

INDEPENDENT AUDITORS'S REPORT

FOR THE YEAR ENDED 30
SEPTEMBER 2011

We have audited the accompanying financial statements of Cocoa Processing Company Limited, which comprise the statement of financial position at 30 September 2011, statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, which include a summary of significant accounting policies as set out on pages 17 to 48

Directors' Responsibility for the financial statements

The company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

**INDEPENDENT
AUDITORS'S REPORT**

cont'd

**FOR THE YEAR ENDED 30
SEPTEMBER 2011**

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

**Report on Other Legal and
Regulatory Requirements**

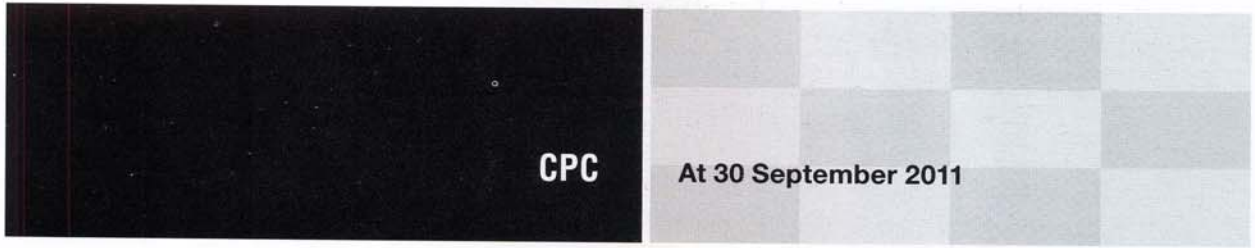
Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179)

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

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

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

27 February 2012



ANNUAL ACCOUNTS

STATEMENT OF FINANCIAL POSITION

At 30 September 2011

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



DIRECTOR



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

At 30 September 2011

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

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

STATEMENT OF CHANGES IN EQUITY

At 30 September 2011

	Share Capital GH¢	Deposit for Shares GH¢	Revaluation Reserve GH¢	Translation Reserve GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 October 2009	16,778,315	-	49,736,879	(28,097,543)	(19,626,402)	18,791,249
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(12,525,392)	(12,525,392)
Other comprehensive income						
Foreign currency translation differences	-	-	-	(4,939,090)	-	(4,939,090)
Defined benefit plan actuarial loss	-	-	-	-	(1,171,543)	(1,171,543)
Total comprehensive income for the year	-	-	-	(4,939,090)	(13,696,935)	(18,636,025)
Balance at 30 September 2010	16,778,315	-	49,736,879	(33,036,633)	(33,323,337)	155,224
Balance at 1 October 2010	16,778,315	-	49,736,879	(33,036,633)	(33,323,337)	155,224
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(12,860,978)	(12,860,978)
Other comprehensive income						
Foreign currency translation differences	-	-	-	(7,039,177)	-	(7,039,177)
Defined benefit plan actuarial gain	-	-	-	-	110,233	110,233
Total comprehensive income for the year	-	-	-	(7,039,177)	(12,750,745)	(19,789,922)
Transactions with owners recognised directly in equity						
Deposit for shares	-	23,243,749	-	-	-	23,243,749
Total contribution by owners	-	23,243,749	-	-	-	23,243,749
Balance at 30 September 2011	16,778,315	23,243,749	49,736,879	(40,075,810)	(46,074,082)	3,609,051

STATEMENT OF CASH FLOW

At 30 September 2011

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