



**COCOA PROCESSING
COMPANY PLC**

ANNUAL REPORT 2021/22

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2021 & 2022 Annual Reports and Proxy Form

Presentation of Royale Natural Cocoa Powder to Mr Ebrahim Patel, the South African Minister of Trade and Industry at the Goldentree Stand





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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **Cocoa Processing Company PLC** for the financial year ending **30th September 2021 and 30th September 2022** will be held at the **Christ the King Church Hall, Accra** on Thursday the **31st of August, 2023 at 10:00 a.m.** to transact the following business:

AGENDA

PART I: OPENING

1. Opening prayer
2. Statement by Chairman of Board of Directors

PART II: ORDINARY BUSINESS

1. (a) Receive, consider, approve and adopt the Financial Statement for the year ended
 - i. 30th September, 2021 and
 - ii. 30th September 2022.(b) Managing Director's review of Operations.
2. Re-appoint nine (9) existing Directors:
 - Mr. Kwaku Owusu-Baah - Government Nominee (Chairman)
 - Nana Agyenim Boateng I - Government Nominee
 - Mrs. Philomena Okyere - Government Nominee
 - Hon. Francis Manu-Adabor - Government Nominee
 - Prof. Douglas Boateng - SSNIT Nominee
 - Mr. Emmanuel Ray Ankrah - COCOBOD Nominee
 - Mr. Vincent Akomeah - Cocoa Marketing Company Nominee
 - Ms. Alexandra Totoe - MoF / SIGA Nominee
 - Mr. Theodore Matey Tackey - Worker's Representative (PMSU)
3. Pass a special resolution on the adoption of a new Registered Constitution in place of the Regulations of the company.
4. Ratify decisions of the Company from 1st October, 2021 to the date of AGM.
5. Appoint Messrs. Ernst and Young (EY) Ghana Limited as External Auditors for the year ended 30th September, 2023 and authorise the Directors to fix their remuneration.

6. Shareholders mandate to the Company to raise funds beyond the Company's Stated Capital to the extent of the funding required for its core operations and other working capital requirements for the year ending 30th September, 2023.

PART III: CLOSING

1. Closing remarks
2. Vote of thanks
3. Closing prayer

DATED THIS 21ST DAY OF JULY 2023

**APEX LAWCONSULT
COMPANY 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, for it to be valid for the purpose of the meeting, must be completed and deposited at the offices of the **REGISTRARS, NTHC LIMITED, MARTCO HOUSE, NO. D.542/4, OKAI MENSAH LINK, ADABRAKA, ACCRA, P. O. BOX KIA 9563, AIRPORT, ACCRA** not later than forty-eight (48) hours before the appointed time of the meeting.

Kindly visit www.goldentreeghana.com for the 2021 & 2022 Annual Reports and Proxy Form

Kindly note that a link will be provided for live streaming of the meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kwaku Owusu-Baah
Nana Agyenim Boateng I
Mrs. Philomena Okyere
Hon. Francis Manu-Adabor
Prof. Douglas Boateng
Mr. Emmanuel Ray Ankrah
Mr. Vincent Akomeah
Ms. Alexandra Totoe
Mr. Theodore Matey Tackey

REGISTERED OFFICE

Cocoa Processing Company Limited
Heavy Industrial Area
Private Mail Bag
Tema

SOLICITORS

A. Ossei-Aidooh & Co
1st Floor, Design House, Community 2
P. O. Box CE 11295
Tema

Apex Lawconsult
1st Floor, Oburdum Fie, Labone
P. O. Box GP 4889
Accra

COMPANY SECRETARY

Sheila Minkah-Premo
Apex Lawconsult
1st Floor, Oburdum Fie, Labone
P. O. Box GP 4889
Accra

AUDITOR

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

BANKERS

Absa Bank Ghana Limited
ADB Bank Limited
Bank of Ghana
Ecobank Ghana Limited
GCB Bank Limited
Prudential Bank Limited
Societe Generale Ghana Limited
United Bank for Africa (Ghana) Limited

REGISTRAR

NTHC Limited
Martco House
P. O. Box 9563
Airport, Accra

PROFILE OF BOARD OF DIRECTORS



MR. KWAKU OWUSU BAAH

Chairman



Mr. Kwaku Owusu Baah is an Agricultural Economist by profession.

Between 2002 and 2006, he was the Chief Director of the Ministry of Food and Agriculture. Prior to this, he worked as a lecturer and senior lecturer in the Agricultural Economics Department of the University of Ghana. He also served on the Board of ADB Bank between 2002 and 2006.

He was the Board Chair for Akyem Bosome Rural Bank from 1993 to 2009. Between 2009 and 2013 Mr Kwaku Owusu Baah took up an appointment as the Director of Economics at the Inter African Coffee Organization (IACO) in Abidjan, Ivory Coast. On his return to Ghana, he was appointed the Senior Policy Advisor for the USAID Agriculture Policy Support Project (APSP).

He has since September 2018, worked as the Technical Advisor to the Government



of Canada on the Modernizing Agriculture in Ghana (MAG) Project which is being implemented jointly with Ministry of Food and Agriculture of Ghana. He is a seasoned International consultant with varied experiences.

■
**NANA AGYENIM
BOATENG I**

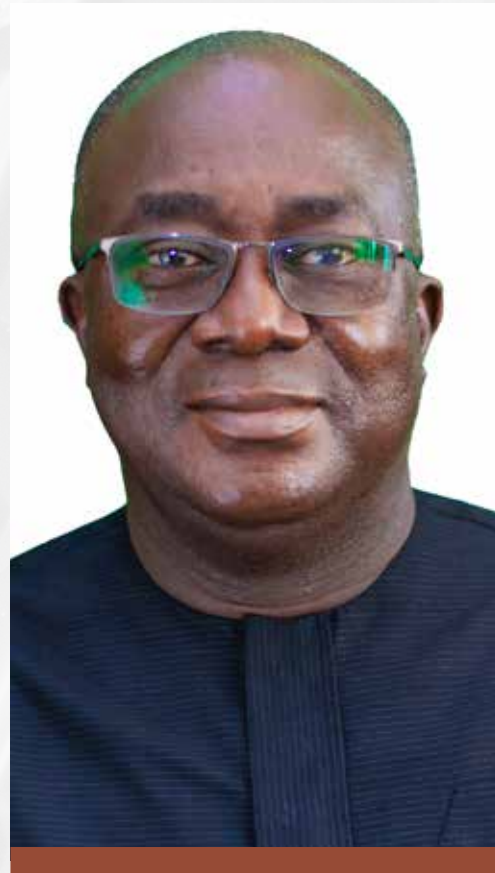
Managing Director

“

Until his appointment as the Managing Director of CPC in September 2017, Nana Agyenim Boateng I was the Deputy Managing Director of the PBC Limited.

Nana is well-versed in operations management and logistics especially in the entire cocoa value chain in Ghana. He began his career and experience in logistics as a Traffic Supervisor in the Produce Buying Company of Ghana Cocoa Board and rose through the ranks to become the Manager in charge of Haulage where he planned, supervised and monitored the purchase and evacuation of 230,000 tonnes of cocoa per annum valued at £166,000,000.

Nana Agyenim Boateng was, from October 2000 to October 2006, the Managing Director of the Global Haulage Company Limited – a leading transport and logistics company in Ghana. Here, he managed the operations of the company which included the evacuation of between 80,000 to 110,000 tonnes of cocoa per annum.



■
**PROF. DOUGLAS
BOATENG**

Member



Professor Douglas BOATENG, Africa's first ever appointed Professor Extraordinaire for supply and value chain management (SBL UNISA), is an International Professional certified Chartered Director and an adjunct academic.

Independently recognized as one of the vertical specific global strategic thinkers on procurement, governance, logistics, and industrial engineering in the context of supply and value chain management, he continues to play leading academic and industrial roles in supply chain strategy development and implementation, both in Africa, and around the world. Professor Boateng has been an elected member of the UK's Institute of Directors for over 20 years and continues to assist local and international organizations and CEOs with board level, directional, accountability and governance matters. He was appointed by the President of Ghana in a supervisory capacity to chair the country' Public



Procurement Authority to oversee much needed reforms in support of the country' industrialisation and socio-economic developmental agenda.

In 2018, American multi-national Hewlett Packard(HP) the world's largest computer and printer manufacturer honoured Professor Boateng with its first ever functional specific lifetime Achiever Award for his extraordinary contribution to making policy makers, public and private sector leaders further appreciate the link between supply chain management and the UN Sustainable development Goals

■
**MRS. PHILOMENA
OKYERE**

Member



Mrs Philomena Okyere is a retired Banker. She worked for 36 years at the Barclays Bank and rose through the ranks to become the Operations Manager of the Bank.

She was appointed to the Board of CPC in January 2019. She also serves on the Board of MASLOC.

She is a Member of the Audit Sub-Committee of the CPC Board.



■
**MR. EMMANUEL RAY
ANKRAH**

Member

“

Mr. Ray Ankrah is an experienced Chartered Accountant and Chartered Global Management Accountant, UK.

He has solid technical knowledge, excellent communication skills and strong analytical skills. He is an influential leader who is driven by passion for change and advancement.

As a highly experienced Chartered Accountant and Chartered Global Management Accountant he leads a global team overseeing services provided. Ray is an expert in the art of negotiations.



■
**MR. VINCENT OKYERE
AKOMEAH**

Member



Vincent Okyere Akomeah has over 20 years experience in the cocoa industry, offering expertise services in the overall chain of the sector. An international commodity market person with special interest in cocoa.

He is an expert in corporate governance, socio-economic and market research, monitoring and evaluation and driving of strategic growth. He is a former Director of Research, Monitoring and Evaluation of Ghana Cocoa Board and currently, the Managing Director of Cocoa Marketing Company GH. Ltd.

He holds a Masters degree in Economic Policy Management and Post Graduate Certificates in International Business and Monitoring & Evaluation. Mr. Akomeah is also a cocoa farmer.



■
**MS ALEXANDRA
TOTOE**

Member

“

Ms. Alexandra Totoe is a Chartered Accountant with twenty eight (28) years post qualification experience.

She is proficient in accounting across multiple contexts, provides policy and strategic financial direction in Board and Senior Management leadership roles. She has a comprehensive knowledge in the implementation of Integrated Financial, Materials and Human Resource Management Systems. Ms. Totoe graduated from the Emile Wolf College of Accountancy, United Kingdom, in June 1992, She was admitted as an Associate Member of the Association of Chartered Certified Accountants (ACCA) in May 1997 and Fellow of the ACCA in April 2002. She is a member of the Institute of Chartered Accountants, Ghana (ICA, GH) since November 1999 and admitted to the degree of Masters in Business Administration (MBA) in June 2008 by the Henley Management College, UK.

Ms. Totoe joined the Volta River Authority in March 1993 as Senior Accountant in the Financial Accounting Section of the Accounts Department. She rose through the ranks to become the Financial Accounting Manager in November 1998,



Chief Accountant in June 2002, and Deputy Chief Executive (Finance) in December 2008. She was seconded to the State Enterprises Commission in April 2018 (now the State Interests and Governance Authority) as Chief Financial Advisor. Ms. Totoe has undertaken a number of local and international management, leadership and Annual Continuous Professional Development (CPD) training programmes in reputable institutions in Ghana, Southern and East Africa, United States of America, Europe and Asia. Ms Alexandra Totoe is the Nominee of the Ministry of Finance/State Interest & Governance Authority (MoF / SIGA) to the CPC Board.

■
**HON. FRANCIS
MANU-ADABOR**

Member



Hon. Francis Manu Adabor is a Member of Parliament for Ahafo Ano South East Constituency, in the Ashanti Region.

He holds a B.A HONS from the Kwame Nkrumah University of Science and Technology, Post Graduate Diploma from Obafemi Awolowo University, MSC University College, London; Licenced Surveyor, Member of the Federation of International Surveyors, Member of the International Society of Photography and Remote Sensing, and a Fellow of the Ghana Institute of Surveyors.

Francis Manu Adabor was the Ashanti Regional Head, Principal, from 1998 to 2007 at the Survey Department of the Ministry of Lands and Natural Resources and the Technical Manager, Mapping at the Ghana Cocoa Board from 2007 to 2012.

Hon. Adabor is the Chairman of the Lands and Forestry Committee of the Parliament of Ghana. He is the Nominee of the Government of Ghana to the Board of CPC.



■
**MR. THEODORE
MATEY TACKEY**

Member



Mr. Theodore Matey Tackey is a representative of the Workers on the CPC Board.

He is currently a Production Superintendent at the Cocoa Department and the Chairman of the Professional & Managerial Staff Union (PMSU) of CPC.

He has also worked at the Quality Assurance Department of CPC.

Mr. Tackey holds a BSc in Chemical Engineering from the Kwame Nkrumah University of Science and Technology, Kumasi and certificates in the following:

- Systems Engineering – Networking and Hardware, IPMC Ghana
- International Organization for Standardization





■
**MR. KWAKU
OWUSU BAAH**

Chairman

CHAIRMAN'S STATEMENT

Dear Distinguished Shareholders

I wish to warmly welcome you all to the Annual General Meeting of your company, Cocoa Processing Company Limited.

It is my singular honor this morning to present to you the Annual Report and the Financial Statements of the Company for the 2-year period; ie. September 30, 2021 and September 30, 2022.

The Global Business Environment.

The last 3 years have been difficult both for nations and for businesses globally, as a result of the COVID-19 and the Russia-Ukraine war. The COVID pandemic led to recession and economic contractions in many countries and the cocoa and chocolate industry was not spared in the devastation.

The pandemic disrupted supply chains, leading to labor shortages, transportation bottlenecks, and increased costs. Cocoa-producing countries, such as those in West Africa, experienced difficulties in harvesting, processing, and exporting cocoa beans. These developments negatively impacted CPC because it limited access to cocoa beans for processing and disrupted export sales of our

products. For example, by close of 2020 calendar year, CPC was carrying unsold stocks valued close to US\$20 million because it was not possible to export.

Operational Challenges and Performance.

Your company during the period has accordingly faced some challenges during the 2021 and 2022 operational years. Key among them are shortfalls in cocoa beans supplies, frequent machine breakdowns and cash flow challenges, leading to losses during the period under review.

I am however happy to report that CPC's losses are on a declining trajectory from a high of US\$18,642,694.00 in 2020 to US\$15,088,714 in 2021 and further down to US\$12,058,964 in 2022. Additionally, beans processed decreased from 13,819 MT in 2020 to 13,495 MT in 2021 and further down to 13,097MT in 2022 but while quantity of beans decreased, our turnover position improved, increasing from US\$13.6 million in 2020 to US\$41.8 million in 2021 and further up to US\$43.5 million in 2022 (See Table below). This is certainly a positive development and I wish to assure you that we are on the path to recovery although we are not there yet.

	2022	2021	2020
Cocoa Beans Processed (Mt)	13,097	13,495	13,819
Turnover	\$ 43,489,657	\$ 41,835,142	US\$13,645,898
Profit/Loss from Operations	(7,211,830)	(9,819,429)	(7,988,489)
Finance Cost	5,784,067	5,406,909	11,668,670
Loss for the year	12,058,964	15,088,714	18,642,694

Debt-Equity Swap

In October, 2020, H.E. The President, Nana Akufo Addo, visited CPC, and according to him, his visit was based on some good stories he had heard about CPC's performance and so he had come to encourage the Board and Management. The Board took the opportunity to appeal to His Excellency to help CPC deal with a legacy debt of US\$87million owed to COCOBOD. With the President's intervention, COCOBOD eventually converted the debt to Equity in September, 2022.

This debt-equity swap has significantly improved CPC's Balance Sheet position, a key demand from Afreximbank to enable the Bank bring closure to our loan application. We have since the debt-equity swap had very fruitful discussions with authorities of Afreximbank and it is our hope that once the loan facility is approved and the machinery is retooled, CPC's journey to recovery would be much faster and definite.

Dividend

In view of the operational losses resulting from the challenges faced, the Directors of your Company are regrettably unable to recommend the payment of dividends for the year 2021/2022 financial years.

New Developments During Current Year

Cocoa Processing Company experienced some industrial unrest during this current year; and although it falls outside the reporting year for this Annual General Meeting, I think it is important for you to know. The Workers Union made accusations against the Managing Director following which a Committee was set up to investigate the accusations.

Following the Committee's recommendations and interventions of the Ministry of Food & Agriculture and the Ministry of Employment and Labour Relations, the issues were amicably resolved and the Managing Director returned to post. However, the MD resigned his post in March this year. The Board has since appointed Dr. Frank Asante, Director for Production, as the Acting Managing Director, until a new MD is appointed and approved by Shareholders.

Future Outlook

Dear Shareholders, the Board and Management have always been concerned about the poor operational performance of your company. Accordingly, all our energies, as Directors, have been focused on strategies that would engender a turnaround of your Company and for that matter increase shareholder wealth. And so apart from our pursuit of the Afreximbank loan facility, the Board and Management have worked together to identify some resources to retool and replace some of our factory machines. We are also pursuing and developing new markets, especially in Africa, in line with the tenets of the African Continental Free Trade Agreement (AfCFTA). Our market development efforts have received positive signals from the Republic of Benin and Kenya concerning Goldentree Confectionery sales in those countries, with some shipment already made to Kenya.

Safety, Health and Environment

CPC 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) and the Department of Factories Inspectorate.

Acknowledgment

Ladies and Gentlemen, it is my singular honor to express, on behalf of the Board of Directors, our sincere gratitude to you, distinguished Shareholders, for your patience and understanding of the challenges that your Company faces. We believe that there is a great future for your company and for your investment. My deep appreciation to the Management and staff of the Company for the resilience and fortitude and for working hard, with dedication, to keep the company afloat in spite of the difficulties.

May God Bless Us All.



Kwaku Owusu Baah

Chairman of the Board of Directors

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Distinguished Shareholders,

As indicated by the Chairman, the years under review have indeed been challenging. It is, however, important to note that the year-on-year reduction in operational losses since the 2019/2020 Financial Year is an indication that the financial restructuring, critical process improvements and cost reduction initiatives put in place by management, under the supervision of the Board of Directors, are yielding positive results.

COCOA AND CONFECTIONARY FACTORIES

Cocoa beans processed during the years under review were 13,494.883MT in 2020/2021 and

13,096.875MT in 2021/2022. These were even marginally lower than the 13,957.450MT of cocoa beans processed in 2019/2020 Financial Year (Table 1). The reasons for the relatively low production output could be attributed to the following among others;

- The unavailability of the variety of beans which are more profitable to process.
- Technical setbacks due to delays in procuring parts from external sources, for repairing plant and equipment.
- Financial constraints affecting timely acquisition of spare parts for machinery.

TABLE 1. PRODUCTION OUTPUT FOR THREE (3) FINANCIAL YEARS.

MONTHS	2019/2020		2020/2021		2021/2022	
	BEANS PROCESSED (MT)	CONFECTIONERY (MT)	BEANS PROCESSED (MT)	CONFECTIONERY (MT)	BEANS PROCESSED (MT)	CONFECTIONERY (MT)
OCT	1974.2500	204.3860	-	117.8130	1762.6250	229.9062
NOV	1869.5000	104.9120	707.0000	155.7048	1395.5000	153.6416
DEC	930.3750	109.1310	450.0000	181.0181	1084.7500	159.6814
JAN	502.5000	131.5630	550.0000	159.1483	1053.6000	155.7057
FEB	537.0000	232.7670	671.5000	184.4898	914.5000	213.9328
MAR	1009.2000	212.4680	1803.0550	153.0960	681.5000	269.0228
APR	943.1250	162.4680	1127.8900	225.0294	270.0000	129.5954
MAY	1737.5000	197.5900	1312.1250	202.1300	954.5250	168.1096
JUN	2100.0000	135.2970	1657.3750	172.2284	1113.1250	181.8678
JUL	1746.0000	165.0208	2127.2500	227.6229	1347.0000	134.1806
AUG	167.0000	12.6204	1671.5000	211.2647	1478.7500	126.0242
SEPT	441.0000	133.8060	1417.1875	194.3066	1041.0000	259.1664
TOTAL	13957.4500	1802.0292	13494.8825	2183.8520	13096.8750	2027.1929

Production figures of the confectionery factory for the years under review also fell below budgetary targets. Only 2,183.852MT of confectionery products were packed in 2020/2021 financial year, representing 50.48% of the annual target; and in 2021/2022, another 2,027.193MT of confectionery products were packed, also representing 57.27% of the annual target. The low production figures achieved was also mainly due to shortage of raw materials and technical setbacks on the Chocolate Line, as indicated earlier.

Your Company's challenges regarding the technical inefficiencies of the machineries continue to disrupt efforts of the Board and Management to bring about the needed transformation that we all yearn for. In this regard, we wish to thank you for approving our request to you to pursue a loan facility from the Afreximbank to re-tool the old inefficient machines. The facility is being pursued and it is our hope that, once the facility is approved, it will help eliminate these challenges and ensure increased production, enhanced revenues and profits.

QUALITY ASSURANCE

In all these challenges, I am pleased to report that we have successfully maintained the highest quality standards throughout the years under review. All Certificates issued by the statutory bodies in Ghana as well as our Hallal, Kosher and ISO 9001:15 which are issued by international authorities were renewed. This is important because your Company is a major exporter of its products and meeting these international standards is key to staying in business.

We are certain that our continued dedication to excellence in this area will surely drive growth and profitability in the future.

PRODUCT RESEARCH AND DEVELOPMENT

In line with the company's policy of continuously meeting the changing preferences and tastes of our customers, the performance of our products was evaluated in the period under review. The recipes of some of our drinking chocolate products were reformulated. The packaging of GoldenTree

products like Kingsbite Gift Box 10x20g, Kingsbite Card Chip Box 10x50g, Portem Natural Cocoa Butter and Premium Milk chocolate with nuts were also redesigned to ensure a better communication of its contents.

TRAINING

To guarantee smooth operations as well as improving upon plant efficiency, series of internal and external training were arranged for staff to develop their skills and competencies. To ensure compliance of all statutory and compliance bodies all staff were also taken through training in good manufacturing and food safety practices, understanding and preventing bioterrorism, occupational health and safety practices as well as the importance of traceability in the cocoa value chain.

SALES, MARKETING, CORPORATE COMMUNICATION AND SOCIAL RESPONSIBILITY

To ensure that production was responding to the needs of our customers, staff of the sales and marketing department were supported to develop closer relationships with both local and foreign buyers of semi-finished and confectionery products. Depots were also opened in Takoradi and Kasoa to bring GoldenTree products closer to our cherished customers in the Western and Central Regions. Feedback from distributors indicates that, these efforts have largely been achieved and key objectives met.

Your company also made significant strides in its communication with staff by using the social media space. Through our various social media platforms, we have succeeded in building a strong communication network between management, staff and other stakeholders like our distributors. This has not only increased productivity, but has also helped to create a positive work environment that has encouraged team work, creativity and innovation. The company's increasing recognition by the public as a key participant in the cocoa value addition chain in spite of its challenges, continued to attract the attention of very key personalities. Notable among them was the visit to the factory

by his Excellency President Nana Addo Dankwa Akuffo Addo the President of the Republic of Ghana. Others included the Chairman of the Ghana Cocoa Board, Mr. Peter Mac Manu and the Chief Executive of the Ghana Cocoa Board, Honorable Joseph Boahen Aidoo.

OUTLOOK FOR 2023 AND BEYOND

Your Company has not seen the expected profitability and growth in the years under review due to erratic beans supply and reduced efficiency of plant and machinery.

This notwithstanding, the Board of Directors and Management considers the outlook for the years ahead as promising. This positive attitude is premised on the fact that;

- Ghana Cocoa Board is projecting a better crop season for the coming year.
- The new spread factory which has already been test run will be fully operational in the coming year.
- Seven (7) out of ten (10) new packaging machines for the packing of various sizes of our drinking cocoa and confectionery products will be fully operationalized.
- A new three (3) MT/Hr. coarse and fine milling machine to process a minimum of 25,000MT of beans will be installed and commissioned.
- A new six (6) MT /Day conche which will increase our Goldentree chocolate volume by not less than seventy percent (70 %) will be installed and commissioned.
- CPC increasing presence in the newly created geographical regions in Ghana will reflect on our turn over and profitability.
- Sales is expected to increase in the new markets that CPC has developed in the AfCFTA member countries.

CONCLUSION

Your company has been a worthy social partner in the conduct of its business till date in spite of all its challenges. Moving forward, we still remain committed to pursuing growth and profitability in a sustainable manner.

The management and staff of your company are very grateful to you shareholders for your support in the years under review.

Thank you and May God bless us all.



DR. FRANK ADU ASANTE
AG. MANAGING DIRECTOR

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	2022	2021
FINANCIALS	US \$	US \$
Turnover	43,489,657	41,835,142
Operating Loss	(7,211,830)	(9,819,429)
Loss before Tax	(12,945,825)	(15,169,927)
Loss for the year	(12,058,964)	(15,088,714)
Total Assets	140,964,348	160,034,555
Net asset per share	0.0109	(0.0243)
No of shares ranking for dividend	2,038,074,176	2,038,074,176
Earnings per share	(0.0059)	(0.0074)

	2022	2021
OPERATIONS	MT	MT
CPC Beans	13,097	13,495
% of Throughput	20%	21%
Semi Finished Products Packed	10,908	11,296
Confectionery Products Packed	2,181	2,183



COCOA PROCESSING COMPANY PLC

ANNUAL REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2021

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Kwaku Owusu Baah (Mr)	Chairman
Nana Agyenim Boateng I	Managing Director
Hon. Ben Abdullah Banda	Member
Philomena Okyere (Mrs)	Member
Emmanuel Ray Ankrah (Mr)	Member
J oe Forson (Mr)	Member- resigned, 30 December 2021
Douglas Boateng (Prof)	Member
Abdul Samed-Adams (Mr)	Member
Vincent Okyere Akomeah (Mr)	Member – appointed,18 December 2020

REGISTERED OFFICE

Cocoa Processing Company Plc
Heavy Industrial Area Private Mail Bag Tema

SOLICITORS

A. Ossei-Aidooh & Co
1st Floor, Design House, Community 2
P. O. Box CE 11295 Tema

Apex Lawconsult
1st Floor, Oburdum Fie, Labone
P. O. Box GP 4889 Accra

COMPANY SECRETARY

Sheila Minkah-Premo
Apex Lawconsult
1st Floor, Oburdum Fie, Labone
P. O. Box GP 4889 Accra

AUDITOR

Ernst & Young Chartered Accountants
60 Rangoon Lane
Cantonments City Accra
Ghana

BANKERS

Absa Bank Ghana Limited
ADB Bank Limited
Bank of Ghana Ecobank
Ghana Limited GCB Bank Limited
Prudential Bank Limited
Societe Generale Ghana Limited
United Bank for Africa (Ghana) Limited

REGISTRAR

NTHC Limited Martco House
P. O. Box 9563 Airport, Accra

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the Company for the year ended 30 September 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of Cocoa Processing Company Plc, comprising the statements of financial position at 30 September 2021, and the statements of comprehensive income, changes in equity and cash flows for the year ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors. The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

GOING CONCERN CONSIDERATION AND STATE OF AFFAIRS OF THE COMPANY

The Company incurred a loss of US\$15.09m (2020: US\$18.6 m) for the year ended 30 September 2021, and as of that date its current liabilities exceeded its current assets by US\$113m (2020: US\$108.82m). In addition, total liabilities exceeded its total assets by US\$49.59m (2020: S\$38.2m).

A substantial part of the Company's liabilities is due to the majority shareholder, Ghana Cocoa Board (COCOBOD), a syndicate of banks led by Absa and Prudential Bank US\$43.6m, US\$24.8m and US\$4.51m respectively. During the year, the Company defaulted on both the principal and interest repayment to respective banks and COCOBOD.

The Company's loss-making position is significantly driven by unavailability of cocoa beans to process due to insufficient cashflow during the year.

The Directors have been in discussions with Africa Export-Import Bank (Afreximbank) to obtain a US\$86.7m loan facility. Management plans to use this loan to settle amounts due to the syndicate of banks, support its working capital requirements and retool its property, plant, and equipment to expand production capacity. Management expects the agreement to be signed by December 2023 and the first tranche disbursed by January 2024. The ability of the Company to return to profitability and also settle the liabilities due within twelve months is dependent of the Afreximbank loan. At the date of this report, discussions with Afreximbank have not yet been finalised.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, may be unable to realize its assets and discharge its liabilities in the normal course of business.

COCOBOD as at 30 September 2022 has converted loan of US\$32m and trade accounts payable of US\$55 to deposit for shares pending finalisation of a legal requirement to recognise it as stated capital.

The Directors have considered the following matters, in combination with the above mitigation and plans, in making the going concern assumption:

- Resumption of cocoa beans supply by COCOBOD on regular basis, resulting in increased production subsequent to the reporting date.
- New turnaround strategies – reduction of cost, investment in infrastructure, expansion of revenue base and product market.

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

FINANCIAL STATEMENTS/BUSINESS REVIEW

The financial results of the Company for the year ended 30 September 2021 are set out in the financial statements, highlights of which are as follows:

	2021	2020
	US\$	US\$
Loss before tax	(15,169,927)	(19,596,460)
Loss after tax	(15,088,714)	(18,642,694)
Total assets	160,034,555	152,506,410
Total liabilities	209,620,970	190,669,153
Total equity	(49,586,415)	(38,162,743)

The Directors do not recommend the payment of dividend.

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act 2019, (Act 992).

RELATED PARTY TRANSACTIONS

Information regarding Directors' interests in ordinary shares of the Company and remuneration

NATURE OF BUSINESS/PRINCIPAL ACTIVITIES

The Company is registered to manufacture 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.

There was no change in the nature of business of the Company during the year.

HOLDING COMPANY

The Company is 57.73% owned by Ghana Cocoa Board (COCOBOD), a company incorporated in Ghana.

is disclosed in note 26 to the financial statements. No Director has interest in any shares or loan stock of the Company. Related party transactions and balances are also disclosed in note 24 to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

No expenditure was incurred (2020: US\$2,700) under the Company's social responsibility programme.

BOARD OF DIRECTORS

Profile

Executive	Qualification	Outside board and management position
Nana Agyenim Boateng	Diploma, Transport & Fleet Management	Managing Director of CPC
Non-executive		
Mr Kwaku Owusu Baah	Agriculture Economist Msc Agriculture Bsc Agriculture	Former Director of Economic Studies, Inter-African Coffee Organization Currently Technical Advisor to Government of Canada
Hon Ben Abdallah Banda	LLB (University Of Ghana) Barrister at Law (Ghana School of law)	Former Member of Parliament
Prof. Douglas Boateng I	BSc. Transport Planning and Management, Cranfield University. MSc. Logistics in Manufacturing Systems, University of Central England. Doctor of Engineering, University of Warwick Diploma in Company Direction, Institute of Directors	Board Chairman, Public Procurement Authority
Mr Vincent Okyere Akomeah	BA Economics Master's degree, Economic Policy Management	Managing Director of CMC
Mr Emmanuel Ray Ankrah	Post Graduate Diploma, Strategic Financial Management Chartered Accountant	Deputy CEO (Finance &Admin), COCOBOD
Mrs Philomena Okyere	Associate Member, Chartered Institute of Professional Financial Managers	Board of MASLOC.
Mr Abdul Samed-Adams	He holds an HND in Secretaryship and Management Studies from the Accra Polytechnic (2014) BCOM (Management), University of Cape Coast	Local Union Chairman of CPC

Age category	Number of directors
Up to - 40 years	1
41 - 60 years	4
Above 60 years	3

ROLE OF THE BOARD

The Directors are responsible for the long-term success of the Company, determine the strategic direction of the Company and review operating, financial and risk performance.

There is a formal schedule of matters reserved for the board of Directors, including approval of the Company's annual business plan, the Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Company, and the scope of delegations to Board committees, subsidiary boards and the management committee.

Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a management committee, which as at the date of this report includes the Executive Directors.

INTERNAL CONTROL SYSTEMS

The Directors have overall responsibility for the Company's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Company as at the reporting date and no significant failings or weaknesses were identified during this review.

PROFESSIONAL DEVELOPMENT AND TRAINING

On appointment to the Board, Directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Company's business, the risks and strategic challenges the Company faces, and the economic, competitive, legal and regulatory environment in which the Company operates.

There were, however, no formal capacity building training programs organised during the year.

CONFLICTS OF INTEREST

The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

BOARD BALANCE AND INDEPENDENCE

The composition of the board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the Company. The continuing independent and objective judgement of the non-Executive Directors have been confirmed by the Board of Directors.

AUDITOR

The Audit Committee has responsibility delegated from the board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor

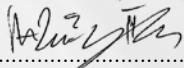
The Auditors, Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office pursuant to Section 139(5d) of the Companies Act, 2019 (Act 992).

AUDIT FEES

At 30 September 2021, the amount payable in respect of audit fees was US\$37,000 (2020: US\$37,000).

APPROVAL OF THE REPORT OF THE DIRECTORS

The Report of the Directors of Cocoa Processing Company Plc, was approved by the Board of Directors on..... 2023 and were signed on their behalf by:


.....
SIGNATURE
KWAKU OWUSU BAAH


.....
SIGNATURE
NANA DR. AGYENIM BOATENG I

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Cocoa Processing Company Plc set out on pages 12 to 57 which comprise the statement of financial position as at 30 September 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cocoa Processing Company Plc as at 30 September 2021, 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 of the Companies Act, 2019 (Act 992)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to going concern

We draw attention to note 30 of these financial statements which states that the Company incurred a net loss of US\$15.09m (2020: (US\$18.64m)) for the year ended 30 September 2021 and, as of that date, the Company's current liabilities exceeded its current assets by US\$113m (2020: US\$108.82m) and total liabilities also exceeded total assets by US\$49.59m (2020: US\$38.2m). As stated in the note, these conditions along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as going concern and therefore may be unable to realise its assets and settle its liabilities in the ordinary course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p data-bbox="209 253 539 282">Employee Benefit Obligations</p> <p data-bbox="209 304 746 815">As at 30 September 2021, the Company calculated and recorded defined benefit plan liabilities of US\$4.09m for its qualified employees, which is significant on the Company's overall statement of financial position. These benefits were made available to the employees based on collective bargaining agreement with employee union. Significant estimates are made in determining the key assumptions used in the determination of the defined benefit obligations, as a result the Management engaged an independent actuary to assist them in the computation of the defined benefit plan liabilities.</p> <p data-bbox="209 864 746 1146">We considered the computation of the defined benefit plan liabilities to be a key audit matter due to the magnitude of the amounts, management judgement applied, and the technical expertise required to determine these amounts. Management has made appropriate disclosure on this on Note 15 in the financial statements.</p>	<p data-bbox="786 304 1385 409">Our procedure includes assessing the competency, objectivity and capabilities of the independent actuary engaged by the Company.</p> <p data-bbox="786 454 1385 595">We engaged our internal specialist to assess the appropriateness of the method and assumptions used in the computation as included on the actuarial report.</p> <p data-bbox="786 640 1385 745">We have also performed the following procedures, amongst others to assess the underlying data provided to the actuary in determining the obligation</p> <ul data-bbox="786 752 1385 1115" style="list-style-type: none"> <li data-bbox="786 752 1385 857">• We tested samples of the employees' details used in the computation of the defined benefit plan liabilities to the Human resource records <li data-bbox="786 864 1385 1010">• We evaluated key assumptions used in the valuation, in particular the discount rate, future salaries increases, and mortality rates, with the support of our actuarial specialist <li data-bbox="786 1016 1385 1115">• We also considered the adequacy of the disclosures made on the defined benefit plan liabilities in Note 15 to the financial statements

Other information

The Directors are responsible for the other information. The other information comprises information included in the 57-page document titled "Annual Reports and Financial Statements for the year ended 30 September 2021". Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial statements of the Company for the year ended 30 September 2020, were audited by another Auditor who expressed an unmodified opinion with a material uncertainty related to going concern on those statements on 30 November 2021.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the

Companies Act, 2019 (Act 992) 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.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing

of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

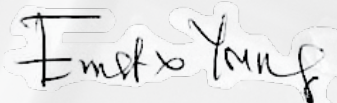
Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books;
- iii) The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of the Company are in agreement with the underlying books of account;
- iv) In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs

of the Company at the end of the financial year and of the profit or loss for the financial year then ended;

- v) We are independent of the Company pursuant to section 143 of the Companies Act, 2019 (Act 992).

The Engagement Partner on the audit resulting in this independent auditor's report is Ferdinand Gunn (ICAG/P/1149).



Ernst & Young (ICAG/F/2023/126)
Chartered Accountants
Accra, Ghana
Date: 18th July, 2023

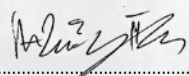


STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

Assets	Note	2021 US\$	2020 US\$
Non-current assets			
Property, plant and equipment	7	120,088,574	122,204,360
Total Non-current assets		120,088,574	122,204,360
Current assets			
Inventories	8	26,787,563	20,824,463
Current tax assets	6(c)	17,363	6,283
Trade and other receivables	9	8,910,416	1,178,071
Prepayments	10	435,188	5,193,525
Fixed deposit investments	11	2,644,210	2,476,982
Cash and cash equivalents	12(a)	1,151,241	622,726
Total Current assets		39,945,981	30,302,050
Total assets		160,034,555	152,506,410
Equity and Liabilities			
Equity			
Share capital	16(a,b)	26,071,630	26,071,630
Revaluation reserve	16(c)	54,415,410	52,347,147
Fair value reserve	16(d)	11,732,644	11,732,644
Retained earnings	16(e)	(141,806,099)	(128,314,164)
Total equity		(49,586,415)	(38,162,743)
Liabilities			
Non-current liabilities			
Loans and borrowings	14(b)	33,556,428	25,437,500
Employee benefit obligations	15	4,097,967	3,659,007
Deferred tax liabilities	6(d)	18,870,111	22,449,189
Total non-current liabilities		56,524,506	51,545,696
Current liabilities			
Bank overdraft	12(b)	1,192,653	1,238,889
Trade and other payables	13	112,542,230	94,534,026
Loans and borrowings	14(b)	39,361,581	43,350,542
Total current liabilities		153,096,464	139,123,457
Total liabilities		209,620,970	190,669,153
Total equity and liabilities		160,034,555	152,506,410

The financial statements of the Company were approved by the Board of Directors on 18th July, 2023 and were signed on their behalf by:



.....
SIGNATURE

KWAKU OWUSU BAAH



.....
SIGNATURE

NANA DR. AGYENIM BOATENG I

The notes on pages 40 to 42 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 30 SEPTEMBER 2021

	Note	2021 US\$	2020 US\$
Revenue from contract with customers	17(a)	41,835,142	13,645,898
Cost of sales	18	(46,828,569)	(16,678,361)
Gross loss		(4,993,427)	(3,032,463)
Other income	19	471,579	1,092,456
Selling and distribution costs	31	(686,492)	(625,074)
General and administrative expenses	32	(4,219,164)	(5,043,612)
Impairment loss on trade and other receivables	27(b)(i)	(391,925)	(379,796)
Operating loss		(9,819,429)	(7,988,489)
Finance income	23	56,411	60,699
Finance costs	24	(5,406,909)	(11,668,670)
Loss before tax	20	(15,169,927)	(19,596,460)
Income tax expense	6(a)	81,213	953,766
Loss for the year		(15,088,714)	(18,642,694)
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability, net of Tax		170,503	97,677
Related FX effect on remeasurement of defined benefit	15(b)	(3,327)	-
Related deferred tax effect on remeasurement of defined benefit	6(d)	-	(20,849)
Change in estimate – Deferred tax on revaluation surplus	6(d)	3,497,866	(2,694,775)
Other Comprehensive income		3,665,042	(2,617,947)
Total comprehensive income		(11,423,672)	(21,260,641)
Loss per share			
Basic loss per share	25	(0.0074)	(0.0091)
Diluted loss per share	25	(0.0074)	(0.0091)

The notes on pages 40 to 42 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2021

	Note	Share capital US\$	Revaluation reserve US\$	Fair value reserve US\$	Retained earnings US\$	Total equity US\$
Balance at 1 October 2020		26,071,630	52,347,147	11,732,644	(128,314,164)	(38,162,743)
Total comprehensive income for the year						
Loss for the year		-	-	-	(15,088,714)	(15,088,714)
Remeasurements of defined benefit liability, net of tax	6(d)	-	-	-	167,176	167,176
Surplus		-	3,497,866	-	-	3,497,866
Total comprehensive income		-	3,497,866	-	(14,921,538)	(11,423,672)
Transfers within equity						
Revaluation reserved transferred		-	(1,429,603)	-	1,429,603	-
Balance at 30 September 2021		26,071,630	54,415,410	11,732,644	(141,806,099)	(49,586,415)

Other comprehensive income for the year

The notes on pages 40 to 42 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2021

	Note	Share capital US\$	Revaluation reserve US\$	Fair value reserve US\$	Retained earnings US\$	Total equity US\$
Balance at 1 October 2019		26,071,630	56,508,182	6,293,536	(111,272,741)	(22,399,393)
Total comprehensive income for the year						
Loss for the year		-	-	-	(18,642,694)	(18,642,694)
Change in estimate - Deferred tax on revaluation surplus	6(d)	-	(2,694,775)	-	-	(2,694,775)
Remeasurements of defined benefit liability, net of tax	6(d),13(b)	-	-	-	76,828	76,828
Total comprehensive income		-	(2,694,775)	-	(18,565,866)	(21,260,641)
Transaction with owners of the Company						
Day 1 gain on fair valuation of loans and borrowings	14(a)	-	-	5,439,108	-	5,439,108
Contributed by Government of Ghana**	14c(v)	-	-	-	58,183	58,183
Total comprehensive income		-	-	5,439,108	58,183	5,497,291
Transfers within equity						
Revaluation reserve transferred	16(c)	-	(1,466,260)	-	1,466,260	-
Total transfers within equity		-	(1,466,260)	-	1,466,260	-
Balance at 30 September 2020		26,071,630	52,347,147	11,732,644	(128,314,164)	(38,162,743)

Other comprehensive income for the year

The notes on pages 40 to 42 form an integral part of these financial statements.

**This represents interest subsidy provided by the Government under the Government of Ghana's Ministry of Trade and Industry Stimulus Package Programme on a loan obtained by the Company for the acquisition of equipment for the Company's confectionery factory (note14c(v)).

STATEMENT OF CASH FLOWS

AS AT 30 SEPTEMBER 2021

	Note	2021 US\$	2020 US\$
Cash flows from operating activities			
Loss for the year		(15,169,927)	(18,642,694)
Adjustments for:			
Depreciation	7	5,977,402	6,252,684
Finance Cost	24	5,406,909	11,668,670
Finance Income	23	-	(60,699)
Impairment loss on trade receivables	27(b)(i)	391,925	379,796
Write down of inventory	8(b)	(66,046)	70,626
Income tax expense	6(a)	-	(953,766)
Employee benefit obligation		233,383	905,372
Unrealised exchange difference	20b	82,664	(827,962)
		(3,143,690)	(1,207,973)
Changes in working capital:			
• Inventories		(5,897,054)	(12,666,179)
• Trade and other receivables		(8,420,868)	2,430,114
• Prepayments		4,758,337	(1,450,751)
• Trade and other payables		17,995,444	12,899,891
Cash generated from /(used in) operating activities		5,292,169	5,102
Interest paid	14(a)	(375,989)	(1,407,020)
Income taxes paid	6(c)	(11,080)	-
Employee benefits paid		(78,214)	-
Net cashflow generated from/ (used in) operating activities		4,826,886	(1,401,918)
Cash flows from investing activities			
Interest received	23	-	60,699
Purchase of property, plant and equipment	7	(3,861,617)	(1,652,297)
Net cashflow used in investing activities		(3,861,617)	(1,591,598)

Cash flows from financing activities

Proceeds from Loans and borrowings	Repayments of borrowings	14(a)	186,318	2,342,961
			(371,380)	-
Net cash flow (used in)/generated from financing activities			(185,062)	2,342,961
Net increase/(decrease) in cash and cash equivalents			780,207	(650,555)
Cash and cash equivalents at the beginning of the		12	1,860,820	1,849,236
Effect of movement in exchange rates on cash held			(38,229)	662,139
Cash and cash equivalents at the end of the year		12	2,602,798	1,860,820

The notes on pages 40 to 42 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2021

1. REPORTING ENTITY

Cocoa Processing Company Plc is a Company registered and domiciled in Ghana. The financial statements at and for the year ended 30 September 2021 relate to the individual financial statements of the Company.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992).

b. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Property, plant and equipment, measured at revalued amounts
- Defined benefit obligations measured at the present value of the future benefits to employees.

c. Functional and presentation currency

The financial statements are presented in US Dollar (US\$) which is the Company's functional currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest US Dollar.

d. Use of estimates and judgement

In preparing the financial statements,

management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 September 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 15 – Measurement of defined benefit obligations: Key actuarial assumptions
- Note 27(b)(i) – Measurement of expected credit loss (ECL) allowance for trade receivables: Key assumptions in determining the average loss rate

Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different

levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

A number of new standards and interpretations are effective from 1 October 2020, but they do not have a material effect on the Company's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

Non-monetary assets and liabilities are translated at historical exchange rates, if held at historical cost or exchange rates at the date that fair value was determined, if held at fair value and the resulting foreign exchange gains and losses are recognised in profit or loss.

Foreign currency gains and losses are generally recognised in general and administrative expenses or other income depending on whether the net exchange difference results in a gain or a loss.

SHAREHOLDING DISTRIBUTION AT 30 SEPTEMBER 2021

	No. of Shareholders	No. of Shares	% Holdings
1 - 1,000	27,708	12,591,889	0.62
1,001 - 5,000	18,925	38,862,940	1.91
5,001 - 10,000	1,487	11,474,290	0.56
Over 10,001	825	1,975,147,057	96.91
	48,945	2,038,074,176	100

TWENTY LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2021

	No. of Shares	% Holdings	
1	Ghana Cocoa Board	1,176,599,176	57.73
2	Government of Ghana c/o Ministry of Finance	532,554,100	26.13
3	Social Security & National Insurance Trust	206,754,000	10.14
4	CPC ESSPA	7,287,709	0.36
5	Badu Collins K	4,957,900	0.24
6	Integra Wealth (Ghana) Limited	2,673,500	0.13
7	Donewell Life Company Limited	1,920,000	0.09
8	Ghana Reinsurance Company Limited – General Business	1,600,000	0.08
9	Agricultural Development Bank	1,600,000	0.08
10	Osei Isaac	1,583,900	0.08
11	Ofori Daniel	1,136,100	0.06
12	Baah Matthew Mensah	960,000	0.05
13	Otchere-Boateng Lordina Justina	800,000	0.04
14	Ghana Libyan Arab Holding Company	800,000	0.04
15	Beaudoin Ladda LB	800,000	0.04
16	E H Boohene Foundation	800,000	0.04
17	Tetteh Richard Amarh	552,000	0.03
18	Adjei Seth Adjete	550,000	0.03
19	NTHC Suspense Account	496,683	0.02
20	Insurance Compensation Fund	480,000	0.02
		1,944,905,068	95.43
	Others	93,169,108	4.57
		2,038,074,176	100



COCOA PROCESSING COMPANY PLC

ANNUAL REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2022

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Kwaku Owusu Baah (Mr)	Chairman
Nana Agyenim Boateng I	Managing Director
Hon. Francis Manu-Adabor	Member - appointed 30 December 2021
Hon. Ben Abdullah Banda	Member - resigned 30 December 2021
Abdul-Samed Adams (Mr)	Member - resigned 30 December 2021
Philomena Okyere (Mrs)	Member
Emmanuel Ray Ankrah (Mr)	Member
Vincent Okyere Akomeah (Mr)	Member
Alexandra Totoe (Ms)	Member - appointed 30 December 2021
Douglas Boateng (Prof)	Member
Theodore Matey Tackey (Mr)	Member- appointed 30 December 2021

REGISTERED OFFICE

Cocoa Processing Company Plc
Heavy Industrial Area
Private Mail Bag
Tema

SOLICITORS

Apex Lawconsult
1st Floor, Oburdum Fie, Labone
P. O. Box GP 4889
Accra

AUDITOR

Ernst & Young Chartered Accountants
60 Rangoon Lane Cantonments City Accra
Ghana

BANKERS

Absa Bank Ghana Limited
ADB Bank Limited
Bank of Ghana
Ecobank Ghana Limited
GCB Bank Limited
Prudential Bank Limited
Societe Generale Ghana Limited
United Bank for Africa (Ghana) Limited

REGISTRAR

NTHC Limited Martco House
P. O. Box 9563
Airport, Accra

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the Company for the year ended 30 September 2022.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of Cocoa Processing Company Plc, comprising the statements of financial position as at 30 September 2022, and the statements of comprehensive income, changes in equity and cash flows for the year ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

GOING CONCERN CONSIDERATION AND STATE OF AFFAIRS OF THE COMPANY

The Company incurred a loss of US\$12.06 m (2021: US\$15.09 m) for the year ended 30 September 2022, and as of that date its current liabilities exceeded its current assets by US\$69.34 m (2021:

US\$113.15 m).

A substantial part of the Company's liabilities is due to a syndicate of banks led by Absa and Prudential Banks, US\$27.44m and US\$2.76m respectively. During the year, the Company defaulted on the principal and interest repayment to respective banks. The Company's loss-making position is significantly driven by unavailability of cocoa beans to process due to insufficient cashflow during the year.

COCOBOD as at 30 September 2022 has converted loan of US\$32m and trade accounts payable of US\$55 as deposit for shares pending finalisation of a legal requirement to recognise it as stated capital. The Directors have been in discussions with Africa Export-Import Bank (Afreximbank) to obtain a US\$86.7m loan facility. Management plans to use this loan to settle amounts due to the syndicate of banks, support its working capital requirements and retool its property, plant, and equipment to expand production capacity. Management expects the agreement to be signed by December 2023 and the first tranche disbursed by January 2024. The ability of the company to return to profitability and also settle the liabilities due within twelve months is dependent of the Afreximbank loan. At the date of this report, discussions with Afreximbank have not yet been finalised.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Directors have considered the following matters, in combination with the above mitigation plans, in making the going concern assumption:

- Resumption of cocoa beans supply by COCOBOD on regular basis.
- New turnaround strategies – reduction of cost, investment in infrastructure, expansion of revenue base and product market.

cocoa cake, and cocoa powder from premium cocoa beans grown in Ghana.

There was no change in the nature of business of the Company during the year.

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

HOLDING COMPANY

The Company is 57.73% owned by Ghana Cocoa Board (COCOBOD), a Company incorporated in Ghana.

NATURE OF BUSINESS/PRINCIPAL ACTIVITIES

The Company is registered to manufacture high-quality chocolates, confectionery, and semi-finished cocoa products such as cocoa butter, cocoa liquor,

FINANCIAL STATEMENTS/BUSINESS REVIEW

The financial results of the Company for the year ended 30 September 2022 are set out in the financial statements, highlights of which are as follows:

	2022 US\$	2021 US\$
Loss before tax	(12,945,825)	(15,169,927)
Loss after tax	(12,058,964)	(15,088,714)
Total assets	140,964,348	160,034,555
Total liabilities	118,770,247	209,620,970
Total equity	22,194,101	(49,586,415)

The Directors do not recommend the payment of dividend.

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act 2019, (Act 992).

is disclosed in note 24 to the financial statements. No Director has interest in any shares or loan stock of the Company. Related party transactions and balances are also disclosed in note 26 to the financial statements.

RELATED PARTY TRANSACTIONS

Information regarding Directors' interests in ordinary shares of the Company and remuneration

CORPORATE SOCIAL RESPONSIBILITY

No expenditure was incurred in the period under review (2021:nil) was spent under the Company's social responsibility programme.

ANNUAL REPORTS AND FINANCIAL STATEMENTS

Profile

Executive	Qualification	Outside board and management position
Nana Agyenim Boateng I	Diploma, Transport & Fleet Management	Managing Director of CPC
Non-executive		
Dr. Kwaku Owusu Baah	Agriculture Economist MSc Agriculture BSc Agriculture	Former Director of Economic Studies, Inter-African Coffee Organization Currently Technical Advisor to Government of Canada
Hon Francis Manu-Adabor	BA Hons (KNUST) MSC (University College, London)	Member of Parliament
Prof. Douglas Boateng	BSc. Transport Planning and Management, Cranfield University. MSc. Logistics in Manufacturing Systems, University of Central England. Doctor of Engineering, University of Warwick Diploma in Company Direction, Institute of Directors	Board Chairman, Public Procurement Authority
Mr Vincent Okyere Akomeah	BA Economics Master's degree, Economic Policy Management	Managing Director of CMC
Mr Emmanuel Ray Ankrah	Post Graduate Diploma, Strategic Financial Management Chartered Accountant	Deputy CEO (Finance & Admin), COCOBOD
Mrs Philomena Okyere	Associate Member, Chartered Institute of Professional Financial Managers	Board of MASLOC.
Mr Theodore Matey Tackey	He holds BSC in Chemical Engineering from (KNUST)	Professional & Managerial Staff Union Chairman of CPC.
Ms Alexandra Totoe	Graduate, Emile Wolf College of Accountancy, United Kingdom Fellow – Association Chartered Accountants Accountant (ACCA) Member – Institute of Chartered Accountants Accountant (ICA)	Nominee of the Ministry of Finance/State interest & Government Authority (MoF/SIGA)
Age category		Number of directors
Up to – 40 years		1
41 – 60 years		5
Above 60 years		3

The Directors are responsible for the long-term success of the Company, determine the strategic direction of the Company and review operating, financial and risk performance.

There is a formal schedule of matters reserved for the board of Directors, including approval of the Company's annual business plan, the Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Company, and the scope of delegations to Board committees, subsidiary boards and the management committee.

Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a management committee, which as at the date of this report includes the Executive Directors.

INTERNAL CONTROL SYSTEMS

The Directors have overall responsibility for the Company's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls.

The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and other senior management.

The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational, and reputational risks identified by the Company as at the reporting date and no significant failings or weaknesses were identified during this review.

PROFESSIONAL DEVELOPMENT AND TRAINING

On appointment to the Board, Directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Company's business, the risks and strategic challenges the Company faces, and the economic, competitive, legal and regulatory environment in which the Company operates. There were, however, no formal capacity building training programs organised during the year.

CONFLICTS OF INTEREST

The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed, and authorisations sought as appropriate. During the year, no such conflicts arose, and no such authorisations were sought.

BOARD BALANCE AND INDEPENDENCE

The composition of the board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge, and experience is maintained. The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the Company. The continuing independent and objective judgement of the non-Executive Directors have been confirmed by the Board of Directors.

AUDITOR

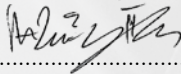
The Audit Committee has responsibility delegated from the board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. The Auditors, Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office pursuant to Section 139(5d) of the Companies Act, 2019 (Act 992).

AUDIT FEES

At 30 September 2022, the amount payable in respect of audit fees was US\$37,000 (2021: US\$37,000).

APPROVAL OF THE REPORT OF THE DIRECTORS

The Report of the Directors of Cocoa Processing Company Plc, was approved by the Board of Directors on 18th July, 2023 and were signed on their behalf by:



.....
SIGNATURE
KWAKU OWUSU BAAH



.....
SIGNATURE
NANA DR. AGYENIM BOATENG I

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Cocoa Processing Company Plc set out on pages 11 to 56 which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cocoa Processing Company Plc as at 30 September 2022, 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 of the Companies Act, 2019 (Act 992)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 30 of the financial statements, which indicates that the Company incurred a net loss of US\$12.6 m (2021: US\$15.09 m) during the year ended 30 September 2022 and, as of that date, the Company's current liabilities exceeded its current assets by US\$69.34million (2021: US\$113 million). As stated in the note 30 these conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore may be unable to realise its assets and settle its liabilities in the ordinary course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p data-bbox="209 253 544 286">Employee Benefit Obligations</p> <p data-bbox="209 304 734 853">As at 30 September 2022, the Company calculated and recorded defined benefit plan liabilities of US\$2.87 million for its qualified employees, which is significant on the Company’s overall statement of financial position. These benefits were made available to the employees based on collective bargaining agreement with employee union. Significant estimates are made in determining the key assumptions used in the determination of the defined benefit obligations, as a result the Management engaged an independent actuary to assist them in the computation of the defined benefit plan liabilities.</p> <p data-bbox="209 898 734 1189">We considered the computation of the defined benefit plan liabilities to be a key audit matter due to the magnitude of the amounts, management judgement applied, and the technical expertise required to determine these amounts. Management has made appropriate disclosure on this on Note 15 in the financial statements.</p>	<p data-bbox="778 304 1377 409">Our procedure included assessing the competency, objectivity and capabilities of the independent actuary engaged by the Company.</p> <p data-bbox="778 454 1377 595">We engaged our internal specialist to assess the appropriateness of the method and assumptions used in the computation as included on the actuarial report.</p> <p data-bbox="778 640 1377 781">We have also performed the following procedures, amongst others to assess the underlying data provided to the actuary in determining the obligation</p> <ul data-bbox="778 786 1377 1223" style="list-style-type: none"> <li data-bbox="778 786 1377 891">• We tested samples of the employees’ details used in the computation of the defined benefit plan liabilities to the Human resource records <li data-bbox="778 898 1377 1077">• We evaluated key assumptions used in the valuation, in particular the discount rate, future salaries increases, and mortality rates, with the support of our actuarial specialist <li data-bbox="778 1084 1377 1223">• We also considered the adequacy of the disclosures made on the defined benefit plan liabilities in Note 15 to the financial statements

Other Information

The Directors are responsible for the other information. The other information comprises information included in the 56-page document titled “Annual Reports and Financial Statements for the year ended 30 September 2022”. Other information does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge

obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) 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.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

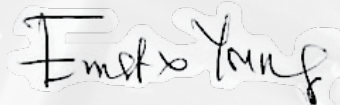
Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books;
- iii) The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of the Company are in agreement with the underlying books of account;
- iv) In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Company at the end of

the financial year and of the profit or loss for the financial year then ended;

- v) We are independent of the Company pursuant to section 143 of the Companies Act, 2019 (Act 992).

The Engagement Partner on the audit resulting in this independent auditor's report is Ferdinand Gunn (ICAG/P/1149).



Ernst & Young (ICAG/F/2023/126)
Chartered Accountants
Accra Date: 18th July, 2023

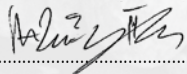


STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

Assets	Note	2022 US\$	2021 US\$
Non-current assets			
Property, plant and equipment	7	114,290,527	120,088,574
Total non-current assets		114,290,527	120,088,574
Current assets			
Inventories	8	17,673,939	26,787,563
Current tax assets	6(c)	19,299	17,363
Trade and other receivables	9	4,933,760	8,910,416
Prepayments	10	528,524	435,188
Fixed deposit investments	11	2,707,841	2,644,210
Cash and cash equivalents	12(a)	810,458	1,151,241
Total Current assets		26,673,821	39,945,981
Total assets		140,964,348	160,034,555
Equity and Liabilities Equity			
Share capital	16(a,b)	26,071,630	26,071,630
Deposit for share	16(e)	87,000,000	-
Revaluation reserve	16(c)	53,113,126	54,415,410
Fair value reserve	16(d)	7,041,211	11,732,644
Retained earnings		(151,031,866)	(141,806,099)
Total equity		22,194,101	(49,586,415)
Liabilities			
Non-current liabilities			
Loans and borrowings	14(b)	1,985,300	33,556,428
Employee benefit obligations	15	2,871,650	4,097,967
Deferred tax liabilities	6(d)	17,899,918	18,870,111
Total non-current liabilities		22,756,868	56,524,506
Current liabilities			
Bank overdraft	12(b)	1,932,743	1,192,653
Trade and other payables	13	47,317,579	112,542,230
Loans and borrowings	14(b)	46,763,057	39,361,581
Total current liabilities		96,013,379	153,096,464
Total liabilities		118,770,247	209,620,970
Total equity and liabilities		140,964,348	160,034,555

The financial statements of the Company were approved by the Board of Directors on 18th July, 2023 and were signed on their behalf by:



.....
SIGNATURE

KWAKU OWUSU BAAH



.....
SIGNATURE

NANA DR. AGYENIM BOATENG I

The notes on pages 61 to 63 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 30 SEPTEMBER 2022

	Note	2022 US\$	2021 US\$
Revenue from contracts with customers	17(a)	43,489,657	41,835,142
Cost of sales	18	(47,363,968)	(46,828,569)
Gross loss		(3,874,311)	(4,993,427)
Other income	19	1,502,886	471,579
Selling and distribution costs	31	(804,574)	(686,492)
General and administrative expenses	32	(4,569,682)	(4,219,164)
Impairment reversal/(loss) on trade and other receivables	27(a)(i)	533,851	(391,925)
Operating loss		(7,211,830)	(9,819,429)
Finance income	23	50,072	56,411
Finance costs	24	(5,784,067)	(5,406,909)
Loss before tax	20	(12,945,825)	(15,169,927)
Income tax expense	6(a)	886,861	81,213
Loss for the year		(12,058,964)	(15,088,714)
Other comprehensive income, net of tax			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit liability, net of tax	15(b)	298,464	170,503
Exchange gain/(loss) on defined benefit liability		1,149,117	(3,327)
Change in estimate on deferred tax for revaluation surplus	6(a)	83,332	3,497,866
Other Comprehensive income		1,530,913	3,665,042
Total comprehensive income		(10,528,051)	(11,423,672)
Loss per share			
Basic loss per share	25	(0.0059)	(0.0074)
Diluted loss per share	25	(0.0059)	(0.0074)

The notes on pages 61 to 63 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2022

	Note	Share capital US\$	Deposit for shares US\$	Revaluation reserve US\$	Fair value reserve US\$	Retained earnings US\$	Total equity US\$
Balance at 1 October 2021		26,071,630	-	54,415,410	11,732,644	(141,806,099)	(49,586,415)
Payable converted to equity			55,666,717				55,666,717
Loan conversion to equity	14a		26,641,850	-	-	-	26,641,850
Total comprehensive income for the year Loss for the year		-	-	-	-	(12,058,964)	(12,058,964)
<i>Other comprehensive income for the year</i>							
Remeasurement of defined benefit liability, net of tax	15(b)	-	-	-	-	1,447,581	1,447,581
Change in estimate on deferred tax for revaluation surplus	6(d)	-	-	83,332	-	-	83,332
Transfers of fair value reserves within equity		-	4,691,433	-	(4,691,433)	-	-
Total comprehensive income		-	87,000,000	83,332	(4,691,433)	(10,611,383)	71,780,516
Transfers within equity Revaluation reserved transferred		-	-	(1,385,616)	-	1,385,616	-
Balance at 30 September 2022		26,071,630	87,000,000	53,113,126	7,041,211	(151,031,866)	22,194,101

The notes on pages 61 to 63 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2022

	Note	Share capital US\$	Revaluation reserve US\$	Fair value reserve US\$	Retained earnings US\$	Total equity US\$
Balance at 1 October 2020		26,071,630	52,347,147	11,732,644	(128,314,164)	(38,162,743)
Total comprehensive income for the year	Loss for the year	-	-	-	(15,088,714)	(15,088,714)
<i>Other comprehensive income for the year</i>						
Remeasurements of defined benefit liability, net of tax	15(b)	-	-	-	167,176	167,176
Change in estimate on deferred tax for revaluation surplus	6(d)	-	3,497,866	-	-	3,497,866
Total comprehensive income		-	3,497,866	-	(14,921,538)	(11,423,672)
Transfers within equity						
Revaluation reserved transferred		-	(1,429,603)	-	1,429,603	-
Balance at 30 September 2021		26,071,630	54,415,410	11,732,644	(141,806,099)	(49,586,415)

The notes on pages 61 to 63 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

AS AT 30 SEPTEMBER 2022

	Note	2022 US\$	2021 US\$
Cash flows from operating activities			
Loss for the year		(12,945,825)	(15,169,927)
Adjustments for:			
Depreciation	7	6,022,040	5,977,402
Finance Cost	24	5,784,067	5,406,909
Impairment (reversal)/loss on trade receivables	27(a)(i)	(533,851)	391,925
Write down of inventory	8	-	(66,046)
Employee benefit obligations	15(b)	189,482	233,383
Unrealised exchange differences		(1,944,620)	82,664
Operating Cashflows before working capital changes		(3,428,705)	(3,143,690)
<i>Changes in working capital</i>			
• Inventories		9,113,624	(5,897,054)
• Trade and other receivables		3,884,900	(8,420,868)
• Prepayments		(93,335)	4,758,337
• Trade and other payables		(9,221,397)	17,995,444
Cash flows (used in)/generated from operations		255,087	5,292,169
Employee benefits paid		(95,036)	(78,214)
Interest paid	14(a)	(573,966)	(375,989)
Income taxes paid	6(c)	(1,936)	(11,080)
Net cash flows (used in)/generated from operating activities		(415,851)	4,826,886
Cash flows from investing activities			
Acquisition of property, plant and equipment	7	(223,993)	(3,861,617)
Net cash used in investing activities		(223,993)	(3,861,617)
Cash flows from financing activities			
Proceeds from Loans and borrowings	14(a)	366,366	186,318
Repayments of borrowings		(622,915)	(371,380)
Net cash from financing activities		(256,549)	(185,062)
Net (decrease)/increase in cash and cash equivalents		(896,393)	780,207
Cash and cash equivalents at the beginning of year	12	2,602,798	1,860,820
Effect of movement in exchange rates on cash held		(120,849)	(38,229)
Cash and cash equivalents at the end of the year	12	1,585,556	2,602,798

The notes on pages 61 to 63 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2021

1. REPORTING ENTITY

Cocoa Processing Company Plc is a Company registered and domiciled in Ghana. The financial statements at and for the year ended 30 September 2022 relate to the individual financial statements of the Company.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992).

b. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Land and building category in Property, plant and equipment, measured at revalued amounts
- Defined benefit obligations measured at the present value of the future benefits to employees.

c. Functional and presentation currency

The financial statements are presented in US Dollar (US\$) which is the Company's functional currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest US Dollar.

d. Use of estimates and judgement

In preparing the financial statements,

management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 September 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 15 – Measurement of defined benefit obligations: Key actuarial assumptions
- Note 27(a)(i) – Measurement of expected credit loss (ECL) allowance for trade receivables: Key assumptions in determining the average loss rate

Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

A number of new standards and interpretations are effective from 1 October 2021, but they do not have a material effect on the Company's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

Non-monetary assets and liabilities are translated at historical exchange rates, if held at historical cost or exchange rates at the date that fair value was determined, if held at fair value and the resulting foreign exchange gains and losses are recognised in profit or loss.

Foreign currency gains and losses are generally recognised in general and administrative expenses or other income depending on whether the net exchange difference results in a gain or a loss.

SHAREHOLDING DISTRIBUTION AT 30 SEPTEMBER 2022

	No. of Shareholders	No. of Shares	% Holdings
1 – 1,000	27,708	12,591,889	0.62
1,001 – 5,000	18,925	38,862,940	1.91
5,001 – 10,000	1,487	11,474,290	0.56
Over 10,001	825	1,975,147,057	96.91
	48,945	2,038,074,176	

TWENTY LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2022

No. of Shares		% Holdings	
1.	Ghana Cocoa Board	1,176,599,176	57.73
2.	Government of Ghana c/o Ministry of Finance	532,554,100	26.13
3.	Social Security & National Insurance Trust	206,754,000	10.14
4.	CPC ESSPA	7,287,709	0.36
5.	Badu Collins K	4,957,900	0.24
6.	Integra Wealth (Ghana) Limited	2,673,500	0.13
7.	Donewell Life Company Limited	1,920,000	0.09
8.	Ghana Reinsurance Company Limited – General Business	1,600,000	0.08
9.	Agricultural Development Bank	1,600,000	0.08
10.	Osei Isaac	1,583,900	0.08
11.	Ofori Daniel	1,136,100	0.06
12.	Baah Matthew Mensah	960,000	0.05
13.	Otchere-Boateng Lordina Justina	800,000	0.04
14.	Ghana Libyan Arab Holding Company	800,000	0.04
15.	Beaudoin Ladda LB	800,000	0.04
16.	E H Boohene Foundation	800,000	0.04
17.	Tetteh Richard Amarh	552,000	0.03
18.	Adjei Seth Adjete	550,000	0.03
19.	NTHC Suspense Account	496,683	0.02
20.	Insurance Compensation Fund	480,000	0.02
		1,944,905,068	95.43
	Others	93,169,108	4.57
		2,038,074,176	100.00

FORM OF PROXY

I/We of being member/members of Cocoa Processing Company PLC 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 Christ the king hall on Thursday, 20th December 2021 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
1a.	To receive, consider, approve and adopt the Financial Statement for the years ended 30 th September, 2021 and 30 th September 2022		
1b.	To receive the Managing Director's review of operations		
2.	To re-appoint the existing Directors: <ul style="list-style-type: none"> • Mr. Kwaku Owusu-Baah - Government Nominee (Chairman) • Nana Agyenim Boateng - Government Nominee • Mrs. Philomena Okyere - Government Nominee • Hon. Francis Manu-Adabor - Government Nominee • Prof. Douglas Boateng - SSNIT Nominee • Mr. Emmanuel Ray Ankrah - COCOBOD Nominee • Mr. Vincent Akomeah - Cocoa Marketing Company Nominee • Ms. Alexandra Totoe - MoF / SIGA Nominee • Mr. Theodore Matey Tackey - Worker's Representative (PMSU) 		
3.	To pass a special resolution on the adoption of a new Registered Constitution in place of the Regulations of the company.		
4.	To rectify decisions of the Company from 1st October 1st October, 2021 to the date of AGM		
5.	To re-appoint Messrs. Ernst and Young (EY) Ghana Limited as External Auditors for the year ended 30th September, 2023 and authorise the Directors to fix their remuneration.		
6.	Shareholders mandate to the Company to raise funds beyond the Company's Stated Capital to the extent of the funding required for its core operations and other working capital requirements for the year ending 30th September, 2023.		

Signed this day of 2023

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.
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.

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

Notes

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Notes

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**COCOA PROCESSING
COMPANY PLC**

Kindly visit www.goldentreeghana.com for the
2021 & 2022 Annual Reports and Proxy Form