

COCOA PROCESSING COMPANY LIMITED

ANNUAL REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2020

COCOA PROCESSING COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS

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COCOA PROCESSING COMPANY LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Kwaku Owusu Baah (Dr) (*Chairman*)
 Nana Agyenim Boateng (*Managing Director*)
 Hon. Ben Abdullah Banda
 Philomena Okyere (Mrs)
 Emmanuel Ray Ankrah
 Joe Forson
 Douglas Boateng (Prof)
 Abdul Samed-Adams

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

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED**

The Directors present their report and the financial statements of the Company for the year ended 30 September 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of Cocoa Processing Company Limited, comprising the statements of financial position at 30 September 2020, 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\$18.6 million (2019: US\$3.4 million) for the year ended 30 September 2020, and as of that date its current liabilities exceeded its current assets by US\$56.5 million (2019: US\$55.3 million). In addition, its total liabilities exceeded its total assets by US\$38.2 million (2019: US\$22.4 million).

A substantial part of the Company's liabilities are due to the majority shareholder, Ghana Cocoa Board (COCOBOD) and a syndicate of banks, amounting to approximately US\$ 42 million and US\$ 27 million respectively. During the financial year, the Company defaulted on both principal and interest repayments to COCOBOD and the syndicated loan led by Absa Bank Ghana Limited. The Company was also unable to comply with the terms of the loan that were renegotiated with COCOBOD in 2019 financial year, resulting in an annulment of the renegotiated terms.

The Company's operational performance was also significantly impacted by a reduction in export revenue because of Covid-19 pandemic. There was less demand for the Company's semi-finished products in 2020 in addition to low/irregular supply of cocoa beans during the year.

After the reporting date, COCOBOD has indicated that it will not demand the repayment of the amounts due it until such time as the Company is able to realise its assets and settle its liabilities in the normal course of business.

The Directors have also been in discussions with African Export-Import Bank (Afreximbank) to obtain a US\$86.7 million loan facility. Management plans to use this loan to settle outstanding amounts due to the syndicate of banks, support its working capital requirements and retool its property, plant and equipment to expand production capacity. Management expects the agreement to be signed in December 2021 and the first tranche of the loan to be disbursed from January 2022. At the date of this report, the conditions required for conclusion of the loan agreement were yet to be finalised.

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 a regular basis, resulting in increased production subsequent to the reporting date.
- New turnaround strategies – reduction of costs, investment in infrastructure, expansion of the revenue base and product market.

In the event that the Company does not receive the loan facility from Afrximbank and COCOBOD demands repayment of the loan liability due it, a material uncertainty exists which may cast significant doubt about the Company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. 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.

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

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.

FINANCIAL STATEMENTS/BUSINESS REVIEW

The financial results of the Company for the year ended 30 September 2020 are set out in the financial statements, highlights of which are as follows:

	2020 US\$	2019 US\$
Loss before tax	19,596,460	4,308,016
Loss after tax	18,642,694	3,362,108
Total assets	152,506,410	145,924,285
Total liabilities	190,669,153	168,323,678
Total equity	<u>(38,162,743)</u>	<u>(22,399,393)</u>

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 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 24 to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

A total of US\$2,700 (2019: US\$8,742) was spent under the Company's social responsibility programme with key focus on agriculture.

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

BOARD OF DIRECTORS

Profile

Executive	Qualification	Outside board and management position
Nana Agyenim Boateng	Diploma, Transport & Fleet Management	Managing Director of CPC
Non-executive		
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
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 Joe Forson	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

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

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.

DIRECTORS' PERFORMANCE EVALUATION

Every year the performance and effectiveness of the Board of Directors ("the Board"), its committees and individual Directors is evaluated. The evaluation is conducted by the completion of detailed and comprehensive written survey questionnaires. The results of the evaluation is shared with all members of the Board. Overall, it was noted that the board of Directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

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. A programme of strategic and other reviews, together with the other training provided during the year, ensures that Directors continually update their skills, their knowledge and familiarity with the Company's business, and their awareness of sector, risk, regulatory, legal, financial and other developments to enable them to fulfil effectively their role on the Board and committees of the Board.

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.

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

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. KPMG has been the auditor of Cocoa Processing Company since 2009. KPMG provides non-audit services to the Company for a fee of US\$2,723.


AUDIT FEES


At 30 September 2020, the amount payable in respect of audit fees was US\$37,000 (2019: US\$37,000).

APPROVAL OF THE REPORT OF THE DIRECTORS

The Report of the Directors of Cocoa Processing Company Limited, was approved by the Board of Directors on 30 November 2021 and were signed on their behalf by:


.....
SIGNATURE


.....
SIGNATURE


.....
NAME


.....
NAME



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cocoa Processing Company Limited ("the Company"), which comprise the statement of financial position at 30 September 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory information as set out on pages 13 to 63.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company at 30 September 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by 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 Ethics Standards Board for Accountants' *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 28 of the financial statements, which indicates that the Company incurred a loss of US\$18.6 million (2019: US\$3.4 million) during the year ended 30 September 2020 and, as of that date, the Company's total liabilities exceeded its total assets by US\$38.2 million (2019: US\$22.4 million). As stated in Note 28, these events or conditions, along with other matters as set forth in Note 28, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matters described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

The key audit matter (cont'd)

Revenue recognition, US\$13,645,898 (2019: US\$ 28,433,361 Refer to Note 4(j) and Note 17 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The revenue of the Company is generated from the sale of high-quality chocolates, confectionery and semi-finished cocoa products to both foreign and local markets.</p> <p>Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when control over the goods have been transferred to the customer. Revenue is considered a key audit matter due to the time lag between issue of goods to customers and when control is deemed to have been passed to the customer.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls relevant to capturing and recording revenue transactions • Tested the timeliness of revenue recognition by comparing individual sales transactions to delivery documents after year-end • On a sample basis, tested that the revenue recognised during the year agreed with underlying contractual arrangements and had been appropriately recognised in terms of IFRS 15, <i>Revenue from Contracts with Customers</i>. • Assessed the adequacy of the Company's disclosures in respect of revenue in line with IFRS 15, <i>Revenue from Contracts with Customers</i>

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information, which we obtained prior to the date of this auditor's report, and the Chairman's Report and Managing Director's report which are expected to be made available to us after that date. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

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 of financial statements that give a true and fair view 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.

The Directors are responsible for overseeing the Company's financial reporting process.

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 judgment 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 Directors.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

- 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.

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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

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

In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and comprehensive income are in agreement with the accounting records and returns.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COCOA PROCESSING COMPANY LIMITED (CONT'D)**

We are independent of the Company under audit 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 Evelyn Addico (ICAG/P/1478).

KPMG

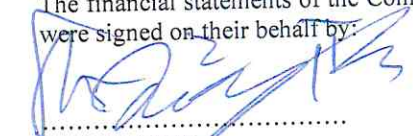
.....
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELNKPE
P O BOX GP 242
ACCRA

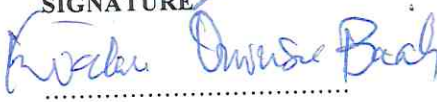
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30 November 2021

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2020

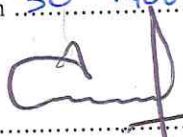
	Note	2020 US\$	2019 US\$
Assets			
Property, plant and equipment	7	122,204,360	126,804,747
Non-current assets		122,204,360	126,804,747
Inventories	8	20,824,463	8,228,910
Current tax assets	6(c)	6,283	6,283
Trade and other receivables	9	1,178,071	3,987,981
Prepayments	10	5,193,525	3,742,774
Fixed deposit investments	11	2,476,982	2,080,816
Cash and cash equivalents	12(a)	622,726	1,072,774
Current assets		30,302,050	19,119,538
Total assets		152,506,410	145,924,285
Equity			
Share capital	16(a,b)	26,071,630	26,071,630
Revaluation reserve	16(c)	52,347,147	56,508,182
Fair value reserve	16(d)	11,732,644	6,293,536
Retained earnings	16(e)	(128,314,164)	(111,272,741)
Total equity		(38,162,743)	(22,399,393)
Liabilities			
Loans and borrowings	14(b)	25,437,500	14,507,042
Employee benefit obligations	15	3,659,007	3,199,963
Deferred tax liabilities	6(d)	22,449,189	20,687,331
Trade and other payables	13	52,307,506	55,547,794
Non-current liabilities		103,853,202	93,942,130
Bank overdraft	12(b)	1,238,889	955,704
Trade and other payables	13	42,226,520	26,086,341
Loans and borrowings	14(b)	43,350,542	47,339,503
Current liabilities		86,815,951	74,381,548
Total liabilities		190,669,153	168,323,678
Total equity and liabilities		152,506,410	145,924,285

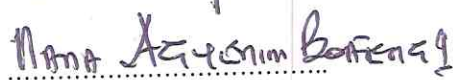
The financial statements of the Company were approved by the Board of Directors on 30 November 2021 and were signed on their behalf by:



 SIGNATURE


 NAME



 SIGNATURE


 NAME

The notes on pages 18 to 63 form an integral part of these financial statements.

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 US\$	2019 US\$
Revenue	17(a)	13,645,898	28,433,361
Cost of sales	18	(16,678,361)	(23,661,338)
Gross (loss)/profit		<u>(3,032,463)</u>	<u>4,772,023</u>
Other income	19	1,092,456	983,548
Selling and distribution costs	29	(625,074)	(425,096)
General and administrative expenses	30	(5,043,612)	(4,652,256)
Impairment loss on trade and other receivables	27(b)(i)	(379,796)	(418,860)
Operating (loss)/profit		<u>(7,988,489)</u>	<u>259,359</u>
Finance income	23	60,699	6,060
Finance costs	24	(11,668,670)	(4,573,435)
Loss before tax	20	<u>(19,596,460)</u>	<u>(4,308,016)</u>
Income tax expense	6(a)	953,766	945,908
Loss for the year		<u>(18,642,694)</u>	<u>(3,362,108)</u>
 Other comprehensive income, net of tax			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of property, plant and equipment	7	-	19,470,901
Remeasurements of defined benefit liability	15(b)	97,677	(1,374,562)
Related tax on remeasurement of defined benefit	6(d)	(20,849)	244,291
Related tax on revaluation surplus	6(d)	-	(3,460,424)
Change in estimate – Deferred tax on revaluation surplus	6(d)	(2,694,775)	-
Other comprehensive income		<u>(2,617,947)</u>	<u>14,880,206</u>
Total comprehensive income		<u>(21,260,641)</u>	<u>11,518,098</u>
 Loss per share			
Basic loss per share	25	(0.0091)	(0.0016)
Diluted loss per share	25	(0.0091)	(0.0016)

The notes on pages 18 to 63 form an integral part of these financial statements.

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	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		-	-	-	(18,642,694)	(18,642,694)
Loss for the year						
<i>Other comprehensive income for the year</i>						
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)
Transactions with owners of the Company						
Day 1 gain on fair valuation of loans and borrowings	14(a)	-	-	5,439,108	-	5,439,108
Contribution by Government of Ghana **	14c(v)	-	-	-	58,183	58,183
Total transactions with owners of the Company		-	-	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)

**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 (note 14c(v)).

The notes on pages 18 to 63 form an integral part of these financial statements.

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

	Note	Share capital US\$	Revaluation reserve US\$	Fair value reserve US\$	Retained earnings US\$	Total equity US\$
Balance at 1 October 2018		26,071,630	43,168,101	6,293,536	(109,450,758)	(33,917,491)
Total comprehensive income for the year					(3,362,108)	(3,362,108)
Loss for the year						
<i>Other comprehensive income for the year</i>						
Revaluation gain on PPE	6(d)	-	19,470,901	-	-	19,470,901
Deferred tax on revaluation surplus	6(d)	-	(3,460,424)	-	-	(3,460,424)
Remeasurements of defined benefit liability, net of tax	6(d),15(b)	-	-	-	(1,130,271)	(1,130,271)
Total comprehensive income			16,010,477		(4,492,379)	11,518,098
Transfers within equity						
Revaluation reserve transferred	16(c)	-	(2,670,396)	-	2,670,396	-
Total transfers within equity			(2,670,396)		2,670,396	-
Balance at 30 September 2019		26,071,630	56,508,182	6,293,536	(111,272,741)	(22,399,393)

The notes on pages 18 to 63 form an integral part of these financial statements.

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 US\$	2019 US\$
Cash flows from operating activities			
Loss for the year		(18,642,694)	(3,362,108)
<i>Adjustments for:</i>			
Depreciation	7	6,252,684	3,649,319
Finance costs	24	11,668,670	4,573,435
Finance income	23	(60,699)	(6,060)
Impairment loss on trade receivables	27(b)(i)	379,796	418,860
Write down of inventory	8	70,626	-
Income tax expense	6(a)	(953,766)	(945,908)
Effect of movement in exchange rates		(827,962)	(1,048,959)
		-----	-----
		(2,113,345)	3,278,579
<i>Changes in:</i>			
o Inventories		(12,666,179)	(2,585,850)
o Trade and other receivables		2,430,114	4,028,320
o Prepayments		(1,450,751)	(3,613,311)
o Trade and other payables		12,899,891	2,128,777
o Employee benefit obligations		556,721	449,513
		-----	-----
Cash (used in)/generated from operating activities		(343,549)	3,686,028
Interest paid	14(a)	(1,407,020)	(1,861,835)
Income taxes paid	6(c)	-	(3,020)
		-----	-----
Net cash (used in)/from operating activities		(1,750,569)	1,821,173
		-----	-----
Cash flows from investing activities			
Interest received	23	60,699	6,060
Fixed deposit investments	23	(396,166)	(650,790)
Acquisition of property, plant and equipment	7	(1,652,297)	(2,599,607)
		-----	-----
Net cash used in investing activities		(1,987,764)	(3,244,337)
		-----	-----
Cash flows from financing activities			
Proceeds from loans and borrowings	14(a)	2,342,961	1,815,125
		-----	-----
Net cash from financing activities		2,342,961	1,815,125
		-----	-----
Net (decrease)/increase in cash and cash equivalents		(1,395,372)	391,961
Cash and cash equivalents at 1 October	12	117,070	(1,232,689)
Effect of movement in exchange rates on cash held		662,139	957,798
		-----	-----
Cash and cash equivalents at 30 September	12	(616,163)	117,070
		=====	=====

The notes on pages 18 to 63 form an integral part of these financial statements.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. REPORTING ENTITY

Cocoa Processing Company Limited is a Company registered and domiciled in Ghana. The financial statements at and for the year ended 30 September 2020 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) 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 2020 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.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Measurement of fair values (cont'd)

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 2019, 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.

(b) Financial instruments

(i) Recognition and initial measurement

Trade and other receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(i) *Recognition and initial measurement (cont'd)*

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost. These financial assets comprise trade and other receivables and cash and cash equivalents (see (v)).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets - Business model assessment

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Financial assets - Business model assessment (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognized in profit or loss. Other financial liabilities are measured at amortised cost using the effective interest method.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Financial liabilities – Classification, subsequent measurement and gains and losses (cont'd)

Financial liabilities comprise trade and other payables, bank overdrafts and loans and borrowings. Short term payables with no stated interest rate are measured at the transaction price if the effect of discounting is immaterial.

(iii) *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cashflows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred financial asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognised in profit or loss.

(iv) *Offsetting of financial assets and liabilities*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by accounting standards, or for gains and losses arising from a Company of similar transactions.

(c) **Impairment**

(i) *Non-derivative financial assets*

Financial instruments

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Financial instruments and contract assets

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 270 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;

Evidence that a financial asset is credit-impaired includes the following observable data:

- a breach of contract such as a default or being more than 270 days past due;
- restructuring of a debt or advance by the Company on terms that the Company would not consider otherwise;
or
- it is probable that the customer will enter bankruptcy or other financial reorganization.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(d) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment test can also be performed on a single asset when the fair value less cost to sell can be reliably determined.

All impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Share capital

• *Ordinary shares*

Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

• *Preference shares*

Redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Company's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are initially recognised at cost and subsequently measured at revalued amounts less accumulated depreciation and any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(i) *Recognition and measurement (cont'd)*

An increase in the carrying amount of an item of property, plant and equipment as a result of a revaluation is recognized in other comprehensive income and accumulated in equity under a revaluation reserve. The gain is however, recognized in profit or loss to the extent that it reverses a revaluation loss of the same asset previously recognized in profit or loss.

Decreases in the carrying amount of an asset that offset previous increases of the asset are charged against the revaluation reserve. Any additional decrease is charged to profit or loss.

The revaluation reserve included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings as the asset is used by the Company.

Valuations are performed at most every five (5) years to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and carrying amount of the item) is recognised in profit or loss.

(ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, as incurred.

(iii) *Spare parts*

Spare parts and stand-by and servicing equipment held by the Company are generally classified as inventories. However, if major spare parts and stand-by and servicing equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment.

(iv) *Capital work-in-progress*

Items of property, plant and equipment under construction are stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work-in-progress to an appropriate category of property, plant and equipment when completed and in a location and condition necessary for it to be capable of operating in the manner intended by management.

(v) *Depreciation*

Depreciation is calculated to write off the gross value of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation is generally recognised in profit or loss unless the amount is included in the carrying amount of another asset. Items of property, plant and equipment are depreciated from the date they are installed and available for use.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(v) *Depreciation (cont'd)*

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Land, buildings and road works	-	50 years
Staff bungalows and flats	-	50 years
Plant and machinery	-	20 years
Motor vehicles	-	4 years
Laboratory equipment	-	5 years
Office furniture and equipment	-	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) **Inventories**

Inventories are measured at the lower of cost or net realisable value. The cost of all classifications of inventories are determined using the first-in, first-out (FIFO) principle.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Inventories are recognised in profit or loss when goods are sold or there is a write down of inventories.

(h) **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank adjusted for reconciling items and cash in hand, short-term fixed deposits with an original maturity of three months or less, bank overdrafts which are payable on demand. All of the components of cash and cash equivalents form an integral part of the company's cash management.

(i) **Employee benefits**

(i) *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(a) *Social security*

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

(b) *Staff provident fund*

The Company has a provident fund scheme for staff to which the Company contributes 10% and 8% of the basic salaries of junior and senior staff respectively. Obligations under the plan are limited to the relevant contributions, which are charged to profit or loss as and when they fall due.

(iii) *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liabilities of the Company arising from defined benefit obligations and related current service costs are determined on an actuarial basis using the projected unit of credit method. The Company uses this method to determine the present value of defined benefit obligations, related current service costs and, where applicable, past service costs. Actuarial gains and losses, which arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what actually occurred, are recognised immediately in other comprehensive income.

The Company determines the net interest expense on the net defined benefits liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(j) **Revenue from contracts with customers**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or a service to a customer.

Information about the Company's accounting policies relating to contracts with customers is provided in Note 15.

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

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

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

(l) **Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any related Company. All operating segments results are reviewed regularly by the Board of Directors, identified as the chief operating decision-maker, to make decisions about resources to be allocated to the segment and assess its performance and for which internal financial information is available. Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(m) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only when there is a legally enforceable right to offset and when the tax assets and liabilities relate to current taxes levied by the same taxation authority or either the same entity or different taxable entities where there is an intention to settle on a net basis.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised, such reductions are reversed when the probability of future taxable profits improve.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(o) **New standards and interpretations issued and not yet effective**

A number of new standards and amendment to standards are effective for annual periods beginning on or after 1 October 2020 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these early. These will be adopted in the period that they become mandatory unless otherwise indicated.

Standard	Interpretation
References to Conceptual Framework (Amendments to IFRS 3)	<p>The IASB decided to revise the Conceptual Framework because certain important issues were not covered, and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018 includes:</p> <ul style="list-style-type: none"> • A new chapter on measurement; • Guidance on reporting financial performance; • Improved definitions of an asset and a liability, and guidance supporting these definitions; and • Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. <p>The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.</p> <p>The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.</p>
COVID-19-Related Rent Concessions (IFRS 16 Amendment)	<p>The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.</p> <p>The practical expedient will only apply if:</p> <ul style="list-style-type: none"> • the revised consideration is substantially the same or less than the original consideration; • the reduction in lease payments relates to payments due on or before 30 June 2021; and • no other substantive changes have been made to the terms of the lease. <p>Lessees applying the practical expedient are required to disclose:</p> <ul style="list-style-type: none"> • that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and • the amount recognised in profit or loss for the reporting period arising from application of the practical expedient. <p>The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.</p>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(o) **New standards and interpretations issued and not yet effective (cont'd)**

Standard	Interpretation
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	<p>The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.</p> <p>Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.</p> <p>Companies will therefore need to distinguish between:</p> <ul style="list-style-type: none"> • costs associated with producing and selling items before the item of property, plant and equipment is available for use; and • costs associated with making the item of property, plant and equipment available for its intended use. <p>Making this allocation of costs may require significant estimation and judgement.</p> <p>The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.</p>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(o) **New standards and interpretations not yet effective (cont'd)**

Standard	Interpretation
Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)	<p>Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:</p> <ul style="list-style-type: none"> • the incremental costs – e.g. direct labour and materials; and • an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate.

The comparatives will not be restated. Earlier application is permitted. Management is yet to determine the impact of this standard.

Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments	<p>The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities</p> <p>– in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.</p>
IFRS 16 Leases	<p>The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.</p>

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments are to be applied retrospectively from the effective date 1 January 2023

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(n) New standards and interpretations not yet effective (cont'd)

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

Disclosure

Initiative:

Accounting Policies
(Amendments to
IAS 1 and IFRS
Practice Statement
2)

- * requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- * several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- * clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- * clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- * accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- * accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- * the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from 1 January 2023 but may be applied earlier. Management is yet to determine the impact of this standard.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

5. OPERATING SEGMENTS

The Company has the following two divisions which are its reportable segments. These segments offer different products and hence require different production processes and marketing strategies.

Reportable segment	Products and services
Cocoa	- Cocoa liquor, cocoa butter, cocoa cake, cocoa powder - Tolling services
Confectionery	- Confectionery products

Information related to each reportable segment is set out below. Segment profit or loss before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

(a) Segment results, assets and liabilities

Year ended 30 September 2020	Cocoa US\$	Reportable segments Confectionery US\$	Total US\$
Revenue	6,317,593	7,328,305	13,645,898
Gross profit	(4,272,619)	1,240,156	(3,032,463)
Other income	423,300	669,156	1,092,456
Selling and distribution costs	(395,530)	(229,544)	(625,074)
General and administrative expenses	(3,839,527)	(1,204,085)	(5,043,612)
Impairment loss on trade and other receivables	-	(379,796)	(379,796)
Operating (loss)/profit	(8,084,376)	95,887	(7,988,489)
Finance income	60,699	-	60,699
Finance costs	(11,043,485)	(625,185)	(11,668,670)
Depreciation	(4,376,470)	(1,876,214)	(6,252,684)
Loss before tax	(19,010,078)	(586,382)	(19,596,460)
Reportable segment assets	124,069,872	28,436,538	152,506,410
Additions to property, plant and equipment	1,239,223	413,074	1,652,297
Reportable segment liabilities	156,447,602	34,221,551	190,669,153

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(a) **Segment results, assets and liabilities (cont'd)**

Year ended 30 September 2019	Cocoa US\$	Reportable segments Confectionery US\$	Total US\$
Revenue	20,605,232	7,828,129	28,433,361
Gross profit	2,646,110	2,125,913	4,772,023
Other income	491,463	492,085	983,548
Selling and distribution costs	(152,586)	(272,510)	(425,096)
General and administrative expenses	(3,193,004)	(1,459,252)	(4,652,256)
Impairment loss on trade and other receivables	(125,658)	(293,202)	(418,860)
Operating (loss)/profit	(333,675)	593,034	259,359
Finance income	6,060	-	6,060
Finance costs	(4,309,961)	(263,474)	(4,573,435)
Depreciation	(3,042,472)	(606,847)	(3,649,319)
(Loss)/profit before tax	<u>(4,637,576)</u>	<u>329,560</u>	<u>(4,308,016)</u>
Reportable segment assets	118,847,707	27,076,578	145,924,285
Additions to property, plant and equipment	1,351,795	1,247,812	2,599,607
Reportable segment liabilities	<u>140,373,692</u>	<u>27,949,986</u>	<u>168,323,678</u>

(b) **Analysis of revenue by product**

	2020 US\$	2019 US\$
Cocoa segment		
Cocoa butter	1,238,739	7,727,262
Cocoa liquor	308,402	963,233
Cocoa cake	491,034	778,887
Cocoa powder	1,131,339	1,379,278
Tolling	3,148,079	9,756,572
Confectionery segment		
Confectionery products	7,328,305	7,828,129
	<u>13,645,898</u>	<u>28,433,361</u>

(c) **Analysis of revenue by market segment**

Year ended 30 September 2020	Export Sales US\$	Local Sales US\$	Total US\$
Semi-finished products	3,038,459	131,055	3,169,514
Confectionery	93,888	7,234,417	7,328,305
Tolling	3,148,079	-	3,148,079
	<u>6,280,426</u>	<u>7,365,472</u>	<u>13,645,898</u>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(c) **Analysis of revenue by market segment (cont'd)**

	Export Sales US\$	Local Sales US\$	Total US\$
Year ended 30 September 2019			
Semi-finished products	10,603,825	244,835	10,848,660
Confectionery	190,423	7,637,706	7,828,129
Tolling	9,756,572	-	9,756,572
	<u>20,550,820</u>	<u>7,882,541</u>	<u>28,433,361</u>

No individual customer contributed 10% or more to revenue.

6. TAXATION

(a) **Income tax expense**

	2020 US\$	2019 US\$
Deferred tax credit	<u>(953,766)</u>	<u>(945,908)</u>

(b) **Reconciliation of effective tax rate**

Loss before tax	<u>(19,596,460)</u>	<u>(4,308,016)</u>
Income tax using the domestic tax rate (25%)	(4,899,115)	(1,077,004)
<i>Tax effect of:</i>		
Non-deductible expenses	2,931,092	124,776
Recognition of previously unrecognised tax losses	-	(507,060)
Recognition of previously unrecognised deductible temporary differences	(366,944)	(316,127)
Current year loss for which no deferred tax recognised	822,251	-
Changes in estimates related to prior years	558,950	829,507
	<u>(953,766)</u>	<u>(945,908)</u>
Effective tax rate	5%	22%

(c) **Current tax assets**

<u>2020</u>	Balance at 1/10 US\$	Payments US\$	Charged to profit or loss US\$	Balance at 30/9 US\$
2018	3,263	-	-	3,263
2019	3,020	-	-	3,020
2020	-	-	-	-
	<u>6,283</u>	<u>-----</u>	<u>-----</u>	<u>6,283</u>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(c) Current tax assets (cont'd)

2019	Balance at 1/10 US\$	Payments US\$	Charged to profit or loss US\$	Balance at 30/9 US\$
2018	3,263	-	-	3,263
2019	-	3,020	-	3,020
	<u>3,263</u>	<u>3,020</u>	<u>-</u>	<u>6,283</u>

No provision has been made for current tax in the current year (2019: Nil) as the Company's operational results adjusted for tax purposes result in a nil chargeable income. The above tax position is subject to agreement with the tax authorities.

(d) Movement in deferred tax balances

	Net at 1/10 US\$	Recognised in profit or loss US\$	Recognised in OCI US\$	Net at 30/9 US\$	Deferred tax assets US\$	Deferred tax liabilities US\$
2020						
Property, plant and equipment	21,409,197	(404,992)	2,694,775	23,698,980	-	23,698,980
Employee benefits	(568,706)	(421,934)	20,849	(969,791)	(969,791)	-
Trade and other receivables	(153,160)	(100,093)	-	(253,253)	(253,253)	-
Inventories	-	(26,747)	-	(26,747)	(26,747)	-
Net tax liabilities	<u>20,687,331</u>	<u>(953,766)</u>	<u>2,715,624</u>	<u>22,449,189</u>	<u>(1,249,791)</u>	<u>23,698,980</u>
2019						
Property, plant and equipment	18,417,106	(468,333)	3,460,424	21,409,197	-	21,409,197
Employee benefits	-	(324,415)	(244,291)	(568,706)	(568,706)	-
Trade and other receivables	-	(153,160)	-	(153,160)	(153,160)	-
Net tax liabilities	<u>18,417,106</u>	<u>(945,908)</u>	<u>3,216,133</u>	<u>20,687,331</u>	<u>(721,866)</u>	<u>21,409,197</u>

(e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.

	2020		2019	
	Gross amount US\$	Tax effect US\$	Gross amount US\$	Tax effect US\$
Tax losses	12,992,765	3,248,191	9,703,762	2,425,941
	<u>12,992,765</u>	<u>3,248,191</u>	<u>9,703,762</u>	<u>2,425,941</u>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(f) **Tax losses carried forward**

Tax losses for which no deferred tax asset was recognized in the current year expire as follows:

	2020 US\$	Expiry date	2019 US\$	Expiry date
2016	3,788,290	2021	3,788,290	2021
2017	3,765,245	2022	3,765,245	2022
2018	2,150,227	2023	2,150,227	2023
2020	3,289,003	2025	-	2025
	-----		-----	
	<u>12,992,765</u>		<u>9,703,762</u>	

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

7. PROPERTY, PLANT & EQUIPMENT

2020	Capital Work- In Progress US\$	Land, Buildings & Road Works US\$	Staff Bungalow and Flats US\$	Plant and Machinery US\$	Motor Vehicles US\$	Office Furniture & Equipment US\$	Laboratory Equipment US\$	Total US\$
Valuation/Cost								
At 1/10/19	2,341,777	37,235,919	413,518	86,265,667	234,070	213,486	100,310	126,804,747
Additions	421,649	-	-	1,169,330	-	61,318	-	1,652,297
Transfers	(1,895,792)	-	-	1,895,792	-	-	-	-
At 30/9/20	867,634	37,235,919	413,518	89,330,789	234,070	274,804	100,310	128,457,044
Accumulated depreciation								
At 1/10/19	-	-	-	-	-	-	-	-
Charge for the year	-	473,134	9,215	5,308,317	221,020	219,209	21,789	6,252,684
At 30/9/20	-	473,134	9,215	5,308,317	221,020	219,209	21,789	6,252,684
Carrying amounts								
At 30/9/20	867,634	36,762,785	404,303	84,022,472	13,050	55,595	78,521	122,204,360
Carrying amounts								
under cost model	867,634	1,080,704	483,449	10,113,912	-	49,054	6,119	12,600,872
Revaluation surplus	-	34,523,533	399,011	67,720,836	70,397	(199,888)	133,014	102,646,903

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

7. PROPERTY, PLANT & EQUIPMENT (CONT'D)

2019	Capital Work- In Progress US\$	Land, Buildings & Road Works US\$	Staff Bungalow and Flats US\$	Plant and Machinery US\$	Motor Vehicles US\$	Office Furniture & Equipment US\$	Laboratory Equipment US\$	Total US\$
Valuation/Cost								
At 1/10/18	11,509	47,268,536	562,150	80,989,838	345,423	330,974	164,899	129,673,329
Additions	2,330,268	-	-	177,142	-	80,648	11,549	2,599,607
Revaluation surplus Released on revaluation	-	(6,955,631) (3,076,986)	(84,438) (64,194)	26,278,705 (21,180,018)	172,647 (284,000)	12,554 (210,690)	47,064 (123,202)	19,470,901 (24,939,090)
At 30/9/19	2,341,777	37,235,919	413,518	86,265,667	234,070	213,486	100,310	126,804,747
Accumulated depreciation								
At 1/10/18	-	2,662,591	54,031	18,022,678	263,507	175,880	111,084	21,289,771
Charge for the year	-	414,395	10,163	3,157,340	20,493	34,810	12,118	3,649,319
Released on revaluation	-	(3,076,986)	(64,194)	(21,180,018)	(284,000)	(210,690)	(123,202)	(24,939,090)
At 30/9/19	-	-	-	-	-	-	-	-
Carrying amounts								
At 30/9/19	2,341,777	37,235,919	413,518	86,265,667	234,070	213,486	100,310	126,804,747
Carrying amounts under cost model	2,341,777	1,134,739	494,692	8,129,288	-	102,557	40,657	12,243,710
Revaluation surplus	-	34,523,533	399,011	67,720,836	70,397	(199,888)	133,014	102,646,903

Property, plant and equipment were revalued by Valuation and Investments Associates (Professional Valuers, Estate Agents and Property Consultants) on the basis of their open market values at 30 September 2019 and were incorporated into the books of the Company on that date. The valuers made use of the cost and market approaches in determining the fair value of property, plant and equipment. Both approaches assume that the assets will continue to be used for the same purposes as they were being used at the date of the valuer's inspection. The fair value measurement has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

7. PROPERTY, PLANT & EQUIPMENT (CONT'D)

The Company's property, plant and equipment have been used as security for loans from a syndicate of banks led by Absa Ghana Limited (formerly Barclays Bank of Ghana Limited) and loans and overdraft facility from Prudential Bank Limited.

Depreciation has been charged as follows:

	2020 US\$	2019 US\$
Cost of sales (note 18)	5,803,240	3,580,625
Selling and distribution costs (note 29)	221,020	20,492
General and administrative expenses (note 30)	228,424	48,202
	<u>6,252,684</u>	<u>3,649,319</u>

Change in estimate

During the year, the Company changed its method of depreciating items of property, plant and equipment from reducing balance basis to the straight-line method.

The effect of the change on actual and expected depreciation expense included in cost of sales, selling and distributing costs, general and administrative expenses in the current and future years respectively is as follows:

	2020 US\$	2021 US\$	2022 US\$	2023 US\$	2024 US\$	Later US\$
Increase/(decrease) in depreciation expense	<u>44,968,130</u>	<u>15,261,655</u>	<u>1,585,033</u>	<u>(4,607,910)</u>	<u>(7,531,287)</u>	<u>(49,675,621)</u>

8. INVENTORIES

	2020 US\$	2019 US\$
Raw materials	584,100	1,399,924
Packaging materials	2,570,452	2,216,018
Finished goods	16,124,383	3,063,246
Technical spare parts	1,601,693	1,547,063
Fuel and lubricants	74,961	63,159
Write-down	(131,126)	(60,500)
	<u>20,824,463</u>	<u>8,228,910</u>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

8. INVENTORIES (CONT'D)

In 2020, inventories of US\$5,280,742 (2019: US\$12,744,341) were recognised as an expense and included in cost of sales. Additional write down of inventories to net realisable value for the year amounted to US\$70,626 (2019: Nil). The write downs are included in cost of sales

9. TRADE AND OTHER RECEIVABLES

	2020 US\$	2019 US\$
Trade receivables	568,334	2,370,230
Staff debtors	564,534	772,231
Other receivables	45,203	845,520
	<u>1,178,071</u>	<u>3,987,981</u>

The maximum amount due from officers of the Company during the year was US\$772,231 (2019: US\$790,225). The Company's syndicated loan facility is secured by an assignment of export contracts and receivables amounting to a maximum of eighty percent (80%) of all receivables.

10. PREPAYMENTS

	2020 US\$	2019 US\$
Prepayments	<u>5,193,525</u>	<u>3,742,774</u>

Included in prepayments is advances of US\$4,775,770 (2019: US\$3,638,222) made to suppliers.

11. FIXED DEPOSITS ON INVESTMENTS

	2020 US\$	2019 US\$
Fixed deposit investments	<u>2,476,982</u>	<u>2,080,816</u>

The fixed deposit investments, which are rolled over on a quarterly basis at an interest rate of 2% per annum, have been used as collateral for the overdraft facility with Prudential Bank Limited. The Company is restricted from accessing the investment until the overdraft facility is discharged.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

12. CASH AND CASH EQUIVALENTS

(a)	2020 US\$	2019 US\$
Cash at bank	568,981	1,041,658
Cash on hand	44,872	27,711
91-day treasury bills	8,873	3,405
	-----	-----
Cash and cash equivalents in the statement of financial position	622,726	1,072,774
Bank overdraft	(1,238,889)	(955,704)
	-----	-----
Cash and cash equivalents in the statement of cash flows	<u>(616,163)</u>	<u>117,070</u>
 (b) Bank overdraft		
Prudential Bank Limited (GH¢ based facility)	(1,238,889)	955,704
	-----	-----

In 2020, Prudential Bank Limited renewed the Company's overdraft facility of GH¢6 million) to supplement the Company's working capital for a period of twelve months. Interest is charged at 22% per annum. The facility is secured with a portion of the Company's fixed deposit of US\$2,088,249 at 30 September 2020 (2019: US\$1,430,026). At 30 September 2020, the Company had exceeded the overdraft limit by GH¢124,860 (2019: GH¢1,300,825). Subsequent to the year end, management regularised the balance on the facility by injecting funds into the overdraft bank account.

13. TRADE AND OTHER PAYABLES

	2020 US\$	2019 US\$
Trade payables	70,701,536	59,288,235
Taxes and duties	22,308,239	19,171,691
Other payables	1,524,251	3,174,209
	-----	-----
	<u>94,534,026</u>	<u>81,634,135</u>
 Trade and other payables are classified in the statement of financial position as follows:		
Current	42,226,520	26,086,341
Non-current	52,307,506	55,547,794
	-----	-----
	<u>94,534,026</u>	<u>81,634,135</u>

Included in trade and other payables is an amount of US\$68,531,004 (2019: US\$55,843,688) payable to Cocoa Marketing Company Limited, a related party of the Company for the supply of cocoa beans. US\$52,307,506 of this amount is expected to be repaid after 12 months from the reporting date. Proceeds from the Company's sales are received into its Bank of Ghana account, out of which a portion is transferred to Cocoa Marketing Company Limited as payment towards the supply of raw cocoa beans to the Company.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

14. LOANS AND BORROWINGS

(a)	Barclays Bank syndicated loans US\$	Cocobod loan US\$	Prudential Bank US\$	Total US\$
2020				
Balance at 1 October	21,964,864	38,247,249	1,634,432	61,846,545
Drawdowns	-	-	2,342,961	2,342,961
Interest charges	1,776,788	2,158,589	536,142	4,471,519
Interest repayments	(1,139,567)	-	(89,366)	(1,228,933)
Government subsidy	-	-	(58,183)	(58,183)
Modification loss	-	7,019,065	-	7,019,065
Fair value adjustment	-	(5,439,108)	-	(5,439,108)
Effect of changes in exchange rates	-	-	(165,824)	(165,824)
	-----	-----	-----	-----
Balance at 30 September	<u>22,602,085</u>	<u>41,985,795</u>	<u>4,200,162</u>	<u>68,788,042</u>
2019				
Balance at 1 October	20,829,003	36,543,500	-	57,372,503
Drawdowns	-	-	1,815,125	1,815,125
Interest charges	2,500,038	1,703,749	157,300	4,361,087
Interest repayments	(1,364,177)	-	(285,310)	(1,649,487)
Effect of changes in exchange rates	-	-	(52,683)	(52,683)
	-----	-----	-----	-----
Balance at 30 September	<u>21,964,864</u>	<u>38,247,249</u>	<u>1,634,432</u>	<u>61,846,545</u>
			2020	2019
			US\$	US\$
Analysis of Interest paid				
Interest repayments on loans and borrowings			1,228,933	1,649,487
Interest on bank overdrafts			178,087	212,348
			-----	-----
			<u>1,407,020</u>	<u>1,861,835</u>
			-----	-----
(b) Loans and borrowings are classified in the statement of financial position as follows:				
			2020	2019
			US\$	US\$
Current			43,350,542	47,339,503
Non-current			25,437,500	14,507,042
			-----	-----
			<u>68,788,042</u>	<u>61,846,545</u>
			-----	-----

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(c) Details of the loans are as follows:

	2020 US\$	2019 US\$
(i) Absa Bank Ghana Limited led Syndicate US Dollar Loan I	9,396,819	9,489,469
(ii) Absa Bank Ghana Limited led Syndicate US Dollar Loan II	13,205,266	12,475,395
(iii) Ghana Cocoa Board (COCOBOD) Dollar Loan	41,985,795	38,247,249
(iv) Prudential Bank Limited Loan I	963,986	396,245
(v) Prudential Bank Limited Loan II	3,236,176	1,238,187
	<u>68,788,042</u>	<u>61,846,545</u>

- i. This represents the balance on a twenty-two million Euro (Euro 22 million) loan facility from a syndicate of banks led by Absa Bank Ghana Limited for the expansion of production capacity from 25,000 metric tonnes to 65,000 metric tonnes. The other participating banks are SG-SSB Bank Limited and Ecobank Ghana Limited. The loan facility is secured with fixed and floating charges over the assets of the Company. The syndicated loan is denominated and repayable in Euros over 5 years in equal quarterly instalments after a one-year moratorium. Interest on the facility is charged at EURIBOR plus 2.5% per annum. In 2014, the loan was converted to a US dollar-based facility with a revised maturity date of March 2020 and interest rate was revised to the aggregate of the prevailing 6-month USD LIBOR rate plus a margin of 9.19%. The loan is yet to be repaid although it matured in March 2020. Management is engaging the lead bank for an extension to the maturity date.
- ii. This represents the outstanding balance on another loan facility of twenty-two million US Dollars (US\$22 million) from the syndicate of banks in (i) above led by Absa Bank Ghana Limited for the expansion of production capacity. The loan facility is secured by an assignment of export contracts and receivables amounting to a maximum of eighty percent (80%) of all receivables and fixed and floating charges over the assets of the Company stamped to cover the overall exposure as well as debentures over the debt service reserve account of the Company. The syndicated loan is denominated and repayable in US Dollars over 5 years in equal quarterly instalments after a one-year moratorium. Interest on the facility is charged at LIBOR plus 3.32% per annum. In 2014, the maturity date was revised to March 2020 and the interest rate revised to the aggregate of the prevailing 6-month USD LIBOR rate plus a margin of 9.19%. The loan is yet to be repaid although it matured in March 2020. Management is engaging the lead bank for an extension to the maturity date.
- iii. This represents balances on COCOBOD's current account which were converted into a medium-term loan in September 2011. The amount of US\$32,022,146 was initially repayable over ten years from September 2011 with a five-year moratorium on the principal at an interest rate per annum of 5%. The Company defaulted on the repayment of the principal and interest amounts from October 2016 when the five-year moratorium expired. On 1 December 2017, COCOBOD substantially modified the terms of the loan, revising the loan interest from 5% per annum to 1.5% per annum with a moratorium on principal repayments up to August 2020. Under the modified terms, should the Company default in repayments, interest rate will revert to 5%. The Company defaulted on the modified terms and interest was reverted to 5% during the year. The loan is due to expire on 31 July 2030.
- iv. This represents the outstanding balance on a loan facility of US\$568,031 (GH¢3 million) obtained from Prudential Bank Limited on 31 October 2019 to augment the Company's working capital requirements. The loan facility is secured by existing assignment and general charge over all the Company's factory plant and machinery located at Tema and with a portion of the Company's fixed deposit of US\$2,088,249 at 30 September 2020 (2019: US\$1,430,026). Interest is charged at a rate of 22% per annum which represents the Ghana Reference Rate of 16.12% plus a risk premium of 5.88% or such other rate as shall be determined by the Bank from time to time. The loan is payable on a quarterly instalment basis and will expire on 31 October 2020.

COCOA PROCESSING COMPANY LIMITED
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- v. This represents the outstanding balance on a loan facility of US\$3,029,500 (GH¢16 million) obtained from Prudential Bank Limited under the Government of Ghana's Ministry of Trade and Industry Stimulus Package Programme for the acquisition of equipment for the Company's confectionery factory.

The loan facility is secured by existing assignment and general charge over all the Company's factory plant and machinery located at Tema, existing assignment of 10% of the expected revenue from Touton Cocoa Processing Company, assignment of local and export proceeds from the Company's confectionery operations and with a portion of the Company's fixed deposit of US\$2,088,249 at 30 September 2020 (2019: US\$1,430,026). Interest is charged at a rate of 20% per annum which represents the Ghana Reference Rate of 16.11% plus a risk premium of 3.89%. Under the terms of the loan agreement, Ministry of Trade and Industry shall pay 50% of the interest on the facility while the Company shall pay the remaining 50%. The loan tenor is for a period of 60 months including a six-month moratorium on both principal and interest payments from the date of disbursement. The loan is repayable in equal quarterly instalments and will expire on 9 October 2024.

15. EMPLOYEE BENEFIT OBLIGATIONS

The Company contributes to a post-employment defined benefit plan for its employees. The plan was started on 1 January 2006 and has a 5-year qualifying period. In accordance with the terms of the plan, the qualifying employees are entitled to receive a lump sum payment based on their salaries at the time of exit.

(a)	2020 US\$	2019 US\$
Defined benefit obligation	3,659,007	3,199,963

(b) Movement in net defined benefit liabilities

A reconciliation from the opening balances to the closing balances for the defined benefit liability and its components is shown below:

	2020 US\$	2019 US\$
Balance at 1 October	3,199,963	1,375,888
<i>Included in profit or loss</i>		
Current service costs	184,283	158,616
Interest costs	455,056	426,126
	639,339	584,742
<i>Included in OCI</i>		
Remeasurement of (gain)/loss:		
Actuarial (gain)/loss	(97,677)	1,374,562
<i>Other</i>		
Benefits paid	(82,618)	(135,229)
Balance at 30 September	3,659,007	3,199,963

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(c) *Actuarial assumption*

The following were the principal actuarial assumptions at the reporting date.

	2020	2019
Discount rate	16.5%	16.00%
Salary inflation rate	12.5%	12.00%

(d) *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Defined benefit obligations	
	Increase	Decrease
	US\$	US\$
30 September 2020		
Discount rate (1% movement)	219,471	(198,629)
Salary inflation (1% movement)	224,810	(206,376)
30 September 2019		
Discount rate (1% movement)	(173,489)	192,087
Salary inflation (1% movement)	196,305	(179,791)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

16. SHARE CAPITAL AND RESERVES

(a) **Authorised shares**

	2020	2019
Ordinary shares of no par value	20,000,000,000	20,000,000,000
Preference share of no par value	1	1

Issued and fully paid

	Number	Amount	Number	Amount
	'm	US\$	'm	US\$
Ordinary shares for cash	2,038	26,071,559	2,038	26,071,559

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(b) Preference shares

Number 'm	Amount US\$	Number 'm	Amount US\$
1	71	1	71
	<u>26,071,630</u>		<u>26,071,630</u>

Ghana Cocoa Board, Ministry of Finance and Social Security and National Insurance Trust (SSNIT) hold special rights redeemable preference shares of no-par value (the Golden Chocolate Share). These shares are non-voting but entitle the holder to receive notices of and to attend and speak at general meetings of members of the Company or at any separate meeting of the holders of any class of shares. On winding up, the shares have a preferential right to a return on capital, the value of which will be US\$71 per share. The shares do not attract dividend.

There are no outstanding shares in treasury and there is no unpaid liability on any share. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(c) Revaluation reserve

	2020 US\$	2019 US\$
Balance at 1 October	56,508,182	43,168,101
Revaluation surplus	-	19,470,901
Deferred tax on revaluation surplus	-	(3,460,424)
Change in estimate - deferred tax on revaluation surplus	(2,694,775)	-
Transfer to retained earnings	(1,466,260)	(2,670,396)
Balance at 30 September	<u>52,347,147</u>	<u>56,508,182</u>

This represents the unrealised appreciation on the value of property, plant and machinery, following a revaluation exercise carried out at 30 September 2020. The revaluation surplus is recorded in equity as it is a non-distributable reserve. The movement on the revaluation reserve resulted from transfer made to the retained earnings account in respect of portions of the revalued components of the relevant assets which were used during the year and deemed realised from use and deferred tax arising from changes in revenue composition.

(d) Fair value reserve

	2020 US\$	2019 US\$
Balance at 1 October	6,293,536	6,293,536
Day 1 gain on fair valuation of loans and borrowings	5,439,108	-
Balance at 30 September	<u>11,732,644</u>	<u>6,293,536</u>

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

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(e) **Retained earnings**

This represents the residual of cumulative annual results, realised portions of the revaluation reserve and loan interest contribution by government.

17. REVENUE

(a) *Revenue streams*

	2020 US\$	2019 US\$
<i>Sale of goods</i>		
(i) Local sales	7,365,438	7,882,541
(ii) Export sales	3,132,381	10,794,248
	-----	-----
	10,497,819	18,676,789
<i>Rendering of Service</i>		
Tolling fees	3,148,079	9,756,572
	-----	-----
	<u>13,645,898</u>	<u>28,433,361</u>

Tolling revenue represents fees charged on cocoa beans processed on behalf of third parties.

(b) *Performance obligations and revenue recognition policies*

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a product to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policy
Local sales (Semi-finished products, confectionery products)	<p>Customers obtain control of products when the goods are delivered to and have been accepted at the customer's premises. Invoices are generated at that point in time.</p> <p>Most sales are cash based. Credit sales are made against post-dated cheques to cover amounts owed and bank guarantees provided by the customers.</p>	<p>Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.</p> <p>The contracts held with the Company's customers do not permit the customer to return goods purchased from the Company.</p>
Export sales (Semi-finished products, confectionery products)	<p>Customers obtain control of sales made to export third parties when the products are loaded on-board the ship and confirmed by the bill of lading. This establishes a present obligation for the customer to pay the Company, and there would have been a transfer of legal title.</p>	<p>Revenue is recognised when the products are loaded on-board the ship and confirmed by the bill of lading.</p> <p>The contracts held with the Company's customers do not permit the customer to return goods purchased from the Company.</p>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(b) *Performance obligations and revenue recognition policies (cont'd)*

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policy
Tolling	The Company offers the cocoa processing service to the customer and does not control the cocoa beans provided by the customer. The consideration is based on the fixed price per unit processed. Revenue is recognized "over time".	Revenue is recognised over time as the services are provided over time. The stage of completion for determining the amount of revenue to recognise is assessed based on completion of a physical portion of contract work

18. COST OF SALES

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

	2020 US\$	2019 US\$
Raw and packaging materials consumed	5,280,742	12,744,341
Depreciation	5,803,240	3,580,625
Other production overheads	5,594,379	7,336,372
	<u>16,678,361</u>	<u>23,661,338</u>

19. OTHER INCOME

Sale of sacks, scraps and other items	61,360	32,434
Net exchange gain	336,187	439,751
Discount received on sales tax*	324,121	389,840
Sundry income	370,788	121,523
	<u>1,092,456</u>	<u>983,548</u>

* Under the new Benchmark policy introduced by the Government of Ghana during the year, the Company received a 50% discount on all sales taxes filed with Ghana Revenue Authority with effect from 04 April 2020.

20. LOSS BEFORE TAX

Loss before tax is stated after charging the following:

	Note	2020 US\$	2019 US\$
Depreciation recognised in cost of sales	18	5,803,240	3,580,625
Depreciation recognized in selling and distribution expenses	31	221,020	20,492
Depreciation recognised in general and administrative expenses	32	228,424	48,202
Auditor's remuneration	32	37,000	37,000
Directors' remuneration	21	114,164	45,216
Donations	32	8,675	11,114
		<u>6,412,523</u>	<u>482,649</u>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21. DIRECTORS' REMUNERATION

	2020 US\$	2019 US\$
Directors' fees and allowances	114,164	45,216

The Company's Board of Directors was dissolved in 2017. The current Board of Directors was inaugurated in January 2020.

22. PERSONNEL EXPENSES

	2020 US\$	2019 US\$
Wages and salaries	1,933,306	2,093,967
Social security contributions	226,467	174,805
Provident fund contributions	122,234	94,875
Employee benefit obligation	905,372	856,959
Other costs	1,699,924	1,640,776
	<u>4,887,303</u>	<u>4,861,382</u>

Other costs include canteen, transportation, medical expenses etc.

Employee categories

The number of employees at year end was as follows:

	2020	2019
Junior staff	194	170
Senior staff	68	70
Management staff	19	19
	<u>281</u>	<u>259</u>

23. FINANCE INCOME

	2020 US\$	2019 US\$
Interest income	60,699	6,060

24. FINANCE COSTS

Interest on loans and borrowings	4,471,518	4,361,087
Modification loss	7,019,065	-
Interest on bank overdrafts	178,087	212,348
	<u>11,668,670</u>	<u>4,573,435</u>

Finance costs amounting to US\$3,242,585 (2019: US\$2,711,600) remained unpaid at year-end.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

25. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share at 30 September 2020 was based on the loss attributable to ordinary shareholders and a weighted average number of outstanding ordinary shares.

There were no potential dilutive ordinary shares. Loss per share is calculated as follows:

Loss attributable to ordinary shareholders (basic and diluted)	2020	2019
	US\$	US\$
Loss for the year attributable to the owners of the Company	(18,642,694)	(3,362,108)
	<u> </u>	<u> </u>
Weighted average number of ordinary shares (basic and diluted)	2020	2019
	Number	Number
Issued ordinary shares at beginning	2,038,074,176	2,038,074,176
Effect of conversion of debt to equity	-	-
	<u> </u>	<u> </u>
Weighted average number of ordinary shares at 30 September	2,038,074,176	2,038,074,176
	<u> </u>	<u> </u>
Basic loss per share	(0.0091)	(0.0016)
Diluted loss per share	(0.0091)	(0.0016)

26. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Parent and Ultimate Controlling Party

The Company is a subsidiary of Ghana Cocoa Board, a corporate body domiciled in Ghana, established by the Ghana Cocoa Board Act, 1984 (PNDCL 81). The ultimate controlling party of the Company is the Government of Ghana. The Company purchases raw cocoa beans from Ghana Cocoa Board through Cocoa Marketing Company Limited, a subsidiary of Ghana Cocoa Board.

(b) Transactions during the year

The value of transactions between the Company and its related entities during the year was as follows:

	2020	2019
	US\$	US\$
Sale of goods		
Ghana Cocoa Board	211,048	290,640
Cocoa Marketing Company Limited	4,747	109,845
	<u> </u>	<u> </u>
	215,795	400,485
	<u> </u>	<u> </u>
Purchase of raw cocoa beans		
Cocoa Marketing Company Limited	14,864,750	9,155,000
	<u> </u>	<u> </u>
Others		
Interest on loans and borrowings -Ghana Cocoa Board	2,158,589	1,703,749
Interest subsidy on loans and borrowings -Government of Ghana	58,183	-
	<u> </u>	<u> </u>

COCOA PROCESSING COMPANY LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(c) Outstanding balances relating to transactions with related parties are as follow:

Due from related parties	2020	2019
	US\$	US\$
Ghana Cocoa Board	130,988	140,144
Cocoa Marketing Company Limited	161,942	155,296
	<u>292,930</u>	<u>295,440</u>

Amount due from related parties emanated from normal sales transactions and are subject to the Company's credit policy terms. All outstanding balances are to be settled in cash. None of the balances is secured. A provision for bad and doubtful debt of US\$467,887 has been recognised in respect of amounts owed by related parties.

Due to related parties	2020	2019
	US\$	US\$
Ghana Cocoa Board		
Loans and borrowings (note 14(a))	27,308,567	25,728,610
Accrued interest (note 14(a))	14,677,229	12,518,639
	<u>41,985,796</u>	<u>38,247,249</u>
Cocoa Marketing Company Limited		
Trade payables (note 13)	68,531,004	55,843,688
	<u>110,516,800</u>	<u>94,090,937</u>

Included in trade and other payables is an amount of US\$68,531,004 (2019: US\$55,843,688) payable to Cocoa Marketing Company Limited, a related party of the Company for the supply of cocoa beans. US\$52,307,506 of this amount is expected to be repaid after 12 months from the reporting date. Proceeds from the Company's sales are received into its Bank of Ghana account, out of which a portion is transferred to Cocoa Marketing Company Limited as payment towards the supply of raw cocoa beans to the Company.

(d) *Transactions with key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly including any director of the Company, whether executive or otherwise. Key management personnel compensation during the year comprised the following:

	2020	2019
	US\$	US\$
Short term employee benefits (included in personnel expenses)	183,142	101,678
Defined benefits plan (included in employee benefit obligations)	156,332	98,686
	<u>339,474</u>	<u>200,364</u>
Staff advances (note 9)	<u>42,098</u>	<u>99,482</u>

This represent IOUs given to key management personnel for expenses which are yet to be retired to the Company.

Non-executive directors' compensation comprised the following:

	2020	2019
	US\$	US\$
Directors' fees and allowances	<u>28,821</u>	<u>15,100</u>

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

27. FINANCIAL RISK MANAGEMENT

Financial instruments – Fair values and risk management

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<u>Carrying amount</u>		<u>Fair value</u>	
	<u>Amortised cost</u> US\$	<u>Other financial liabilities</u> US\$	<u>Total</u> US\$	<u>Level 3</u> US\$
2020				
Financial assets not measured at fair value				
Trade and other receivables*	1,165,815	-	1,165,815	
Fixed deposit investments	2,476,982	-	2,476,982	
Cash and cash equivalents	622,726	-	622,726	
	-----	-----	-----	
	<u>4,265,523</u>	<u>-</u>	<u>4,265,523</u>	
Financial liabilities not measured at fair value				
Trade and other payables*	-	72,225,787	72,225,787	64,095,491
Bank overdraft	-	1,238,889	1,238,889	-
COCOBOD loan	-	41,985,795	41,985,795	41,985,795
Bank loans	-	26,802,247	26,802,247	26,802,247
	-----	-----	-----	
	<u>-</u>	<u>142,252,718</u>	<u>142,252,718</u>	
2019				
Financial assets not measured at fair value				
Trade and other receivables*	3,926,277	-	3,926,277	
Fixed deposit investments	2,080,816	-	2,080,816	
Cash and cash equivalents	1,072,774	-	1,072,774	
	-----	-----	-----	
	<u>7,079,867</u>	<u>-</u>	<u>7,079,867</u>	
Financial liabilities not measured at fair value				
Trade and other payables*	-	62,462,444	62,462,444	56,190,583
Bank overdraft	-	955,704	955,704	-
COCOBOD loan	-	38,247,249	38,247,249	38,247,249
Bank loans	-	23,599,296	23,599,296	23,599,296
	-----	-----	-----	
	<u>-</u>	<u>125,264,693</u>	<u>125,264,693</u>	

COCOA PROCESSING COMPANY LIMITED
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(a) Accounting classification and fair values (cont'd)

*Statutory receivables amounting to US\$12,256 (2019: US\$61,704) have been excluded from trade and other receivables and statutory obligations amounting to US\$22,308,239 (2019: US\$19,171,691) have been excluded from trade and other payables.

The fair values of trade and other payables and loans and borrowings are based on discounted cash flows technique. The valuation model considers the present value of expected payments discounted using a market related rate at the reporting date.

(b) Risk management

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

- o credit risk
- o liquidity risk
- o market risk

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

Risk management framework

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

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

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

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

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company's maximum exposure to credit risk was as follow:

	2020 US\$	2019 US\$
Trade and other receivables	1,165,815	3,926,277
Fixed deposit on investments	2,476,982	2,080,816
Bank balances	577,854	1,045,063
	-----	-----
	4,220,651	7,052,156
	=====	=====

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company generally trades with pre-defined and selected customers. Credit exposure on trade receivable is covered by customers issuing post-dated cheques to cover amounts owed and bank guarantees provided by the customers. The Company's exposure to credit risk on other receivables mainly relates to receivables from the Company's employees in respect of loans granted them. The Company reviews the balances on a periodic basis taking into consideration factors such as continued business or employment relationships and ability to offset amount against transactions due to the parties. Where such relationship does not exist, the amounts are impaired.

At 30 September 2020, the exposure to credit risk for trade and other receivables by type of customer or counterparty was as follows:

	2020 US\$	2019 US\$
Key distributors	354,992	1,271,856
Individuals and companies	246,289	1,882,190
Employees	564,534	772,231
	<u>1,165,815</u>	<u>3,926,277</u>

Expected credit loss assessment for trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. The ECLs are based on actual credit loss experience over past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Expected credit loss assessment for trade receivables

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 30 September 2020.

2020	Weighted-average loss rate - %	Gross US\$	Impairment allowance US\$	Credit impaired
Current (not past due)	12.15	562,235	68,299	No
31-90 days past due	40.96	65,921	30,109	No
91-270 days past due	85.15	99,510	60,924	No
More than 270 days	100	1,082,254	1,082,254	Yes
		<u>1,809,920</u>	<u>1,241,586</u>	

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Expected credit loss assessment for trade receivables (cont'd)

2019

	Weighted-average loss rate - %	Gross US\$	Impairment allowance US\$	Credit impaired
Current (not past due)	8.69	1,935,360	168,271	No
31-90 days past due	22.01	661,582	145,608	No
91-270 days past due	71.73	308,349	221,182	No
More than 270 days	100.00	326,729	326,729	Yes
		----- 3,232,020 =====	----- 861,790 =====	

The Company's syndicated loan facility is secured by an assignment of export contracts and receivables amounting to a maximum of eighty percent (80%) of all receivables.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables was as follows.

	2020 US\$	2019 US\$
Balance at 1 October	861,790	442,930
Impairment loss recognised	379,796	418,860
	-----	-----
Balance at 30 September	1,241,586 =====	861,790 =====

Other receivables

No impairment has been recognised in respect of other receivables as the amount of impairment is considered insignificant due to the company's right to offset any unpaid portions against amount due to employees at the time of exit.

Cash and bank balances

The Company held cash and cash equivalents of US\$577,854 at 30 September 2020 (2019: US\$1,045,063) which represents its maximum exposure. The bank balances are held with banks that are regulated by the Central Bank. The Company considers that its bank balances have low credit risk and hence no impairment has been recognised with respect to these in the current year (2019: Nil).

(ii) **Liquidity risk**

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

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(ii) **Liquidity risk (cont'd)**

The following are contractual maturities of financial assets and liabilities:

	Carrying amount US\$	Total US\$	Contractual cash flows 6mths or less US\$	6-12mths US\$	More than 12mths US\$
Year ended 30 September 2020					
Non-derivative financial assets					
Trade and other receivables*	1,165,815	1,165,815	1,165,815	-	-
Fixed deposit investments	2,476,982	2,476,982	-	-	2,476,982
Cash and cash equivalents	622,726	622,726	622,726	-	-
	-----	-----	-----	-----	-----
Balance at 30 September 2020	<u>4,265,523</u>	<u>4,265,523</u>	<u>1,788,541</u>	<u>-</u>	<u>2,476,982</u>
Non-derivative financial liabilities					
Trade and other payables*	72,225,787	72,225,787	16,677,993	-	55,547,794
Bank overdraft	1,238,889	1,238,889	1,238,889	-	-
COCOBOD loan	41,985,795	49,913,814	17,198,573	2,281,479	30,433,762
Bank loans	26,802,247	48,290,178	26,524,960	1,287,116	20,478,102
	-----	-----	-----	-----	-----
Balance at 30 September 2020	<u>142,252,718</u>	<u>171,668,668</u>	<u>61,640,415</u>	<u>3,568,595</u>	<u>106,459,658</u>
Year ended 30 September 2019					
Non-derivative financial assets					
Trade and other receivables*	3,926,277	3,926,277	3,926,277	-	-
Fixed deposit investments	2,080,816	2,080,816	-	-	2,080,816
Cash and cash equivalents	1,072,774	1,072,774	1,072,774	-	-
	-----	-----	-----	-----	-----
Balance at 30 September 2020	<u>7,079,867</u>	<u>7,079,867</u>	<u>4,999,051</u>	<u>-</u>	<u>2,080,816</u>
Non-derivative financial liabilities					
Trade and other payables*	62,462,444	62,462,444	6,914,650	-	55,547,794
Bank overdraft	955,704	955,704	955,704	-	-
COCOBOD loan	38,247,249	45,937,732	11,034,299	440,166	34,463,267
Bank loans	23,599,296	47,234,333	25,176,263	1,348,697	20,709,373
	-----	-----	-----	-----	-----
Balance at 30 September 2020	<u>125,264,693</u>	<u>156,590,213</u>	<u>44,080,916</u>	<u>1,788,863</u>	<u>110,720,434</u>

*Statutory receivables amounting to US\$12,256 (2019: US\$61,704) have been excluded from trade and other receivables and statutory obligations amounting to US\$22,308,239 (2019: US\$19,171,691) have been excluded from trade and other payables.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

(iii) **Market risk**

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

Foreign currency risk

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

Included in the statement of financial position are the following amounts denominated in currencies other than the functional currency of the Company.

	2020		2019	
	GH¢	Euro	GH¢	Euro
Assets				
Trade and other receivables	6,530,880	52,630	1,513,549	113,751
Bank balances	889,031	70,499	525,832	4,246
Liabilities				
Trade and other payables	(4,945,091)	(3,081,387)	(1,730,778)	(634,000)
Bank loans and overdraft	(5,549,480)	-	(955,704)	-
Net exposure	<u>(3,074,660)</u>	<u>(2,958,258)</u>	<u>(647,101)</u>	<u>(516,003)</u>

The following significant exchange rates applied during the year:

	Average rate		Reporting rate	
	2020	2019	2020	2019
GH¢	5.5096	5.0441	5.6858	5.2814
Euro	1.1217	0.8858	0.8363	0.9116

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of US\$ against all other currencies on the Company's profit or loss. This sensitivity analysis indicates the potential impact in profit or loss based upon the foreign currency exposures recorded at 30 September and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the closing exchange rate and the average exchange rate per currency recognised in the course of the respective financial year.

A strengthening/weakening of the US Dollar by the rates shown in the table, against the following currencies at 30 September would have increased/(decreased) equity and profit or loss by the amounts shown below.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Sensitivity analysis on currency risks (cont'd)

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

As of 30 September	2020			2019		
	% Change	Profit or loss impact: Strengthening	Profit or loss impact: Weakening	% Change	Profit or loss impact: Strengthening	Profit or loss impact: Weakening
In US\$						
GH¢	±3.20	558,944	(558,944)	±4.70	160,793	(160,793)
Euro	±6.61	(233,688)	233,688	±2.63	(12,353)	12,353

Interest rate risk

The Company has no policy of apportioning its exposure to interest rates between fixed rate and variable rate. At the end of the reporting period the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Nominal amount	
	2020 US\$	2019 US\$
Fixed rate instruments		
Bank overdraft	1,238,889	955,704
Loans and borrowings	45,972,578	39,881,681
	-----	-----
	<u>47,211,467</u>	<u>40,837,385</u>
Variable rate instruments		
Bank loan	22,602,084	21,964,864
	-----	-----
	<u>22,602,084</u>	<u>21,964,864</u>

Fair value sensitivity analysis for fixed rate instrument

The Company does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 200 basis points in interest rates at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates remain constant.

As of 30 September	2020			2019		
	% Change	Profit and Loss impact: US\$'000	Equity US\$'000	% Change	Profit and Loss impact: US\$'000	Equity US\$'000
Syndicated loans	±2	±468,255	±468,255	±2	±453,614	±453,614

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of equity. The Board of Directors monitors return on capital as well as the level of dividends distributed to ordinary shareholders.

There have been no changes to what the entity manages as capital. The strategy for capital maintenance as well as externally imposed capital requirements from the previous year remain the same. There are no externally imposed capital requirements.

The Board monitors capital using a ratio of net debt to equity. Net debt is calculated as total liabilities less cash and cash equivalents. Equity comprises all components of equity.

The Company's net debt to equity ratio at 30 September 2020 was as follows:

	2020 US\$	2019 US\$
Total liabilities	190,669,153	168,323,678
Cash and cash equivalents	(622,726)	(1,072,774)
Net debt	190,046,427	167,250,904
Equity	(38,162,743)	(22,399,393)
Net debt to equity ratio at 30 September	(4.98)	(7.47)

26. CONTINGENT LIABILITIES

There were no contingent liabilities at year-end (2019: Nil).

27. CAPITAL COMMITMENTS

Capital commitments in relation to property, plant and equipment was US\$0.74 million at year-end (2019: Nil).

28. GOING CONCERN CONSIDERATION

The Company incurred a loss of US\$18.6 million (2019: US\$3.4 million) for the year ended 30 September 2020, and as of that date its current liabilities exceeded its current assets by US\$56.5 million (2019: US\$55.3 million). In addition, its total liabilities exceeded its total assets by US\$38.2 million (2019: US\$22.4 million).

A substantial part of the Company's liabilities are due to the majority shareholder, Ghana Cocoa Board (COCOBOD) and a syndicate of banks, amounting to approximately US\$ 42 million and US\$ 27 million respectively. During the financial year, the Company defaulted on both principal and interest repayments to COCOBOD and the syndicated loan led by Absa Bank Ghana Limited. The Company was also unable to comply with the terms of the loan that were renegotiated with COCOBOD in 2019 financial year, resulting in an annulment of the renegotiated terms.

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

28. GOING CONCERN CONSIDERATION (CONT'D)

The Company's operational performance was also significantly impacted by a reduction in export revenue because of Covid-19 pandemic. There was less demand for the Company's semi-finished products in 2020 in addition to low/irregular supply of cocoa beans during the year.

After the reporting date, COCOBOD has indicated that it will not demand the repayment of the amounts due it until such time as the Company is able to realise its assets and settle its liabilities in the normal course of business.

The Directors have also been in discussions with African Export-Import Bank (Afreximbank) to obtain a US\$86.7 million loan facility. Management plans to use this loan to settle outstanding amounts due to the syndicate of banks, support its working capital requirements and retool its property, plant and equipment to expand production capacity. Management expects the agreement to be signed in December 2021 and the first tranche of the loan to be disbursed from January 2022. At the date of this report, the conditions required for conclusion of the loan agreement were yet to be finalised.

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 a regular basis, resulting in increased production subsequent to the reporting date.
- New turnaround strategies – reduction of costs, investment in infrastructure, expansion of the revenue base and product market.

In the event that the Company does not receive the loan facility from Afrximbank and COCOBOD demands repayment of the loan liability due it, a material uncertainty exists which may cast significant doubt about the Company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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.

29. SELLING AND DISTRIBUTION COSTS

	2020 US\$	2019 US\$
Personnel expenses (note 22)	232,516	184,111
Wharfage handling charges	28,582	66,081
Depot expenses	15,173	30,728
Vehicle running costs	75,745	56,299
Advertising expenses	33,499	32,509
Depreciation (note 7)	221,020	20,492
Other costs	18,539	34,876
	-----	-----
	625,074	425,096
	=====	=====

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONT'D)

30. GENERAL AND ADMINISTRATIVE EXPENSES

	2020	2019
	US\$	US\$
Personnel expenses (note 22)	3,401,610	3,824,161
AGM expenses	19,565	22,320
Auditor's remuneration	37,000	37,000
Directors' remuneration	114,164	45,216
Insurance	86,438	71,136
Rent and security	156,022	157,712
Professional and consultancy costs	254,708	16,929
Bank charges	106,375	93,910
Office-related and sundry expenses	373,478	171,656
Donations	8,675	11,114
Water and electricity	257,153	152,900
Depreciation (note 7)	228,424	48,202
	-----	-----
	<u>5,043,612</u>	<u>4,652,256</u>

31. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

SHAREHOLDING DISTRIBUTION AT 30 SEPTEMBER 2020

	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	100.00
	=====	=====	=====

TWENTY LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2020

	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
	=====	=====