



PRESS RELEASE

PR. No 246/2022

COCOA PROCESSING COMPANY LTD (CPC)-

UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDING JUNE 30, 2022

CPC has released its third quarter Unaudited Financial Statements for the period ending June 30, 2022, as per the attached.

Issued in Accra, this 28th
day of July 2021

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, CPC
4. NTHC Registrars (Registrars for CPC shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:

Head Listing, GSE on 0302 669908, 669914, 669935

**JD*



**COCOA PROCESSING COMPANY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED
30TH JUNE 2022**

**COCOA PROCESSING COMPANY LIMITED
REPORTS AND FINANCIAL STATEMENTS**

I N D E X

	P a g e
Corporate Information	2
Highlights	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-29

COCOA PROCESSING COMPANY LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Kweku Owusu Baah (Chairman)
Nana Agycnim Boateng (Managing)
Hon. Francis Manu-Adabor
Philomena Okyere
Ray Ankrah
Vincent Akomea
Prof Douglas Boateng
Theodore Matey Tackey

REGISTERED OFFICE

Cocoa Processing Company Limited
Heavy Industrial Area
Private Mail Bag
Tema

SOLICITOR/ SECRETARY

Sheila Minkah-Premo
Apex Law Consult
Ring road Labone
Box GP 4889
Accra

AUDITOR

Ernst & Young
Chartered Accountants
60 Rangoon Lane
P. O. Box KA16009, Airport
Accra

BANKERS

Barclays Bank (Ghana) Limited
Ecobank Ghana Limited
GCB Bank Limited
Prudential Bank Limited
SG-SSB Bank Limited

REGISTRAR

NTHC Limited
Martco House
P O Box 9563
Airport
Accra

COCOA PROCESSING COMPANY LIMITED

FINANCIAL AND OPERATIONS HIGHLIGHTS FOR THE THIRD QUARTER ENDED 30TH JUNE 2022

	JUNE 2022	JUNE 2021
	<u>US\$</u>	<u>US\$</u>
FINANCIALS		
Turnover	32,034,038	26,997,493
Loss from Operations	(5,649,159)	(5,491,205)
Loss for the year	(9,855,607)	(8,408,898)
Total Assets	149,089,217	163,842,878
Net Assets per Share	(0.0301)	(0.0200)
No of Shares Ranking for Dividend	2,038,074,176	2,038,074,176
Earnings per Share	(0.0048)	(0.0041)
Diluted Earnings per Share	(0.0048)	(0.0041)
OPERATIONS		
	JUNE 2022	JUNE 2021
	MT	MT
Cocoa Beans Processed	9,230	8,279
Semi - Finished Products Packed	7,609	7,051
Confectionary products Packed	1,644	1,549

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

		Jun-22 US\$	Jun-21 US\$
ASSETS			
Property, plant and equipment	7	116,324,279	121,372,135
Total non-current assets		<u>116,324,279</u>	<u>121,372,135</u>
Inventories	8	22,775,209	29,490,004
Current tax assets			-
Trade and other receivables	9	9,188,305	12,473,953
Cash and bank balances	10a	801,425	506,786
Total current assets		<u>32,764,939</u>	<u>42,470,743</u>
Total assets		<u>149,089,217</u>	<u>163,842,878</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14a	26,071,630	26,071,630
Revaluation Reserve	14b	52,347,147	56,508,182
Fair Value Reserve	14b	11,790,827	6,293,536
Retained earnings	14d	(151,620,880)	(129,553,860)
Total equity		<u>(61,411,276)</u>	<u>(40,680,512)</u>
Liabilities			
Borrowings	12b	32,376,930	21,258,331
Employee benefit obligations	13b	3,794,236	3,335,191
Deferred Tax Liability		22,449,189	20,687,331
Non current liabilities		<u>58,620,354</u>	<u>45,280,856</u>
Bank overdraft	10b	1,370,509	1,046,501
Trade and other payables	11	107,159,087	110,856,531
Borrowings	12a	43,350,542	47,339,503
Total current liabilities		<u>151,880,139</u>	<u>159,242,535</u>
Total liabilities		<u>210,500,493</u>	<u>204,523,391</u>
Total equity and liabilities		<u>149,089,217</u>	<u>163,842,878</u>



KOFI TEKYI
DIRECTOR (FIN & IT)

The accompanying accounting policies and notes form an integral parts of these financial statements



DR. FRANK ASANTE
DIRECTOR (PRODUCTION)

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30TH JUNE 2022

		Jun-22 US\$	Jun-21 US\$
Revenue	14	32,034,038	26,997,493
Cost of Sales	15	<u>(34,092,380)</u>	<u>(29,426,962)</u>
Gross Profit		(2,058,342)	(2,429,469)
Other income	16	11,798	8,180
Selling and distribution costs	30	(558,197)	(442,661)
General and administrative expenses	29	(3,044,418)	(2,627,254)
Impairment Loss			-
Operating loss		<u>(5,649,159)</u>	<u>(5,491,205)</u>
Finance income	20	177,329	1,382
Finance costs	21	(4,383,777)	(2,919,076)
Loss before tax	17	<u>(9,855,607)</u>	<u>(8,408,898)</u>
Income tax expense	5		-
Loss		<u>(9,855,607)</u>	<u>(8,408,898)</u>
Other comprehensive income			
Revaluation of PPE			
Defined benefit plan actuarial gains/ (loss)			
Related Tax			
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>(9,855,607)</u>	<u>(8,408,898)</u>
Earnings per share			
Basic earnings per share	22	(0.0048)	(0.0041)
Diluted earnings per share	22	(0.0048)	(0.0041)

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30TH JUNE 2022

	Share Capital US\$	Revaluation Reserve US\$	Fair Value Reserve US\$	Retained Earnings US\$	Total Equity US\$
Balance at 1 October 2021	26,071,630	52,347,147	11,790,827	(141,765,273)	(51,555,669)
Total comprehensive income for the year					
Loss					
Defined benefit plan actuarial gain				(9,855,607)	(9,855,607)
Total comprehensive income				(9,855,607)	(9,855,607)
Transfer within equity					
Revaluation reserve transferred					
Balance at 30th June 2022	<u>26,071,630</u>	<u>52,347,147</u>	<u>11,790,827</u>	<u>(151,620,880)</u>	<u>(61,411,276)</u>

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE THIRD QUARTER ENDED 30TH JUNE 2022

	Jun-22 US\$	Jun-21 US\$
Operating activities		
Loss		
<i>Adjustments for:</i>		
Depreciation charges	(9,855,607)	(8,408,898)
Effect of movement in exchange rates	4,177,423	3,670,716
	<u>(5,678,185)</u>	<u>(4,738,182)</u>
Changes in		
Inventories	3,946,308	(8,781,460)
Trade and other receivables	3,561,936	(7,374,896)
Trade and other payables	(5,492,752)	18,669,993
Employee benefit obligations	(0)	
Cash (used in)/generated from operating activities	<u>(3,662,692)</u>	<u>(2,224,545)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(204,913)	(1,558,627)
Net cash flow in investing activities	<u>(204,913)</u>	<u>(1,558,627)</u>
Financing activities		
Loans and borrowings	3,542,709	3,341,553
Net cash flow in financing activities	<u>3,542,709</u>	<u>3,341,553</u>
Net increase / (decrease) in cash and cash equivalents	(324,897)	(441,618)
Cash and cash equivalents at 1 October	(244,188)	(98,097)
Balance as at 30th June 2022	<u>(569,085)</u>	<u>(539,715)</u>
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	801,425	506,786
Bank overdraft	(1,370,509)	(1,046,501)
Cash and cash equivalents at 30th June 2022	<u>(569,084)</u>	<u>(539,715)</u>

**PROPERTY PLANT & EQUIPMENT
FOR THE THIRD QUARTER ENDED 30TH JUNE 2022**

Description	Capital Work In Progress		Land, Buildings & Roadworks		Staff Bungalows & Flats		Plant & Machinery		Motor Vehicles		Office Furniture & Equipment		Laboratory Equipment		Total
	USD		USD		USD		USD		USD		USD		USD		
Cost/Valuation															
Balance at 1 October 2021	3,835,202		37,235,919		413,519		90,221,714		234,070		274,830		100,310		132,315,564
Additions	139,622		0		(0)		(328,188)		(0)		377,184		16,297		204,913
Disposals															
Transfers															
Balance at 30th June 2022	3,974,824		37,235,919		413,519		89,893,526		234,070		652,014		116,607		132,520,477
Depreciation															
Balance at 1 October 2021			921,600		18,175		10,581,041		224,554		229,883		43,523		12,018,776
Disposals															
Depreciation Charge			583,394		6,490		3,486,146		9,516		74,199		17,677		4,177,423
			1,504,994		24,665		14,067,187		234,070		304,082		61,200		16,196,199
Balance at 30th June 2022	3,974,824		35,730,925		388,853		75,826,338		(0)		347,931		55,407		116,324,279

COCOA PROCESSING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER 2021

1. REPORTING ENTITY

Cocoa Processing Company Limited is a Company registered and domiciled in Ghana. The financial statements for the First quarter ended 31st December 2021 relates 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 1963 (Act 179).

b. Basis of measurement

The financial statements have been prepared under the historical cost convention, 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 benefit 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. 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

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

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 under operating expenses or other income depending on whether it is a net loss or gain.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(B) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are initially recognised at cost. They are carried at revalued amounts less subsequent depreciation and 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.

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

(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 plant and equipment are recognised in profit or loss, as incurred.

(iii) Spare parts

Spare parts, stand-by and servicing equipment held by the Company generally are classified as inventories. However, if major spare parts and stand-by 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

Property, plant and equipment under construction is 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 commissioned and ready for its intended use.

(v) *Depreciation*

Items of property, plant and equipment are depreciated from the date they are installed and ready for use, or in respect of self-constructed assets, from the date assets is completed and ready for use.

Depreciation is calculated to write off the cost 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.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment 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.

(vi) *Revaluation gain/loss*

Increases in the carrying amount of land and buildings arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve. All other decreases are charged to profit or loss.

The surplus on revaluation is transferred to retained earnings on use of the relevant revalued assets.

(d) **Inventories**

All inventories with the exception of finished goods are initially recognised at the lower of cost and net realisable value. Finished goods are initially recognised at the total cost of raw materials consumed and production overheads. Inventories are measured at the lower of cost or net realisable value.

The cost of inventories is based on the first-in-first-out principle for raw materials and weighted average principle for all other inventories and includes expenditure incurred in acquiring the inventories, production or conversion costs 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.

(e) **Revenue**

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

2 REVENUE

Analysis of the Company's revenue is as follows

Type of Product	Jun-22 US\$	Jun-21 US\$
Cocoa Butter	8,770,164	10,639,769
Cocoa Liquor	6,329,748	3,687,301
Cocoa Cake	8,754,400	4,560,879
Cocoa Powder	1,311,966	1,806,872
Confectionery	6,867,759	6,302,672
	<u>32,034,038</u>	<u>26,997,493</u>

Sale of goods	Jun-22 US\$	Jun-21 US\$
Local Sales	6,605,238	6,075,052
Export Sales	25,428,800	20,899,523
Tolling	32,034,038	26,974,575
	-	-
	<u>32,034,038</u>	<u>26,974,575</u>

Analysis of Product Market	Jun-22	Jun-22	Jun-21	Jun-21
	Export Sales US\$	Local Sales US\$	Export Sales US\$	Local Sales US\$
Semi -Finished Products	25,166,220	59	20,692,037	2,784
Confectionery	262,580	6,605,180	207,486	6,072,268
Tolling				
	<u>25,428,800</u>	<u>6,605,238</u>	<u>20,899,523</u>	<u>6,075,052</u>

15.(a) COST OF SALES

	Jun-22 US\$	Jun-21 US\$
Raw and Packing Material Consumed	25,884,441	22,203,291
Depreciation	3,894,559	3,785,291
Direct Labour	901,964	819,300
Production Overheads	3,411,416	2,619,081
	<u>34,092,380</u>	<u>29,426,963</u>

16 OTHER INCOME

Type of Product	Jun-22 US\$	Jun-21 US\$
Sale of Sack, scrap and other items	11,798	5,084
Net Exchange gain		3,096
Discount received on Sales tax		
Sundry Income		
	<u>11,798</u>	<u>8,180</u>

20 FINANCE INCOME

Interest income	Jun-22 US\$	Jun-21 US\$
	177,329	1,382
	<u>177,329</u>	<u>1,382</u>

21 FINANCE COST

Interest on Loans and borrowing	Jun-22 US\$	Jun-21 US\$
Interest on Bank Overdraft	4,285,372	2,805,409
	98,405	113,667
	<u>4,383,777</u>	<u>2,919,076</u>

29 GENERAL ADMIN EXPENSES

	Jun-22 US\$	Jun-21 US\$
Staff Cost		
Depreciation	2,110,589	1,843,122
Auditors remuneration	41,313	16,877
Directors remuneration	27,749	30,142
Insurance	71,018	37,541
Rent and Security	67,756	61,673
Professional/Consultancy	92,468	83,871
Bank Charges	64,224	64,679
AGM Expenses	63,340	30,452
Office related Expenses	20,618	24,663
Water and Electricity	251,326	64,920
Other Cost	25,008	18,831
Exchange Loss	209,008	261,113
	89,369	
	<u>3,044,418</u>	<u>2,627,252</u>

30 SELLING & DISTRIBUTION EXPENSES

	Jun-22 US\$	Jun-21 US\$
Staff Cost		
Wharfage Handling Charges	200,673	180,672
Carriage - Forklifts / Trucks	232,483	79,539
Depot Expenses	1,348	27,892
Vehicles Running Costs	26,739	10,850
Advertising Expenses and other cost	67,430	47,850
Depreciation Vehicles	29,523	51,971
	-	43,888
	<u>558,197</u>	<u>442,662</u>

STAFF COSTS

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

	Jun-22 Number	Jun-21 Number
Junior Staff	192	192
Senior Staff	67	67
Management	18	18
	<u>277</u>	<u>277</u>

Aggregate Remuneration	Jun-22 US\$	Jun-21 US\$
Wages and Salaries	3,213,226	2,843,093
	<u>3,213,226</u>	<u>2,843,093</u>

EARNINGS PER SHARE

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

	Jun-22 US\$	Jun-21 US\$
Net Profit attributable to shareholders	(9,855,607)	(8,408,898)
Weighted Average Number of Ordinary Shares outstanding during the year	2,038,074,176	2,038,074,176
Basic Earnings per share	-0.0048	-0.0041
Diluted Earnings per share	-0.0048	-0.0041

8 INVENTORIES

	Jun-22 US\$	Jun-21 US\$
Raw Materials	762,393	10,120,549
Packaging Materials	3,213,421	3,039,909
Finished Goods	12,469,344	14,717,864
Technical Store Parts	6,202,652	1,517,373
Fuel & Lubricant	127,399	94,309
Wright down	-	-
	<u>22,775,209</u>	<u>29,490,004</u>

9 TRADE AND OTHER RECEIVABLES

	Jun-22 US\$	Jun-21 US\$
Trade Receivables	4,972,081	8,408,926
Staff Debtors	786,644	565,053
Prepayment	480,094	474,689
Other Receivables	336,200	496,419
Fixed Deposit Investment	2,613,286	2,528,865
	<u>9,188,305</u>	<u>12,473,953</u>

11 TRADE AND OTHER PAYABLES

Trade and other payables principally comprised amount outstanding for trade purchase and ongoing costs.

	Jun-22 US\$	Jun-21 US\$
Trade Payables	64,176,398	67,017,623
Other Payables	42,982,690	43,838,909
	<u>107,159,087</u>	<u>110,856,532</u>

12 BORROWINGS

Balances on existing Loan Facilities

	Jun-22 US\$	Jun-21 US\$
Barclays Bank USD Loan	10,902,550	9,489,468
Barclays Bank USD Loan	16,103,188	15,484,027
Cocobod Loan USD	44,290,002	39,089,528
Prudential loan	4,431,733	4,534,811
	<u>75,727,472</u>	<u>68,597,834</u>

12(a) Short term portion of borrowings

<u>43,350,542</u>	<u>47,339,503</u>
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12(b) Long term borrowings

<u>32,376,930</u>	<u>21,258,331</u>
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10(a)	CASH & CASH EQUIVALENTS	Jun-22 US\$	Jun-21 US\$
	Cash at Bank	655,095	433,403
	Cash in hand	146,330	73,383
	Cash and Cash Equivalents	<u>801,425</u>	<u>506,786</u>
10(b)	Bank Overdraft	(1,370,509)	(1,046,501)
	Cash and Cash Equivalents in the statement of cash flow	(569,084)	(539,715)

DEBT TO EQUITY RATIO

The Company's net debt to equity ratio was as follows

	Jun-22 US\$	Jun-21 US\$
Total Liabilities	210,500,493	204,523,391
Cash and Cash Equivalents	(801,425)	(506,786)
Net Debt	<u>209,699,068</u>	<u>204,016,605</u>
Equity	(61,411,276)	(40,680,512)
Debt to Equity Ratio	<u>(3.41)</u>	<u>(5.02)</u>

RELATED PARTY TRANSACTION AND BALANCES

The Company Purchases raw cocoa beans from Cocoa Marketing Company Limited a Subsidiary of Ghana Cocoa Board. Ghana Cocoa Board is the ultimate parent of Cocoa Processing Company Limited. The purchases from Cocoa Marketing Company Limited are on the same terms and conditions as those entered into by other companies

The value of transactions between the company and its related entities during the year are as follows

	Jun-22 US\$	Jun-21 US\$
Purchases from Cocoa Marketing Company	12,917,500	28,357,949

Balances due related company were as follows

	Jun-22 US\$	Jun-21 US\$
Borrowings	27,308,567	25,728,610
Accrued Interest	<u>16,981,435</u>	<u>13,360,918</u>
	44,290,002	39,089,528
Trade Payable	<u>64,176,398</u>	<u>65,570,589</u>
	<u>108,466,399</u>	<u>104,660,117</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. SHARE CAPITAL (STATED CAPITAL) AND RESERVES

(a) Authorised shares

	2022	2021
Ordinary shares of no par value	20,000,000,000	20,000,000,000
Preference share of no par value	<u>1</u>	<u>1</u>

Issued and fully paid

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

(b) Preference shares

	Number		Number	
	<u>1</u>	71	<u>1</u>	71
		<u>26,071,630</u>		<u>26,071,630</u>

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 dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

(c) Revaluation reserve

This represents the unrealised appreciation on the value of property, plant and machinery, following a revaluation exercise carried out at 30 September 2019. 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.

(d) Retained earnings (Income surplus account)

This represents the residual of cumulative annual profits/losses and realised portions of revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (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. The Board of Directors monitors return on capital as well as the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The Board monitors capital using an adjusted net debt to equity ratio, which is the adjusted net debt divided by the adjusted equity. For this purpose, adjusted net debt is defined as total liabilities (which includes interest bearing loans and borrowings) unaccrued proposed dividends less cash and cash equivalents. Adjusted equity comprise all components of equity less unaccrued proposed dividends.

GOING CONCERN CONSIDERATION

COCOBOD has undertaken to provide the Company with continuous supply of cocoa beans to meet its operational demand and will not demand for repayments of amounts due it in a manner that would jeopardise the operations of the Company.

The Directors have assessed the situation and have put in place measures to turn around the Company and make it profitable in the near future. These measures include:

- i. Cost cutting measures - The company entered in to arrangement with Captive Energy Company Limited on 9 October 2019 to produce steam and power using bio-waste materials. The project is expected to be completed in 15 months. On completion, the Company will incur a monthly charge of US\$414,000 for the generation of steam and power which represents a reduction of the Company's current utility cost by 40% per annum. The Company has also constructed six (6) depth bore-holes to reduce the cost of water by about US\$168,000 – US\$220,000 per annum.
- ii. Investment in infrastructure and machinery – The Company obtained a loan facility of GH16 million 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 Confectionery factory. The Company had acquired a number of the assets and had put them in use. The machines are intended to expand the capacity of the Confectionery factory from 3,000 MT to 15,000 MT. The Company has also commenced activities for the retooling of its aged cocoa factory lines and the expansion of the current capacity of 64,500 MT to 87,657 MT.
- iii. Expanding revenue base - The Company continues to expand its revenue-earning base and has identified the following areas to help maintain this drive:
 - Secure additional Tolling arrangement with relevant parties.
 - Improving visibility of Goldentree confectionery products to increase local consumption by opening new depots in Takoradi, Sunyani and Tamale by December 2022
 - Introduce an instant drinking chocolate be known as Goldentree instant drinking chocolate.
 - Introduce a wide array of new products in the Confectionery market segment

SHAREHOLDING DISTRIBUTION AT FIRST QUARTER ENDED 30TH JUNE 2022

	No. of Shareholders	No. of Shares	% Holdings
1 – 1,000	28,100	12,876,891	0.55
1,001 – 5,000	18,439	41,159,318	1.76
5,001 – 10,000	1,608	12,401,194	0.54
Over 10,001	909	1,971,636,773	97.15
	<u>49,056</u>	<u>2,038,074,176</u>	<u>100</u>

TWENTY LARGEST SHAREHOLDERS

	No. of Shares	% Holdings
1. Ghana Cocoa Board	1,176,599,176	57.73
2. Government of Ghana c/o Ministry of Finance	532,554,110	26.13
3. Social Security & National Insurance Trust	206,754,000	10.14
4. Badu Collins K	3,181,000	0.16
5. SIC Life Company Limited	2,240,000	0.11
6. Donewell Life Company Limited	1,920,000	0.09
7. Ghana Reinsurance Company Limited – General Business	1,600,000	0.08
8. Agricultural Development Bank	1,600,000	0.08
9. Osei Isaac	1,583,900	0.08
10. Baah Matthew Mensah	960,000	0.05
11. Badu Collins Kwabena	876,900	0.04
12. Otchere-Boateng Lordina Justina	800,000	0.04
13. Ghana Libyan Arab Holding Company	800,000	0.04
14. Beaudoin Patrick	800,000	0.04
15. E.H.Boohene Foundation	800,000	0.04
16. Tetteh Richard Amarih	800,000	0.04
17. Adjei Seth Adjete	552,000	0.03
18. Teachers' Fund	550,000	0.03
19. Hyde Joel Emmanuel	500,000	0.02
20. Insurance Compensation Fund	500,000	0.02
	480,000	0.02
Others	<u>1,935,651,086</u>	<u>94.97</u>
	<u>102,423,100</u>	<u>5.03</u>
	<u>2,038,074,186</u>	<u>100.00</u>