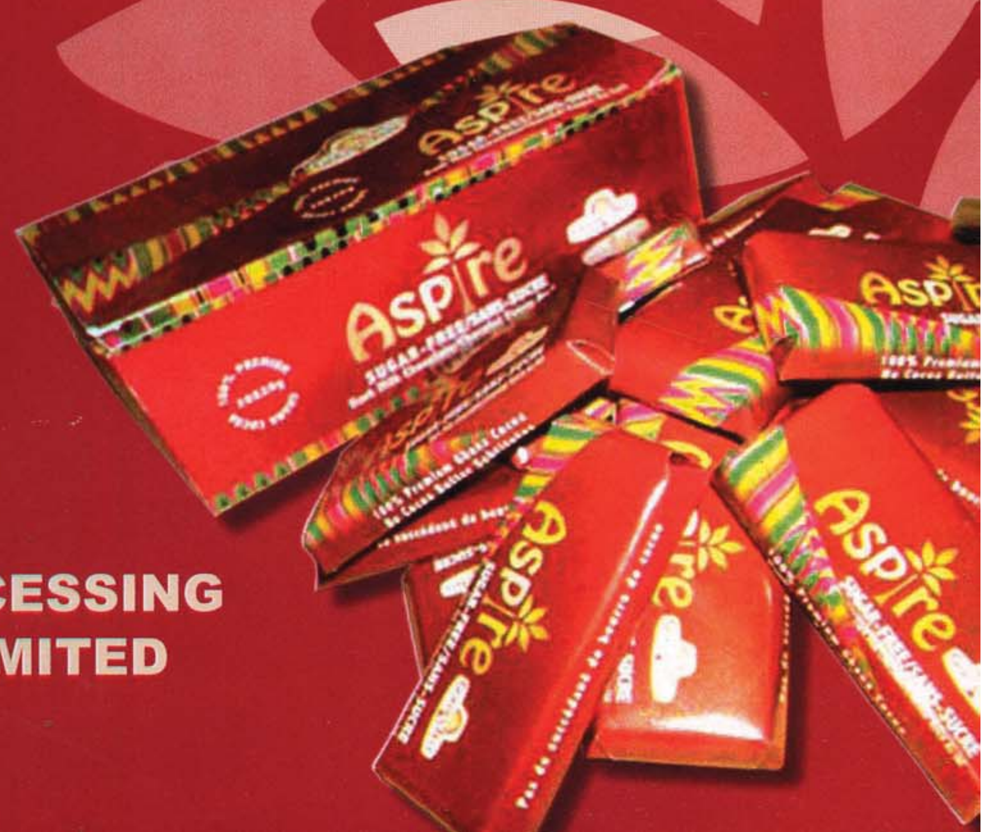
annual report 2011



GOLDEN TREE

COCOA PROCESSING COMPANY LIMITED

GOLDEN TREE

COCOA PROCESSING COMPANY LIMITED

Annual Report & Accounts 2011

contents

VISION AND MISSION

VISION

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

MISSION

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

Annual General Meeting

Notice Of Meeting

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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 Monday, 14 May 2012 at 10.00am to transact the following business:

ORDINARY BUSINESS

1. To receive the Financial Statements for the Year ended 30th September, 2011 and the Reports of the Directors and Auditors thereon.
2. To re-elect Mr. Samuel D. Arkhurst as a Director
3. To re-elect Dr. Yao Asamoa as a Director.
4. To re-elect Mr. John Kofi Mensah as Director.
5. To authorize the Directors to fix the remuneration of the Auditors.

Dated 27 February, 2012
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, N0. 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 INFORMATION

BOARD OF DIRECTORS

Hon. Jacob S. Arthur – *Chairman*
2 Richard Amarh Tetteh – *Managing*
3 Professor Joshua Abor
4 Dr (Mrs) RoseEmma Entsua-Mensah
5 Samuel D. Arkhurst
6 Nana Kojo Toku
7 Dr. Yao Asamoa
8 John Kofi Mensah
9 Anthony Fofie
10 Nana Oduro Owusu
11 Brig-Gen. (Rtd) Charles H. Mankatah
12 Darlington Afari-Dwamena

REGISTERED OFFICE

Cocoa Processing Company Limited
Heavy Industrial Area
Tema, Ghana.

SECRETARY

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

AUDITORS

KPMG GHANA
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
Accra

REGISTRARS

NTHC LTD.
Martco House
P. O. Box 9563
Airport - Accra

BANKERS

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

RE-ELECTION OF DIRECTORS PROFILE

MR. SAMUEL DANQUAH ARKHURST

Mr. Arkhurst is a Principal Economist and Head of Public Expenditure Monitoring Unit at the Ministry of Finance and Economic Planning. He is also an alternate Director of the Board of Directors of the ECOWAS Bank for Investment and Development (EBID).

Mr. Arkhurst is a representative of the Government of Ghana on the Board and a Member of the Board Remuneration, Nomination and Finance & Marketing Committees.

DR. YAO ASAMOA

Dr. Asamoa is a Business Executive, a Member of the Board of Directors of Polytex Industries Limited and the Director of Administration and Customer Relations at Polytex Industries Limited, Accra. He has over 35 years practical experience in food processing, industrial packaging and administration with special emphasis on cocoa processing and plastics.

Dr. Asamoa is an Independent Non-executive Director and Chairman of the Board Technical Committee. He is also a Member of the Board Audit Committee and represents the Board on the Company's Procurement Tender Committee.

MR. JOHN KOFI MENSAH

Mr. Mensah is the Chief Operating Officer of First Capital Plus (FCP) in charge of all operations and a member of the Board of Directors of FCP and Enyan Denkyira Rural Bank. Prior to his appointment at FCP, Mr. Mensah was the Deputy Managing Director of UniBank and General Manager/Deputy CEO at International Commercial Bank.

Mr. Mensah is an Independent Non-Executive Director and Chairman of the Board Finance and Marketing Committee. He is also a member of the Board Audit Committee and represents the Board on Cocoa Processing Company's (CPC) Procurement Tender Committee.

CHAIRMAN'S STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

Dear Valued Shareholders

I welcome you all once again to the Annual General Meeting of the Cocoa Processing Company Limited (CPC). It is a singular honour for me to present to you the Annual Report and the Financial Statements of the Company for the year ended September 30, 2011.

THE GLOBAL ECONOMY

The world economy continued, and indeed made some gains, in its recovery efforts from the financial crisis albeit slower than expected.

Government finances deteriorated sharply across the advanced economies in the euro zone, with public and private debt stretched to extremes in several countries. The aggregate budget deficit for the euro countries was around 7.5% in 2010 while public debt as a share of GDP was around 30% in 2011. The euro zone happens to be the major trading area for the Company as far as the Company's cocoa operations are concerned. The bulk of our semi-finished cocoa products namely cocoa liquor, butter, cake and powder are traded in the euro zone countries, the difficulties faced by these countries posed very deep challenges to the Company during the year under review.

In the face of the ongoing difficulties in banking and the prospect of austerity, manufacturing companies in the cocoa sector in these countries were compelled to pursue alternative strategies in their operations and in the process reduced drastically their dependence on cocoa liquor and butter in the chocolate manufacturing industry. This situation did not only occasion a slump in the sale of these products but also a heavy fall in prices of the cocoa products concerned. The average price obtained for cocoa butter during the year for instance was US$3,050 per tonne compared to the average price of US$5, 800 per tonne for 2010.
The company therefore had to grapple with large stocks of cocoa liquor and butter on its hands, partly on account of low demand and partly as a strategy to cut its losses.

OPERATIONAL CHALLENGES

In addition to the above, your company faced a number of internal operational difficulties during the year. The major challenge encountered had to do with supply of cocoa beans. The Company expected to receive for processing, 54,000mt of cocoa beans during the year. By September 30, 2011, however, only 18,788.9375mt had been received, out of which 16,952.723mt was processed.

Frequent electrical and mechanical faults experienced on the plant and equipment also worked against the Company achieving its operational objectives for the year. Many of these faults were brought about by external power outages and low currents. These, apart from damaging machinery also caused substantial down-time in our operations.

RESULTS OF 2011

We hereby summarize the results of the operations of your company during the year under review as follows:

	2011	2010	%Inc (Decr)
Cocoa Beans Processed	16,952.723mt	21,554.960mt	(21.4)
Turnover	GH¢89,164,530	GH¢84,127,817	6.00
Gross Profit/ (Loss)	GH¢3,836,336	GH¢1,365,900	180.9
Loss from operations	(GH¢9,181,070)	(GH¢9,120,867)	0.7
Finance Cost	GH¢3,768,976	GH¢3,624,805	4.00
Loss after Tax	(GH¢12,860,978)	(GH¢12,525,392)	2.7

CHAIRMAN'S STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

These unexpected low performance achieved during the year was a direct result of both the external and internal difficulties faced.

Recognizing the difficulty in controlling the external shocks to our operations, your Directors worked with Management to institute internal controls to manage costs. The Directors have for instance, imposed a freeze on 1) employment except replacement of retired and resigning staff in critical areas, and 2) procurement of non-essential, non-production-related capital items unless it is absolutely necessary.

These measures, no doubt, helped the Company to minimize the impact of the operational challenges experienced during the year.

In the second quarter of the year, your company commissioned additional plant and equipment at its Cocoa Factory II and the rehabilitated chocolate-making facility at the Confectionery Factory. The benefits of these investments are yet to be realized and we are hopeful that those benefits would not be long in coming as we work towards operating on full capacity in the coming years.

DIVIDEND

In view of the operational losses resulting from the challenges faced, the Directors of your Company are unable to recommend any dividend for the year 2010/2011 financial year.

SAFETY, HEALTH AND ENVIRONMENT

The Company remains committed to ensuring the safety and health of its employees.

The operations of the company were therefore subjected to regular evaluation and re-evaluation by the Environmental Protection Agency (EPA).

RETIREMENT AND RE-ELECTIONS

In accordance with Section 298 of the Companies Code, 1963 (ACT 179) and the Regulations of the Company, Messrs Samuel D. Arkhurst, John K. Mensah and Dr. Yao Asamoa retire from the Board by rotation and being eligible, offer themselves for re-election.

The substantive Managing Director of your Company, Mr. Richard Amarh Tetteh, retired during the year. The Board is currently searching for a substantive Managing Director. The Board has, meanwhile, appointed Mr. Charles D. Asante, the Deputy Managing Director (Operations) as Acting Managing Director.

EXPORTER OF THE YEAR 2011 AWARD

Your Company had the rare privilege of being presented once again with the prestigious award of the EXPORTER OF THE YEAR 2011. This is on account of the company's record of exporting the highest volume of cocoa liquor, butter, cake and powder in 2011.

FUTURE OUTLOOK

Ladies and gentlemen,

The Board and Management are indeed concerned about the current poor operational performance of your company. Our aim as a Board is to ensure the profitability of the Company and for that matter increase shareholder wealth.

CHAIRMAN'S STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

The objectives of our 10-year strategic plan are to ensure the following:
a) a year-round availability of cocoa beans (a minimum volume of 3,500mt per month)
b) a well-managed unit cost of processing beans and
c) a continuous attainment of mark-up of between 8 - 10% on the processing of beans.

In order to curtail the losses experienced by the Company and revert to profit-making operations, our approach will be to,
a) strive to lower the average cost of cocoa beans to our operations and use alternative energy and water sources in order to improve margins on the sale of semi-finished products and boost the cash-generating capacity of CPC to meet its obligations to suppliers, service providers, banks, creditors, shareholders and other stakeholders in the ensuing year.

b) in the short to long-term period, expand our confectionery operations through effective plant utilization and introduction of new product lines.

c) add value of up to 7.5% to our semi-finished products by the 2015/16 year end and achieve 30% by 2019/2020 year end. Products from the new factory will be vigorously marketed within the entire West African Sub-region and beyond.

Our major constraint has been our inability to source adequate working capital to finance the purchase of more cocoa beans from other sources and to take advantage of emerging opportunities in the confectionery industry. As a result of our heavy indebtedness to the Commercial Banks in Ghana, access to further funds has been difficult. The Board has therefore begun a search for strategic investors to partner CPC in its efforts. When these arrangements are crystallized you may be called back during the course of the year to consider and approve the arrangements agreed upon.
We do not have any doubt in our minds that the above strategies will bring about the desired turn-around in our operations and thereby generate wealth for our dear shareholders.

ACKNOWLEDGEMENT
I wish to express, on behalf of the Board of Directors and on my own behalf, a sincere gratitude to you, dear shareholders, for your goodwill and support and to management and staff for their dedication to duty during yet another difficult year.

I thank you for your attention.

Chairman

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2011

Cocoa Processing Company Limited (CPC) attaches great importance to good corporate governance as a means of sustaining the long term viability of its business.

In the conduct of its business therefore, CPC endeavours to comply with all statutory requirements and adopts best practices to protect the environment and its employees. The business adheres to standard accounting practices and ensures sound internal controls to facilitate transparency of business transaction and reliability of financial statements.

BOARD OF DIRECTORS

The responsibility of good corporate governance resides in the Board of Directors and the management team. The non-executive directors are independent of Management and are therefore free from any constraints which could materially interfere with the exercise of their independent judgment.

All the non-executive Directors 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, Remuneration, Nominations, 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, and he implements management strategies and policies adopted by the Board.

THE AUDIT SUB-COMMITTEE

The membership of the Audit sub-committee is as follows: Prof. Joshua Abor (Chairman), Dr. Yao Asamoa, Mr. J. K. Mensah, Mr Tony Fofie, Brig.-Gen. Charles H. Mankatah (Rtd) and Mr. Darlington Afari-Dwamena.
The External Auditors, Managing Director, Deputy Managing Director (Finance & Administration) and the Internal Auditor were invited to attend meetings of the committee.
The terms of reference of the Audit sub-committee included power to review the external auditors' evaluation of the system of internal control and accounting, to review and discuss the audited accounts with the external auditors and management, and call for further information from the external auditors or management, to review the scope and effectiveness of the internal audit procedures in consultation with the internal and external auditors and to consider and make recommendations on the conduct of any aspect of the business of the

company to the Board of Directors. During the financial year, the committee reviewed and discussed quarterly, half-year and annual financial statements particularly the balance sheet, profit/loss account and cash flow statements with management and external auditors. The committee also reviewed and discussed internal audit reports with management and the internal auditor.

The committee also presented the financial statements to the Board for approval.

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 generally accepted accounting principles and auditing standards.

The Directors present their report and the financial statements of the company for the year ended 30 September 2011.

REPORTS OF THE DIRECTORS

The company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards(IFRS) and in the manner required by the Companies Code, 1963 (Act 179).

The Directors's 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 of GH¢12.9 million (2010: GH¢12.5 million) for the year and at 30 September 2011, the company's current liabilities exceeded its current assets by GH¢76 million (2010: GH¢12.6 million). A substantial part of the company's liabilities are due to Ghana Cocoa Board (COCOBOD), one of the shareholders and a syndicate of banks.

COCOBOD has confirmed and given assurance of continued supply of cocoa beans to the company. In addition, COCOBOD has restructured a portion of the company's indebtedness into long term loans and confirmed it 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 these assurances, confirmations and deferred payment terms, the Directors expect the company to continue as a going concern, and be able to realise its assets and discharge liabilities in the normal course of business.

The financial statements have accordingly been 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.

The Board has drawn up a 10 year strategic plan to ensure profitability of the company. The objectives of the plan are to ensure the following:

a) a year-round availability of cocoa beans (a minimum volume of 3,500 metric tonnes per month)

REPORTS OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

b) a well-managed unit cost of processing beans
c) a continuous attainment of mark-up of between 8 - 10% on the processing of beans.

In order to curtail losses sustained by the company and revert to profit-making operations, the approach will be to:

a) strive to lower the average cost of raw cocoa beans to operations; use alternative energy and water sources to improve margins on the sale of semi-finished products and boost the cash- generating capacity of the company to meet obligations to suppliers, service providers, banks, creditors, shareholders and other stakeholders in the ensuing year.

b) in the short to long-term period, expand the confectionery operations through effective plant utilisation and the introduction of new confectionery factory with new product lines.

c) add value of up to 7.5% to semi-finished products by 2015 up to a targeted level of 30% by 2019. Products from the new factory will be vigorously marketed within the entire West African Sub-region and beyond.

FINANCIAL STATEMENTS AND DIVIDEND

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

The Directors cannot recommend the payment of a dividend whilst there remains a deficit balance on the retained earnings account.

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 27th February, 2012 and were signed on their behalf by:

....
DIRECTOR

....
DIRECTOR

INDEPENDENT AUDITORS'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

We have audited the accompanying financial statements of Cocoa Processing Company Limited, which comprise the statement of financial position at 30 September 2011, 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 17 to 48

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), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cocoa Processing Company Limited at 30 September 2011 and its financial performance and cash flows for the year then ended in accordance with

INDEPENDENT AUDITORS'S REPORT
cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2011

International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements
Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179)

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.

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

27 February 2012

ANNUAL ACCOUNTS

STATEMENT OF FINANCIAL POSITION

At 30 September 2011

	Note	2011 GH¢	2010 GH¢
Assets			
Property, Plant and Equipment	5	114,563,106	117,606,057
Leasehold Land	6	18,489,843	19,370,312
Total Non-Current Assets		133,052,949	136,976,369
Inventories	7	47,656,615	37,651,100
Trade and Other Receivables	8	18,624,837	9,638,919
Cash and Cash Equivalents	9a	3,051,928	3,323,535
Non-current Assets held for Sale	17	30,980	61,960
Total Current Assets		69,364,360	50,675,514
Total Assets		202,417,309	187,651,883
Equity			
Share Capital	13(i)	16,778,315	16,778,315
Deposit for Shares	13(iii)	23,243,749	-
Revaluation Reserve	13(iv)	49,736,879	49,736,879
Translation Reserve	13(v)	(40,075,810)	(33,036,633)
Retained Earnings	13(vi)	(46,074,082)	(33,323,337)
Total Equity		3,609,051	155,224
Long-term Borrowings	11(ii)	49,779,774	121,295,555
Employee Benefit Obligations	12	3,664,288	2,881,351
Total Non-current Liabilities		53,444,062	124,176,906
Bank Overdraft	9b	4,271,170	3,403,816
Trade and Other Payables	10	87,372,095	53,987,638
Short-term portion of Borrowings	11(i)	53,720,931	5,928,299
Total Current Liabilities		145,364,196	63,319,753
Total Liabilities		198,808,258	187,496,659
Total Equity and Liabilities		202,417,309	187,651,883

DIRECTOR **DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME

At 30 September 2011

	Note	2011 GH¢	2010 GH¢
Turnover	14	89,164,530	84,127,817
Cost of sales	15	(85,328,194)	(82,761,917)
Gross profit		3,836,336	1,365,900
Other income	16	208,619	154,355
Selling and distribution costs		(2,078,626)	(1,296,392)
General and administrative expenses		(11,147,399)	(9,344,730)
Loss from operational activities	18	(9,181,070)	(9,120,867)
Finance income		89,068	220,280
Finance cost	21	(3,768,976)	(3,624,805)
Loss before tax		(12,860,978)	(12,525,392)
Taxation	22	-	-
Loss after tax		(12,860,978)	(12,525,392)
Other comprehensive income			
Defined benefit plan actuarial gains/(loss)	12	110,233	(1,171,543)
Foreign currency translation difference	13(v)	(7,039,177)	(4,939,090)
Other comprehensive income for the year		(6,928,944)	(6,110,633)
Total comprehensive income for the year		(19,789,922)	(18,636,025)
Earnings per share			
Net loss for the year		(12,860,978)	(12,525,392)
Basic earnings per share		(0.0117)	(0.0114)
Diluted earnings per share		(0.0117)	(0.0114)

The notes on pages 21 to 48 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

At 30 September 2011

	Share Capital GH¢	Deposit for Shares GH¢	Revaluation Reserve GH¢	Translation Reserve GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 October 2009	16,778,315	-	49,736,879	(28,097,543)	(19,626,402)	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	-	-	-	(4,939,090)	-	(4,939,090)
Defined benefit plan actuarial loss	-	-	-	-	(1,171,543)	(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	-	49,736,879	(33,036,633)	(33,323,337)	155,224
Balance at 1 October 2010	16,778,315	-	49,736,879	(33,036,633)	(33,323,337)	155,224
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(12,860,978)	(12,860,978)
Other comprehensive income						
Foreign currency translation differences	-	-	-	(7,039,177)	-	(7,039,177)
Defined benefit plan actuarial gain	-	-	-	-	110,233	110,233
Total comprehensive income for the year	-	-	-	(7,039,177)	(12,750,745)	(19,789,922)
Transactions with owners recognised directly in equity						
Deposit for shares	-	23,243,749	-	-	-	23,243,749
Total contribution by owners	-	23,243,749	-	-	-	23,243,749
Balance at 30 September 2011	16,778,315	23,243,749	49,736,879	(40,075,810)	(46,074,082)	3,609,051

STATEMENT OF CASH FLOW

At 30 September 2011

	2011 GH¢	2010 GH¢
Cash flows from operating activities		
Loss before taxation	(12,860,978)	(12,525,392)
Adjustments for:		
Depreciation charges	4,756,011	4,298,986
Amortisation of prepaid lease	880,469	880,469
Loss on disposal of property and equipment	76,960	5,403
Net interest charges	3,679,908	3,404,525
Employee benefit obligations	893,170	618,219
Translation differences	(7,039,177)	(4,939,090)
Impairment of assets held for sale	30,980	61,961
Transfer from debt to equity	23,243,749	-
	13,661,092	(8,194,919)
Change in inventories	(10,005,515)	(3,700,823)
Change in account receivables	(8,985,918)	12,675,493
Change in account payables	33,384,457	13,599,185
Net cash flow used in operating activities	28,054,116	14,378,936
Cash flows from investing activities		
Interest received	89,068	220,280
Purchase of property, plant and equipment	(2,022,437)	(10,806,618)
Proceeds from disposal of property and equipment	232,417	30,214
Net cash flow used in investing activities	(1,700,952)	(10,556,124)
Cash flows used in financing activities		
Interest paid	(3,768,976)	(3,624,805)
Movement in borrowings	(23,723,149)	2,602,750
Net cash flow from financing activities	(27,492,125)	(1,022,055)
Change in cash and cash equivalents	(1,138,961)	2,800,757
Cash and cash equivalent at 1 October	(80,281)	(2,881,038)
Cash and cash equivalents at 30 September	(1,219,242)	(80,281)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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) and its interpretations adopted by the International Accounting Standards Board (IASB).

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 the US Dollar are translated into the functional currency at the exchange rate prevailing on the dates 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.

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:

Buildings and Road Works	-	2%
Staff Bungalows and Flats	-	2%
Plant and Equipment	-	5%
Motor Vehicles	-	25%
Laboratory Equipment	-	20%
Office Furniture and Equipment	-	20%
Bungalow Furniture and Equipment	-	20%
Leasehold Land	-	Over lease period

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.

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 to 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 the 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 amortisation and impairment losses.

Computer Software

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

1.9 Provisions

Provisions are recognised only 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 long-dated instruments on the Ghana market. The calculation is performed using the projected unit credit method. Actuarial gains and losses arising on the defined benefit obligation are recognized in other 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.

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 cocoa products supplied to customers, 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.

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 in repayment of the 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.

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 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 less any overdrafts.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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.

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

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that may have an impact on future financial statements:

Amendment to IAS 1 Presentation of Financial Statements

The amendment to IAS 1 will be adopted for the first time for the financial reporting period ending 30 September 2013.

The company will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately.

This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements.

This amendment will be applied retrospectively and comparative information will be restated.

Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 will be adopted for the first time for the financial reporting period ending 30 September 2012.

In terms of the amendments, additional disclosure will be provided regarding transfers of financial assets that are:

- not derecognised in their entirety; and
- derecognised in their entirety but for which the company retains continuing involvement.

This amendment will not have a significant impact on the company's financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard may be applied retrospectively. IFRS 10 introduces a single control model to assess whether an investee should be consolidated.

This amendment will not have a significant impact on the company's financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard will be applied prospectively and comparatives will not be restated.

IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosures requirements for fair value measurements. The key principles in IFRS 13 are as follows:

- Fair value is an exit price
- Measurement considers characteristics of the asset or liability and not entity-specific characteristics
- Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants
- Price is not adjusted for transaction costs
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs
- The three-level fair value hierarchy is extended to all fair value measurements

This amendment of IFRS 13 will not have an impact on the company's financial statements.

3.2 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

Segment results are provided below:

Cocoa	Confectionery Factory GH¢	Segment Factory GH¢	Transactions GH¢	Company GH¢
Year ended 30 September 2011				
Revenue for reportable segments				
Sales to external customers	80,319,332	8,845,198	-	89,164,530
Inter segment sales	1,127,395	-	(1,127,395)	-
	81,446,727	8,845,198	(1,127,395)	89,164,530
Cost of sales	(77,966,453)	(7,361,741)	-	(85,328,194)
Inter segment cost of sales	-	(1,127,395)	1,127,395	-
Gross profit	3,480,274	356,062	-	3,836,336
Other income	156,464	52,155	-	208,619
Operating profit	3,636,738	408,217	-	4,044,955
Expenditure for reportable segments				
Selling and distribution costs	(1,558,969)	(519,657)	-	(2,078,626)
Administrative costs	(8,360,549)	(2,786,850)	-	(11,147,399)
Finance costs	(2,826,732)	(942,244)	-	(3,768,976)
Finance income	66,801	22,267	-	89,068
	(12,679,449)	(4,226,484)	-	(16,905,933)
Loss before tax	(9,042,711)	(3,818,267)	-	(12,860,978)
Year ended 30 September 2010				
Revenue for reportable segments				
Sales to external customers	79,964,243	4,163,574	-	84,127,817
Inter segment sales	352,037	-	(352,037)	-
	80,316,280	4,163,574	(352,037)	84,127,817
Cost of sales	(77,523,381)	(5,238,536)	-	(82,761,917)
Inter segment cost of sales	-	(352,037)	352,037	-
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	(972,294)	(324,098)	-	(1,296,392)
Administrative costs	(7,008,548)	(2,336,182)	-	(9,344,730)
Finance costs	(2,718,604)	(906,201)	-	(3,624,805)
Finance income	165,210	55,070	-	220,280
	(10,534,236)	(3,511,411)	-	(14,045,647)
Loss before tax	(7,625,571)	(4,899,821)	-	(12,525,392)

5. PROPERTY, PLANT & EQUIPMENT - 2011

	Capital Work In Progress GH¢	Buildings and Road Works GH¢	Staff Bungalow and Flats GH¢	Plant and Machinery GH¢	Motor Vehicles GH¢	Office Furniture and Equipment GH¢	Bungalow Furn & Equip GH¢	Laboratory Equipment GH¢	Total GH¢
Gross Value									
At 1/10/10	17,494,982	24,177,589	377,360	83,239,364	1,233,305	563,384	63,059	320,455	127,469,498
Additions	1,363,991	52,508	-	374,673	-	224,594	-	6,671	
	2,022,437								
Disposals	-	-	-		(402,136)	-	(38,104)	-	(440,240)
Transfers	(17,920,278)	1,195,593	-	16,724,685	-	-	-	-	-
At 30/9/11	938,695	25,425,690	377,360	100,338,722	831,169	787,978	24,955	327,126	129,051,695
Accumulated Depreciation									
At 1/10/10	-	713,851	14,381	8,409,201	457,447	122,251	21,329	124,981	9,863,441
Charge for the year	-	475,810	7,260	3,962,955	171,971	90,167	7,752	40,096	4,756,011
Released on disposals	-	-	-	-	(116,242)	-	(14,621)	-	(130,863)
At 30/9/11	-	1,189,661	21,641	12,372,156	513,176	212,418	14,460	165,077	14,488,589
Carrying amount	938,695	24,236,029	355,719	87,966,566	317,993	575,560	10,495	162,049	114,563,106

Property, plant and equipment were professionally revalued by Valuation and Investment Associates, a firm of valuers in September 2008 prior to the transition to IFRS. The assets were valued on the basis of their current open market and forced sale values. Three (3) machinery owned by the company and 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 with bankers.

5.1 PROPERTY, PLANT & EQUIPMENT - 2010

	Capital Work In Progress GH¢	Buildings and Road Works GH¢	Staff Bungalow and Flats GH¢	Plant and Machinery GH¢	Motor Vehicles GH¢	Office Furniture and Equipment GH¢	Bungalow Furn & Equip GH¢	Laboratory Equipment GH¢	Total GH¢
Gross Value									
At 1/10/09	13,787,430	18,676,466	377,360	82,338,401	881,977	281,960	61,609	320,455	116,725,658
Additions	9,425,679	-	-	900,963	402,136	76,390	1,450	-	10,806,618
Disposals	-	-	-	-	(50,808)	(11,970)	-	-	(62,778)
Transfers	(5,718,127)	5,501,123	-	-	-	217,004	-	-	-
At 30/9/10	17,494,982	24,177,589	377,360	83,239,364	1,233,305	563,384	63,059	320,455	127,469,498
Accumulated Depreciation									
At 1/10/09	-	408,228	6,953	4,717,822	289,644	78,559	10,651	79,759	5,591,616
Charge for the year	-	305,623	7,428	3,691,379	191,772	46,884	10,678	45,222	4,298,986
Released on disposals	-	-	-	-	(23,969)	(3,192)	-	-	(27,161)
At 30/9/10	-	713,851	14,381	8,409,201	457,447	122,251	21,329	124,981	9,863,441
Carrying amount	17,494,982	23,463,738	362,979	74,830,163	775,858	441,133	41,730	195,474	117,606,057

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

5.2 Disposal of property plant and equipment

	2011 GH¢	2010 GH¢
Gross Value	440,240	62,778
Less: Accumulated Depreciation	(130,863)	(27,161)
Net Book Value	309,377	35,617
Sale Proceeds	232,417	30,214
Loss on Disposal	(76,960)	(5,403)

6. LEASEHOLD LAND

Balance at 1 October	19,370,312	20,250,781
Amortisation for the year	(880,469)	(880,469)
Balance at 30 September	18,489,843	19,370,312

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

	2011 GH¢	2010 GH¢
Raw Materials	8,093,372	2,309,108
Packaging Materials	4,247,580	4,180,514
Finished Goods	31,689,515	28,603,114
Technical Store Parts	3,528,583	2,449,477
Fuel and Lubricants	97,565	108,887
	47,656,615	37,651,100

8. TRADE AND OTHER RECEIVABLES

	2011 GH¢	2010 GH¢
Trade Receivables	13,938,666	5,570,682
Staff Debtors	1,410,798	1,047,017
Deposits on Letter of Credits	371,484	2,036,597
Prepayments	411,405	263,095
Other Receivables	2,492,484	721,528
	18,624,837	9,638,919

Included in staff debtors are staff loans which attract no interest. The maximum amount due from staff during the year was GH¢1,410,798 (2010: GH¢1,047,017).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

9. CASH AND CASH EQUIVALENTS

	2011 GH¢	2010 GH¢
Cash at Bank	1,242,842	1,539,912
Cash in Hand	21,893	14,871
91-day Treasury Bills	47,078	40,690
Fixed Deposits – Prudential Bank	1,740,115	1,728,062
	-------------	------------
Cash and cash equivalents	3,051,928	3,323,535
Bank overdraft	(4,271,170)	(3,403,816)
	------------	-------------
Cash and cash equivalents in the statement of cash flows	(1,219,242)	(80,281)
	=======	======

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

Bank Overdraft

The company had approved overdraft facilities of GH¢2 million (2010: GH¢2 million) with Prudential Bank Limited. At the year-end, the company had exceeded the approved limits.

	2011 GH¢	2010 GH¢
Prudential Bank (Cedi)	4,271,170	3,403,816
	=======	=======

In December 2006, Prudential Bank Limited, made an overdraft facility of GH¢2 million 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.

i. 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

	2011 GH¢	2010 GH¢
Trade Payables	75,768,161	46,978,875
Other Payables	11,603,934	7,008,763
	-------------	-------------
	87,372,095	53,987,638
	========	========

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

11. BORROWINGS

	Note	2011 GH¢	2010 GH¢
Barclays Bank led Syndicate Euro Loan	(a)	23,469,996	24,517,466
Barclays Bank led Syndicate Dollar Loan	(b)	27,519,229	29,637,547
EDIF Loan (Dollar)	(c)	3,186,554	4,779,533
Prudential Dollar Loan	(d)	1,291,707	2,814,150
COCOBOD Dollar Loan	(e)	48,033,220	65,475,158
		103,500,706	127,223,854
i. Short-term portion of borrowings		53,720,931	5,928,299
ii. Long term borrowings		49,779,774	121,295,555

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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 2009 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 amount of US$32,022,146.42 is to be repaid in ten (10) years with five (5) years moratorium on the principal at an interest rate of 5% per annum during the moratorium period.

12. EMPLOYEE BENEFIT OBLIGATIONS

(a) Social Security

Under a national pension scheme, the company contributes 13% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The company's obligation is limited to the relevant contributions, and these have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

(b) Provident Fund

The company has a provident fund scheme for staff under which the company contributes 7% of staff basic salary. The company's obligations under the plan is limited to the relevant contributions and these have been recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

Employee benefit obligations recognised in the Statement of financial position

	2011 GH¢	2010 GH¢
Pension funds: defined benefit plan	3,664,288	2,881,351
	=======	=======

Reconciliation of assets and employee benefit obligations recognised in the statement of financial position

	2011 GH¢	2010 GH¢
Defined benefit pension plan		
Present value of funded obligation	-	-
Fair value of planned assets	-	-
	------	-----
Excess of liabilities/(assets) of funded obligations	-	-
Present value of unfunded obligations	3,664,288	2,881,351
Net unrecognised actuarial (losses)/gains	-	-
Unrecognised assets	-	-
	------------	----------
Net employee benefit obligations recognised in the statement of financial position	3,664,288	2,881,351
	=======	=======

Movements in the present value of defined benefit obligations

	2011 GH¢	2010 GH¢
Unfunded defined benefit obligations as of 1 September	2,881,351	1,091,589
Current service cost	518,595	475,222
Interest	374,575	142,997
Recognised actuarial (gains)/losses	(110,233)	1,171,543
	------------	------------
Total present value of defined benefit obligation at 30 September	3,664,288	2,881,351
	=======	=======

Expenses recognised in the statement of comprehensive income

	2011 GH¢	2010 GH¢
Current service cost	518,595	475,222
Interest expenses	374,575	142,997
Expected return on plan assets	-	-
Employees' contributions	-	-
	-----------	----------
Total defined benefit expenses	893,170	618,219
	======	======

Principal actuarial assumptions used

	2011 %	2010 %
Discount rate	13	13
Expected rate of salary increase	15	15

The assumptions are assessed on a yearly basis when valuation of the plan is carried out. Net actuarial losses not recognised at the year-end was Nil (2010: Nil).

13. SHARE CAPITAL AND RESERVES

(i) Authorised Shares:

	2011	2010
Ordinary shares of no par value	20,000,000,000	20,000,000,000
	===========	===========
Preference share of no par value	1	1
	=	=

Issued and fully paid

	Number 'm	Amount GH¢	Number 'm	Amount GH¢
Ordinary shares for cash	1,100.8	16,778,215	1,100.8	16,778,215
	=====	========	=====	========

(ii) Preference shares

	Number	Amount GH¢	Number	Amount GH¢
	1	100	1	100
	==	===	==	===

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.

(iii) Deposit for shares

At the last Annual General Meeting, the shareholders of the company passed a resolution for a debt to equity conversion involving US$14,087,120.50 owed Ghana Cocoa Board (COCOBOD) by CPC. The conversion resulted in the issue of 937,247,936 shares. The new shares issued are yet to be registered.

(iv) Revaluation Reserve

This represents surpluses arising from revaluations of property, plant and equipment.

(v) Translation reserve

	2011 GH¢	2010 GH¢
Opening balance	33,036,633	28,097,543
Translation difference for the year	7,039,177	4,939,090
Closing balance	40,075,810	33,036,633

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

(vi) Retained earnings (Income surplus account)

This represents the residual of cumulative annual losses.

14. TURNOVER

		2011 GH¢	2010 GH¢
(a)	Gross Local Sales	9,803,607	4,708,133
	Less: VAT	(1,276,853)	(650,631)
		8,526,754	4,057,502
	Add: Export sales	80,637,776	80,070,315
		89,164,530	84,127,817
(b)	Analysis by product		
	Cocoa Butter	27,895,026	38,058,350
	Cocoa Liquor	21,434,010	14,462,502
	Cocoa Cake	27,197,640	24,953,524
	Cocoa Powder	3,792,656	2,462,921
	Confectionery	8,845,198	4,163,574
	Nib Dust	-	26,946
		89,164,530	84,127,817

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

(c) Analysis by market segment

	Export Sales GH¢	Local Sales GH¢	Total GH¢
Year ended 30 September 2011			
Semi-finished Products	80,070,471	248,861	80,319,332
Confectionery	567,305	8,277,893	8,845,198
	80,637,776	8,526,754	89,164,530
Year ended 30 September 2010			
Semi-finished Products	79,388,436	575,807	79,964,243
Confectionery	681,879	3,481,695	4,163,574
	80,070,315	4,057,502	84,127,817

15. COST OF GOODS SOLD

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

	2011 GH¢	2010 GH¢
Raw/Packaging Materials Consumed	72,794,264	71,364,575
Production Overheads	12,533,930	11,397,342
	85,328,194	82,761,917

16. OTHER INCOME

Sale of Shells	18,908	1,400
Sale of Sacks & Others	154,945	16,538
Sale of Tender Documents	230	185
Sponsorships	-	10,850
Sale of Rejected Items	34,536	125,382
	208,619	154,355

17. NON-CURRENT ASSETS HELD FOR SALE

Balance at 1 October	61,960	123,921
Impairment for the year	(30,980)	(61,961)
Balance at 30 September	30,980	61,960

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

18. LOSS BEFORE TAX

Loss before tax has been arrived at after charging the following:

	Note	2011 GH¢	2010 GH¢
Depreciation of property, plant and equipment	5	4,756,011	4,298,986
Amortisation of leasehold	6	880,469	880,469
Research and development		156,289	89,807
Auditor's remuneration		30,000	25,000
Directors' remuneration	21	215,419	250,272
Staff costs	22	10,500,507	8,305,996
		========	=======

19. DIRECTORS' REMUNERATION

Executive directors' remuneration	159,819	186,712
Directors' fees	36,720	33,660
Sitting allowance	18,880	29,900
	----------	----------
	215,419	250,272
	======	======

20. STAFF COSTS

Wages and salaries	5,765,723	4,616,557
Social security costs	508,923	429,112
Provident fund contributions	310,273	251,214
Employee benefit obligation	893,170	618,219
Other costs	3,022,418	2,390,894
	--------------	-------------
	10,500,507	8,305,996
	========	=======

Other costs include canteen, transportation, medical expenses etc.

Employee Categories

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

	2011 Number	2010 Number
Junior Staff	220	227
Senior Staff	66	65
	-----	-----
	286	292
	===	===

21. FINANCE COSTS

	2011 GH¢	2010 GH¢
Interest on Bank Overdrafts	1,009,721	901,727
Interest on Loans	2,759,255	2,723,078
	3,768,976	3,624,805

22. TAXATION

No provision is made for corporate tax as the company was granted the Free Zone license with an effective date of 28 July 2004. Free zone companies are exempt from corporate income tax for the first ten years of acquiring free zone status.

23. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions

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

	2011 GH¢	2010 GH¢
Purchases from Cocoa Marketing Company Limited	74,888,993	71,274,304

(b) Balances

Balances due to related company are as follows:		
Cocoa Marketing Company Limited		
- Borrowings	48,033,220	65,475,158
- Trade payables	74,133,773	45,265,120
	122,166,993	110,740,278

24. 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.

24.1 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.

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:

	2011 GH¢	2010 GH¢
Trade receivables	15,151,810	6,182,933
Less: Provision for impairment	(1,213,144)	(612,251)
Trade receivables – Net	13,938,666	5,570,682
Other receivables	3,903,282	1,768,545
	17,841,948	7,339,227
Cash and cash equivalents	3,030,035	3,308,664
	20,871,983	10,647,891

Ageing and Impairment Analysis

The aging of trade receivables at the reporting date was:

	2011	2010
Not past due (0–30 days)	10,376,175	3,913,573
Trade receivables past due but not impaired 30 to 90 days	3,562,491	1,657,109
Individually impaired	1,213,144	612,251
	15,151,810	6,182,933

24.2 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 they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are contractual maturities of financial liabilities:

Year ended 30 September 2011

	Total GH¢	0-3 Months GH¢	3-6 Months GH¢	6-12 Months GH¢	Over 12 Months GH¢
Bank overdraft	4,271,170	4,271,170	-	-	-
Trade and other payables	87,372,095	87,372,095	-	-	-
Bank loans (medium term)	55,467,486	17,906,977	17,906,977	17,906,978	1,746,554
Other borrowings	48,033,220	-	-	-	48,033,220
	195,143,971	109,550,242	17,906,977	17,906,978	49,779,774

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	-	-	-
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
	184,615,308	58,873,529	1,482,075	2,964,149	121,295,555

24.3 Market risk

This is the risk that the company's operations will fluctuate significantly due to 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 2011

Assets			
Assets held to maturity (fixed deposits)	47,078	-	-
Trade receivables and other receivables	1,482,008	879	16,349,564
Cash and bank	291,426	83,012	234
Liabilities			
Bank loans and overdraft	(7,457,724)	(11,504,901)	-
Trade and other Payables	(13,238,323)	-	-
Net exposure	(18,875,535)	(11,421,010)	16,349,798

Year ended 30 September 2010

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

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date	
	2011	**2010**	**2011**	**2010**
US$				
Euro 1	1.39	1.96	1.38	1.80
GH¢ 1	0.661	0.695	0.637	0.705

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	2011			2010		
In GH¢	% Change	Income statement impact: Strengthening	Income statement impact: Weakening	% Change	Income statement impact: Strengthening	Income statement impact: Weakening
Euro	±4%	(547,245)	547,245	±11%	(29,216)	29,216
GH¢	±5%	(358,493)	358,493	±2%	(80,094)	80,094
CFA	±5%	1,778	(1,778)	±4%	20	(20)

24.4 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 note 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 2011

	Available For Sale GH¢	Loans and Receivables GH¢	Other Financial Liabilities GH¢	Total GH¢
Assets				
Trade and other receivables	-	17,841,948	-	17,841,948
Cash and cash equivalent	1,787,193	1,264,735	-	3,051,928
Total financial assets	1,787,193	19,106,683	-	20,893,876
Liabilities				
Trade and other payables	-	-	87,372,095	87,372,095
Bank overdraft	-	-	4,271,170	4,271,170
Borrowings	-	-	103,500,706	103,500,706
	-	-	195,143,971	195,143,971

Year ended 30 September 2010

	Available For Sale GH¢	Loans and Receivables GH¢	Other Financial Liabilities GH¢	Total GH¢
Assets				
Trade and other receivables	-	7,339,227	-	7,339,227
Cash and cash equivalent	1,768,752	1,554,783	-	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	-	-	127,223,854	127,223,854
	-	-	184,615,308	184,615,308

25. CONTINGENT LIABILITIES AND COMMITMENTS

Commitments for Capital Expenditure

	2011 GH¢	2010 GH¢
Contracts placed for future capital expenditure		
- 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 (2010: GH¢10,000).

26. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

27. 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
6.	Donewell Life Company Limited	1,920,000	0.17
7.	Agricultural Development Bank	1,600,000	0.15
8.	Ghana Reinsurance Company Limited	1,600,000	0.15
9.	Osei Isaac	1,583,900	0.14
10.	Baah Matthew Mensah	960,000	0.09
11.	SIC Insurance Company Limited	960,000	0.09
12.	Badu Collins Kwabena	876,900	0.08
13.	E. H. Boohene Foundation	800,000	0.07
14.	Ghana Libyan Arab Holding Company	800,000	0.07
15.	Otchere-Boateng Lordina Justina	800,000	0.07
16.	Tetteh Richard Amarh	552,000	0.05
17.	Adjei Seth Adjete	550,000	0.05
18.	Insurance Compensation Fund	480,000	0.04
19.	Hyde Joel Emmanuel	480,000	0.04
20.	Gold Fund Unit Trust Scheme	420,000	0.04
		998,463,140	90.69

28. DIRECTORS' SHAREHOLDING AT 30 SEPTEMBER 2011

	No. of Shares	% Holdings
Richard Amarh Tetteh	552,000	0.0501
Darlington Afari-Dwamena	73,754	0.0067
RoseEmma Mamaa Entsua-Mensah	101,600	0.0092
	727,354	0.0660

29. SHAREHOLDING DISTRIBUTION AT 30 SEPTEMBER 2011

	No. of Shareholders	No. of Shares	% Holdings
1 – 1,000	28,148	16,930,011	1.54
1,001 – 10,000	20,266	55,643,960	5.05
Over 10,000	906	1,028,252,269	93.41
	49,320	1,100,826,240	100.00

30. GOING CONCERN CONSIDERATION

The company reported a loss for the year of GH¢12.8 million (2010: GH¢12.5 million) and at 30 September 2011, the company's total liabilities exceeded total assets by GH¢1.2 million.

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

Should demands for repayment of the banking 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 converted an amount of US$32,022,146 from its current account into long term loan. The loan is to 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 will be repaid in equal annual instalments at an interest rate of libor plus 2% at the time of payment.

COCOBOD has confirmed and given assurance of continued supply of cocoa beans to the company. In addition, COCOBOD has restructured a portion of the company's indebtedness into long term loans and confirmed it will not seek repayment amounts due to them in a manner that will jeopardise the ability of the company to continue operations. Based on these assurances, confirmations and deferred payment terms, the Directors expect the company to continue as a going concern, and be able to realise its assets and discharge liabilities in the normal course of business.

The financial statements have accordingly been 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.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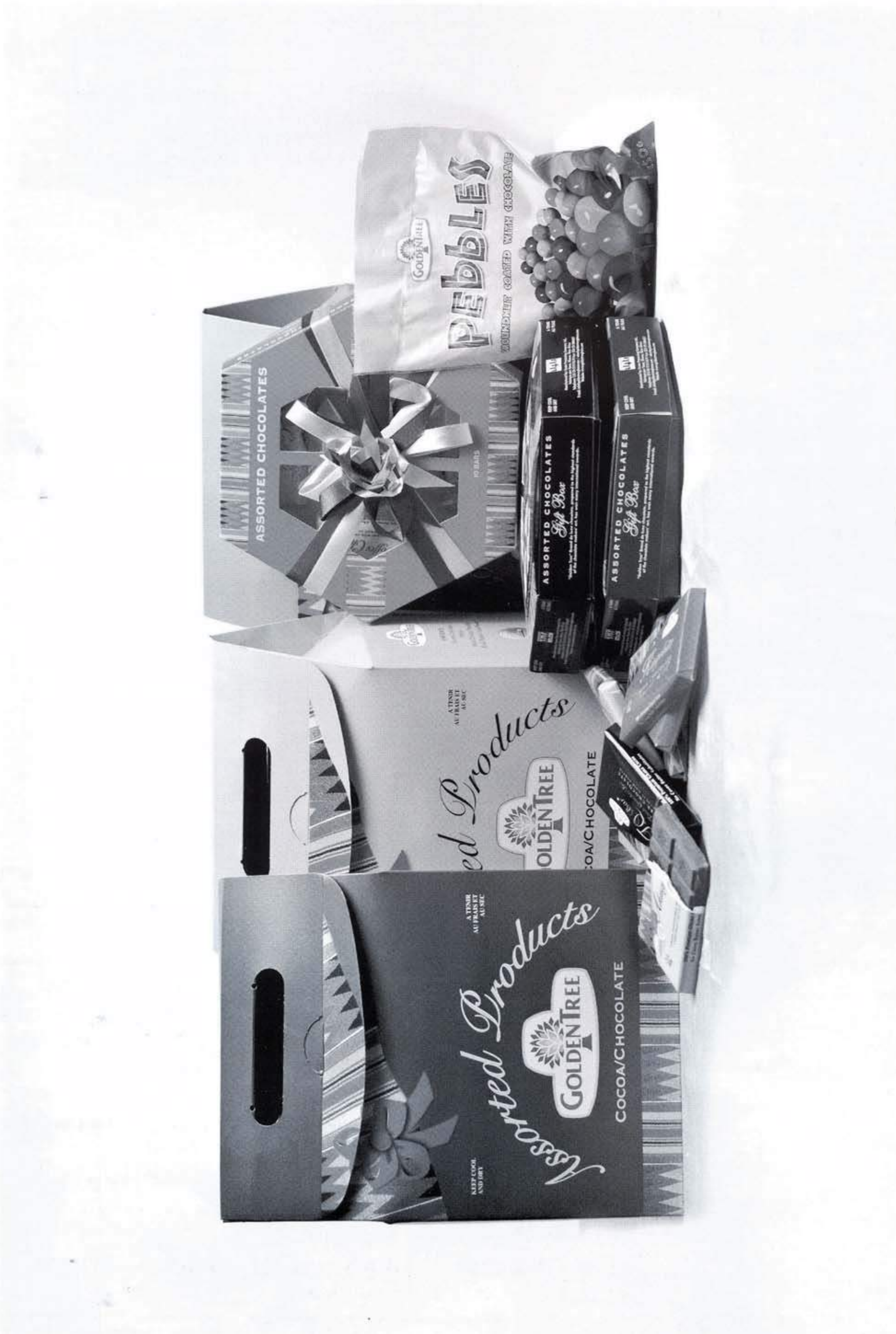
ASSORTED CHOCOLATES
GOLDEN TREE
PEBBLES
GROUNDNUT COATED WITH CHOCOLATE
ASSORTED CHOCOLATES
Gift Box
Assorted Products
GOLDEN TREE
COCOA/CHOCOLATE
KEEP COOL AND DRY
A TENIR AU FRAIS ET AU SEC

form of proxy

I/WE……………………………………………………………………………………………

of……………………………………………………………………………………………
being 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 Monday, 14 May 2012 at 10.00 and at every adjournment thereof

Please indicate with and "X" in the spaces below how you wish your vote tobe cast.

	RESOLUTION	FOR	AGAINST
1.	To receive the Financial Statements		
2.	To re-elect Mr. Samuel D. Arkhurst as a Director		
3.	To re-elect Dr. Yao Asamoa as a Director		
4.	To re-elect Mr. John Kofi Mensah as a Director		
5.	To authorize the Directors to fix the remuneration of the Auditors		

Signed this ………………………… day of …………………… 2012

Shareholder's Signature ……………………………………………………

THIS PROXY FORM SHOULD NOT BE SENT TO THE REISTRAR 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.
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. 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.

proxy form

SECOND FOLD HERE

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

THIRD FOLD HERE

FIRST FOLD HERE

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