit expenses	618,219	543,048
. oral defined	wenter capenses	======	======

12. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

Principal actuarial assumptions used

	2010 %	2009
Discount rate	13	18
Expected rate of salary increase	15	15

The assumptions are assessed on a yearly basis and valuation of the plan is carried out. Net actuarial losses not recognised at the statement of financial position date was Nil (2009: Nil).

13. SHARE CAPITAL (STATED CAPITAL)

Authorised Shares:			2010	2009
Ordinary shares of no par value			20,000,000,000	20,000,000,000
Preference shares of no par value	ie		1 =	1
Issued and fully paid				
	Number 'm	Amount GH¢	Number 'm	Amount GH¢
Ordinary shares for cash	1,100.8	16,778,215	1,100.8	16,778,215
	Number	Amount GH¢	Number	Amount GH¢
Preference shares (a)	1 =	100	1	100

(a) The Government of Ghana holds the special rights redeemable preference share of no par value (the Golden Chocolate Share). The Golden Share is non-voting but the holder is entitled to receive notices of and to attend and speak at any general meeting of the members or at any separate meeting of the holders of any class of shares. On winding up, the Golden share has a preferential right to return of Capital, the value of which will be GH¢100 (One hundred Ghana cedis).

There are no outstanding shares in Treasury and there is no unpaid liability on any share.

14. TURNOVER

			2010 GH¢	2009 GH¢
(a)	Gross Local Sales <u>Less</u> : VAT		4,708,133 (650,631)	7,318,046 (1,008,131)
	Add: Export sales		4,057,502 80,070,315	6,309,915 39,231,507
			84,127,817	45,541,422 ======
(b)	Analysis by product			
	Cocoa Butter Cocoa Liquor Cocoa Cake Cocoa Powder Confectionery Nib Dust		38,058,350 14,462,502 24,953,524 2,462,921 4,163,574 26,946	26,408,437 3,302,062 8,188,018 1,146,351 6,496,554
			84,127,817	45,541,422 ======
(c)	Analysis by market segment			
	Year ended 30 September 2010	Export Sales GH¢	Local Sales GH¢	Total GH¢
	Semi-finished Products Confectionery	79,388,436 681,879	575,807 3,481,695	79,964,242 4,163,575
		80,070,315	4,057,502	84,127,817
	Year ended 30 September 2009			
	Semi-finished Products Confectionery	38,078,845 · 1,151,662	966,023 5,344,892	39,044,868 6,496,554
		39,230,507	6,310,915	45,541,422

15. COST OF GOODS SOLD

This comprises of raw materials, packaging materials and production costs as follows:

	2010 GH¢	2009 GH¢
Raw/Packaging Materials Consumed Production Overheads	71,364,575 11,397,342	44,374,479 9,015,909
	82,761,917	53,390,388

16. OTHER INCOME

Sale of Shells	1,400	2,048
Sale of Sacks & Others	16,538	60,299
Sale of Tender Documents	185	265
Sponsorships	10,850	-
Sale of Rejected Items	125,382	-
	154,355	62,612
	======	

17. NON-CURRENT ASSETS HELD FOR SALE

61,690	123,921

This represents old furniture and fittings which have been retired from the fixed assets register to be sold.

18. LOSS FROM OPERATIONS

Loss for the year has been arrived at after charging the following:

	Notes	2010 GH¢	2009 GH¢
Depreciation of property, plant and equipment	5	4,298,986	3,773,567
Research and development		89,807	11,593
Auditor's remuneration		25,000	20,000
Directors' remuneration	21	250,272	116,897
Staff costs	22	8,311,397	5,627,008

19. RETAINED EARNINGS (INCOME SURPLUS ACCOUNT)

This represents the residual of accumulated annual profits/losses that when in surplus, are available for distribution to shareholders.

20. TRANSLATION RESERVE

	2010 GH¢	2009 GH¢
Opening balance	28,097,543	14,497,583
Translation difference for the year	4,939,090	13,599,960
Closing balance	33,036,633	28,097,543

This represents the accumulated exchange difference resulting from the translation of assets and liabilities from the functional currency into the presentation currency.

21. DIRECTORS' REMUNERATION

	2010 GH¢	Restated 2009 GH¢
Executive Directors' Remuneration	186,712	107,691
Directors' Fees	33,660	5,700
Sitting Allowance	29,900	3,506
	250,272	116,897

The disclosure for Directors' emoluments in the prior year included remuneration for key management staff consisting of the Managing Director, the two Deputy Managing Directors and the solicitor/secretary. Following the appointment of a new Board, the current year's disclosure includes only the emoluments of the Board. The prior year disclosure has been restated to reflect only the emoluments of the Board in the prior year.

22. STAFF COSTS		
Wages and Salaries	4,185,589	2,402,352
Social Security Costs	480,733	300,294
Provident Fund Contributions	905,418	676,290
Other Costs	2,739,657	2,248,072
	8,311,397	5,627,008

Other costs include canteen, transportation, medical expenses etc.

22. STAFF COSTS (CONT'D)

Employee Categories

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

		2010 Number	2009 Number
Junior Staff Senior Staff		227 65	214 67
Semor Burn	***	292	281

23. FINANCE COSTS

nterest on Bank Overdrafts	901,727	1,037,629
nterest on Loans	2,723,078	1,762,957
	3,624,805	2,800,586
		=======

24. TAXATION

No provision is made for company tax as the company has been granted the Free Zone Manufacturing status with effect from 28 July 2004. Free zone companies are exempt from corporate income tax for the first ten years of acquiring free zone status.

25. DIVIDEND

	2010 GH¢	2009 GH¢
Dividends paid on ordinary shares: Dividend paid: GH¢Nil (2009: GH¢0.0004) per share	-	550,413
Total Dividends Paid	-	550,413
Total Dividends Faid		

26. R ELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions

The value of transactions between the company and its related parties during the year was as follows:

	2010 GH¢	2009 GH¢
Directors Remuneration Purchases from Cocoa Marketing Company Limited	250,272 71,274,304	116,897 76,491,515
(b) Balances		
Balances due to related company are as follows:		
Cocoa Marketing Company Limited		
- Borrowings	65,475,158	62,400,464
- Trade payables	45,265,120	38,847,926
	110,740,278	101,248,390

27. FINANCIAL INSTRUMENTS / RISK MANAGEMENT

Financial risk management policies and objectives

The Company's principal financial liabilities comprise bank loans, overdrafts, trade payables, and borrowings. The main purpose of these financial liabilities is to raise finance for the Company's operations. The main financial assets of the Company include trade receivables and cash and short-term deposits, which arise directly from the company's operations. Therefore the main risks arising from the Company's financial instruments are Credit risk, liquidity risk, and market risks.

27.1 CREDIT RISK

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

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 8.

27.1 CREDIT RISK (CONT'D)

Trade and other receivables

The Company has no significant concentrations of credit risk, due to the wide spread of its customer base.

Credit transactions are limited to high credit quality institutions. The Company actively seeks to limit the amount of credit exposure to any one institution.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2010	2009
	GH¢	GH¢
Trade receivables	6,182,933	13,667,136
Less: Provision for impairment	(612,251)	(459,490
Trade receivables – Net	5,570,682	13,207,646
Other receivables	1,768,545	2,838,079
Other receivables	1,700,510	-,,-
	7,339,227	16,045,725
Cash and cash equivalents	3,323,535	2,975,476
	10,662,762	19,021,20
Aging and Impairment Analysis		
The aging of Trade receivables at the reporting date was:		
Not past due (0 – 30 days)	3,913,573	13,147,552
Other receivable past due but not impaired	1 657 100	60,094
- 30 to 90 days	1,657,109	459,490
Individually impaired	612,251	439,490
	6,182,933	13,667,136

27.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following liquid resources are available:

	2010 GH¢	2009 GH¢
Trade and other receivables Cash and cash equivalents	5,637,020 3,323,535	13,161,115 2,975,476
	8,960,555	16,136,591

The following are contractual maturities of financial liabilities:

Year ended 30 September 2010

	Total GH¢	0-3 Months GH¢	3-6 Months GH¢	6-12 Months GH¢	Over 12 Months GH¢
Bank overdraft	3,403,816	3,403,816			_
Trade and other payables	53,987,638	53,987,638	-		-
Employee benefit obligation	2,881,351	=	-		2,881,351
Bank loans (medium term)	61,748,696	1,482,075	1,482,075	2,964,149	55,820,397
Other borrowings	65,475,158	-	-,,,,	-,,,,,,,	65,475,158
	187,496,659	58,873,529	1,482,075	2,964,149	124,176,906

Year ended 30 September 2009

	Total GH¢	0-3 Months GH¢	3-6 Months GH¢	6-12 Months GH¢	Over 12 Months GH¢
Bank overdraft	5,856,514	5,856,514			
Trade and other payables	40,388,454	6,058,268	10,097,113	24,233,073	_
Employee benefit obligation	1,091,589		-	-,,,	1,091,589
Bank loans (medium term)	62,220,640	3,086,381	3,086,381	6,172,762	49,875,116
Other borrowings	62,400,464	-	-	-	62,400,464
	171,957,661	15,001,163	13,183,494	30,405,835	113,367,169

27.3 MARKET RISK

This is the risk that the company's operations will fluctuate significantly due changes in currency and interest rates.

Market risk is the risk that changes in market prices (currency and interest rate risk) will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company operates internationally and is exposed to currency risk arising from various currency exposures. Currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The company's exposure to foreign currency risk was as follows based on notional amounts.

Year ended 30 September 2010

	GH¢	Euro	CFA
Assets	142,509		
Assets held to maturity (fixed deposits)	2,260,208		16,349,563
Trade receivables	100,230	63,191	90,000
Cash and bank Liabilities			
Bank loans and overdraft	(8,183,350)	(210,751)	
		/=	
Net exposure	(5,680,403)	(147,560)	16,439,563

Year ended 30 September 2009

GH¢	Euro	CFA
881,702		-
2,840,092	-	170
143,012	100,042	90,000
(4,769,936)	(14,270,796)	on and
(905,130)	(14,170,754)	90,000
	881,702 2,840,092 143,012 (4,769,936)	881,702 2,840,092 143,012 100,042 (4,769,936) (14,270,796)

Year ended 30 September 2009 (cont'd)

The following significant exchange rates applied during the year:

	Aver	age Rate	Report	ing Date
	2010	2009	2010	2009
US\$				
Euro 1	1.96	2.13	1.80	1.89
GH¢1	0.695	0.909	0.705	0.715
CFA	0.00305	0.00293	0.00305	0.00310

Sensitivity Analysis

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the company's statement of comprehensive income. This sensitivity analysis indicates the potential impact on the statement of comprehensive income based upon the foreign currency exposures recorded at 30 September and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest weekly exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

A strengthening/weakening of the Cedi by the rates shown in the table, against the following currencies at 30 September would have increased/(decreased) equity and statement of comprehensive income by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 30 September 2010				2009		
In US\$	% Change	Income statement impact: Strengthening	Income statement impact: Weakening	% Change	Income statement impact: Strengthening	Income statement impact: Weakening
Euro	±11%	(29,216)	29,216	±18%	(4,820,890)	4,820,890
GH¢	±2%	(80,094)	80,094	±10%	(64,717)	64,717
CFA	±4%	20	(20)	±16%	45	45

27.4 Analysis of financial assets and liabilities by measurement basis

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Notes 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position by class of financial instrument to which they are assigned, and therefore by the measurement basis:

Year ended 30 September 2010

	Held to Maturity Securities GH¢	Loans and Receivables GH¢	Other Financial Liabilities GH¢	Total GH¢
Assets				
Trade and other receivables	2	7,339,227	#1	7,339,227
Cash and cash equivalent	1,768,752	1,554,783	40	3,323,535
Total financial assets	1,768,752	8,894,010	-	10,662,762
			===	
Liabilities				
Trade and other payables	_		53,987,638	53,987,638
Bank overdraft	-	-	3,403,816	3,403,816
Borrowings	(4)		127,223,854	127,223,854
	law and not not not			
	-		184,615,308	184,615,308

Year ended 30 September 2009

Trade and other receivables	-	16,045,725	·	16,045,725
Cash and cash equivalent	2,345,966	629,510	-	2,975,476
Total financial assets	2,345,966	16,675,235	-	19,021,201
Liabilities				
Trade and other payables	-		40,388,453	40,388,453
Bank overdraft	-		5,856,514	5,856,514
Borrowings			124,621,104	124,621,104
	-		170,866,071	170,866,071
	===		========	

28. CONTINGENT LIABILITIES AND COMMITMENTS

Commitments for Capital Expenditure

	2010 GH¢	2009 GH¢
Contracts placed for future capital expenditure - Contracted but not provided for	4.070.000	
Contracted but not provided for	4,970,000	-

Contingent Liabilities

Contingent liabilities for pending law suits against the company is estimated at GH¢10,000 (2009: GH¢384,000).

29. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There has been no major event after the Statement of financial position date that materially changed the company's financial statements.

30. TWENTY LARGEST SHAREHOLDERS

		No. of Shares	% Holdings
1.	Government of Ghana	532,554,100	48.38
2.	Ghana Cocoa Board	239,351,240	21.74
3.	Social Security & National Insurance Trust	206,754,000	18.78
4.	Badu Collins K	3,181,000	0.29
5.	SIC Life Company Limited	2,240,000	0.20
5.	Galtere International Master Fund LP	2,240,000	0.20
7.	Osei Isaac	2,140,000	0.19
3.	Donewell Life Company Limited	1,920,000	0.17
9.	Agricultural Development Company	1,600,000	0.15
10.	Ghana Reinsurance Company Limited	1,600,000	0.15
11.	Baah Matthew Mensah	960,000	0.09
12.	State Insurance Company Limited	960,000	0.09
13.	Otchere-Boateng Lordina Justina	800,000	0.07
14.	Ghana Libyan Arab Holding Company	800,000	0.07
15.	Boohene Edward Henaku	800,000	0.07
16.	Tetteh Richard Amarh	552,000	0.05
17.	NTHC/CPC Suspense Account	507,882	0.05
18.	Acre Consolidated Limited	500,000	0.05
19.	Hyde Joel Emmanuel	480,000	0.04
20.	Insurance Compensation Fund	480,000	0.04
		1,000,420,222	90.87

31. DIRECTORS' SHAREHOLDING AS AT 30 SEPTEMBER 2010

	No. of Shares	% Holdings
Tetteh Richard Amarh	552,000	0.0501
Afari-Dwamena Darlington	20,000	0.0018
Entsua-Mensah, Dr.(Mrs.) Rose Emma Mamaa	1,600	0.0001
	573,600	0.0520

32. SHAREHOLDING DISTRIBUTION AS AT 30 SEPTEMBER 2010

	No. of Shareholders	No. of Shares	% Holdings
1 - 1,000	27,582	16,930,011	1.54
1,001 - 10,000	20,803	55,643,960	5.05
Over 10,000	927	1,028,252,269	93.41
	2003		
AND MADE IN COLUMN	49,312	1,100,826,240	100.00

33. RESTATEMENT OF 2009 COMPARATIVES

The 2009 comparative figures were restated for the following reasons:

i. Change in accounting policy

The company applies revised IAS 1 Presentation of financial statements (2007), which became effective as of 1 January 2009. As a result, the company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

ii. Prior year adjustment

Following the revaluation of the leasehold land at the end of 2008, IAS 17 requires the the gross value of the lease to be amortised over the remaining life of the lease. Amortisation of GH¢880,469 has been charged to Leasehold land in 2009. The corresponding expenditure was recorded under General and Administrative expenses.

In addition, the amortisation of leasehold land at the end of the year, resulted in a gain of GH¢497,335 on translation of the balance from the functional currency into the presentation currency.

The company carried out a revaluation of its property, plant and equipment in 2008. Revaluation surplus recorded in the books of the company was overstated by GH¢5,927,530. This has been adjusted to reflect the amount per the revaluation report. The corresponding entry was recognised in property, plant and equipment.

33. RESTATEMENT OF 2009 COMPARATIVES (CONT'D)

The effect of the change in accounting policy (note 3.2) and prior year adjustment is presented in the statements below and explained in the notes set out below:

Total Attributable to Equity Holders GH¢	30,616,831 (11,968,712) (3,080,328) (428,728)	139,524 55,664,409 (14,497,583)	56,445,413	56,445,413 (16,947,591) (550,412)	251,798 (14,097,295) ————————————————————————————————————
Translational Difference GH¢	1.4.1.1	. (14,497,583)	(14,497,583)	(14,497,583)	(14,097,295)
Actuarial Gains GH¢		139,524	139,524	139,524	391,322
Revaluation Reserve GH¢	1111	55,664,409	55,664,409	55,664,409	55,664,409
Income Surplus GH¢	13,838,516 (11,968,712) (3,080,328) (428,728)	i ii c	(1,639,252)	(1,639,252) (16,947,591) (550,412)	(19,137,255)
Stated Capital GH¢	16,778,315	1 1 1	16,778,315	16,778,315	16,778,315
Note	(a)	(a) (a,b)		(c) (a)	(a,d)
	Balance at 1 October 2007 Loss for the year Prior year adjustments Dividend Paid	Other comprehensive income Defined benefit plan actuarial gains Revaluation of property, plant and equipment Foreign currency translation difference	Balance at 30 September 2008 (Restated)	Balance at 1 October 2008 Loss for the year Dividend paid	Other comprehensive income Defined benefit plan actuarial gains Foreign currency translation difference Balance at 30 September 2009

33. RESTATEMENT OF 2009 COMPARATIVES (CONT'D)

	Note	Share Capital GH¢	Translation Reserve GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 October 2007 (Restated)		16,778,315		13,838,516	30,616,831
Total comprehensive income for the year Loss for the year Prior year staff redundancy cost		-	- 1	(11,968,712) (3,080,328)	(11,968,712) (3,080,328)
Other comprehensive income Foreign currency translation differences Defined benefit plan actuarial gains Revaluation surplus	(a) (a,b)		(14,497,583)	139,524 49,736,879	(14,497,583) 139,524 49,736,879
Total other comprehensive income		-	(14,497,583)	49,876,403	35,378,820
Total comprehensive income for the period		16,778,315	(1,497,583)	48,665,879	50,946,611
Transactions with owners, recorded directly in equity Dividends to equity holders	(a)			(428,728)	(428,728)
Balance at 30 September 2008 (Restated)		16,778,315	(14,497,583)	48,237,151	50,517,883
Balance at 1 October 2008 (Restated) Total comprehensive income for the year Loss for the year	(a,c)	16,778,315	(14,497,583)	48,237,151 (17,828,060)	50,517,883
Other comprehensive income Foreign currency translation differences Defined benefit plan actuarial gains Total comprehensive income for the period	(d) (a)	-	(13,599,960)	251,798 (17,576,262)	(13,599,960) 251,798 (31,176,222)
Transactions with owners, recorded directly in equity Dividends to equity holders	(a)			(550,412)	(550,412)
Balance at 30 September 2009 (Restated)		16,778,315	(28,097,543)	30,110,477	18,791,249

33. Restatement Of 2009 Comparatives (Cont'd)

2008

- (a) The effect of change in accounting policy as indicated in note 3.2 has resulted in retrospective changes to the following items:
- dividend paid to equity holders being reclassified from 'total comprehensive income for the year' to 'transactions with owners recorded directly in equity'
- defined benefit plan actuarial gains being recorded under retained earnings
- revaluation surplus being recorded under retained earnings
- (b) The company carried out a revaluation of its property, plant and equipment in 2008. Revaluation surplus has been adjusted by GH¢5,927,530. The corresponding entry was recognized in property, plant and equipment.

2009

- (c) Amortisation of GH φ 880,469 has been charged to leasehold land in 2009. The corresponding expenditure was recorded under and administrative expenses.
- d) There was a gain of GH¢ 497,335 on translation of the leasehold land from the functional currency into the presentation currency

34. Going Concern Consideration

The company reported a loss for the year of GH¢12.5 million (2009: GH¢17.8 million) and at 30 September 2010, the company's current liabilities exceeded its current assets by GH¢12.6 million. The company's total assets exceeded total liabilities by GH¢ 0.2 million at the year-end.

The company's main liabilities are primarily due to Ghana Cocoa Board (COCOBOD), one of the shareholders and a syndicate of banks.

Should demands for repayment of these liabilities be made in accordance with the original terms, the company may not be able to service obligations arising without recourse to other sources of finance.

COCOBOD has agreed the following terms towards the liquidation of the company's indebtedness:

- The US\$14,087,120 inherited from 2003 (before listing on the Ghana Stock Exchange) should be converted to shares.
- The balance of US\$32,022,146 should be repaid in 10 years with 5 years moratorium on the principal at an interest rate of 5% per annum during the moratorium period. The principal should be repaid in equal annual instalments at an interest rate of libor plus 2% at the time of payment.

COCOBOD has also confirmed that it will continue to support the company and will not seek repayment of amounts due to them in a manner that will jeopardise the ability of the company to continue operations.

Based on confirmations and assurances of continued support from COCOBOD, the Directors expect the company to continue as a going concern, realising its assets and discharging its liabilities in the normal course of business.

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

PROXY FORM

I/We
ofbeing member/members of Cocoa Processing Company Limited hereby appoint
*. or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us
at the Annual General Meeting to be held at the Accra International Conference Centre on Tuesday, 29 March 2011 at 10.00 am and at every adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your vote to be cast.

	RESOLUTION	FOR	AGAINST
1.	To receive the Financial Statements		
2.	To re-elect Dr (Mrs) RoseEmma Entsua-Mensah as a Director		
3.	To re-elect Professor Joshua Abor as a Director		
4.	To re-elect Nana Kojo Toku as a Director		
5.	To authorise the Directors to fix the remuneration of the Auditors		
6.	To approve the conversion into equity of an outstanding Debt of USD14,087,120.50 owed Ghana Cocoa Board by the Company.		

Signed this	day of	2011.
Shareholder's Signature		

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING.

NOTES:

- 1. A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.
- 2. Provision has been made on the form for the Chairman of the meeting to act as your proxy but, if you wish, you may insert in the blank space marked (*) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
- 3. In the case of joint holders, each joint holder should sign.
- If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
- Please sign the above proxy form and send it so as to reach the address shown overleaf not less than 48 hours before the appointed time of the meeting.
- 6. The proxy must produce the Admission Card sent with the notice of the meeting to obtain entrance to the meeting.

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THE REGISTRAR
COCOA PROCESSING
COMPANY LIMITED
C/O NTHC LTD.
MARTCO HOUSE
NO. D542/4
OKAI MENSAH LINK
ADABRAKA
P.O. BOX 9563
AIRPORT - ACCRA

FIRST FOLD HERE

THIRD FOLD HERE

