45th Annual Report

AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED

30. SEPT .14

Ghana Cocoa Board

45th Annual Report

AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30. SEPT .14

Auditors and Registered Office

AUDITORS

KPMG (ICAG/F/2014/038)
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
P.O. Box 242
Accra
Ghana.

REGISTERED OFFICE

COCOA HOUSE
41 Kwame Nkrumah Avenue
P.O. Box GP 933
Accra
Ghana
Tel. 233 -302–661752/678972
/661782/683300
Fax: 233 -302- 667104/665076
E-mail: cocobod@cocobod.gh
Website:www.cocobod.gh

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HIGHLIGHTS

	2012/13	2013/14	% CHANGE
1. Turnover (Gross) (GH¢)	3,753,856,000	6,030,610,000	**60.65**
2. Total Assets (GH¢)	2,686,567,000	4,902,567,000	**82.48**
3. Equity Capital (GH¢)	393,290	393,290	-
4. Current Assets (GH¢)	2,067,893,000	2,308,674,000	**11.64**
5. Current Liabilities (GH¢)	1,397,371,000	1,818,271,000	**7.83**
6. Producer Prices:			
Main Crop (Cocoa) (GH¢) - (per tonne)	3,392	3,392	**0.00**
Mid Crop (Cocoa) (GH¢) - (per tonne)	3,392	3,392	**0.00**
Coffee (Hulled) (GH¢)- (per tonne)	935	1,700	**81.82**
7. Number of Subsidiaries and Divisions	5	5	-
8. Total Employees	7,430	7,541	**1.49**
9. Quantity Purchased/Exported (Tonnes):			
Cocoa (purchases)	835,466	896,220	**7.27**
Coffee (purchases)	6,525	3,884	**(40.48)**
Sheanut (exports)	108,976	48,927	**(55.10)**
10. Achieved F.O.B.(US$)-per tonne of Cocoa	2,360.00	2,434.91	**3.17**

BOARD OF DIRECTORS AND COCOBOD MANAGEMENT

BOARD OF DIRECTORS

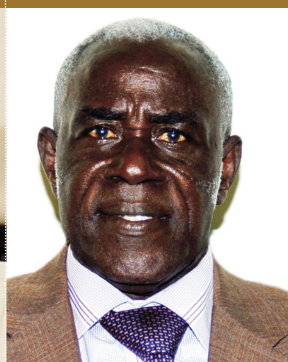
Amb. Daniel Ohene Agyekum
Board Chairman

Dr. Stephen Kwabena Opuni
Chief Executive

Mrs. Afiriyie Haffar
Member

Hon. Cassiel Ato Forson
Member

Mr. Edwin Nii Lantey Vanderpuye
Member



Dr. Agyeman-Atuahene Kontor
Member

Dr. Henry Kofi Wampah
Member

Alhaji Alhassan Bukari
Farmers Rep.

Nana Adjei Damoah
Farmers Rep.

Mr. Charles T. K. Dodoo
Workers Rep.

BOARD OF DIRECTORS

2013/14

Mr Daniel Ohene Agyekum	Chairman
Dr. Stephen Kwabena Opuni	Chief Executive
Alhaji Alhassan Bukari	Member
Dr. Agyemang-Atuahene Kontor	Member
Mr. Cassiel Ato Forson	Member
Dr. Henry Kofi Wampah	Member
Mrs. Afriyie Haffar	Member
Mr. Edwin Nii Lantey Vanderpuye	Member
Nana Adjei Damoah	Member
Mr. Charles Tetteh Kwao Dodoo	Member

COCOBOD MANAGEMENT

2013/14

Dr. Stephen Kwabena Opuni	Chief Executive
Mrs. Miriam Okwabi	Deputy Chief Executive (F&A)
Dr. Francis Kofi Oppong	Deputy Chief Executive (A&QC)
Mr. James Kofi Kutsoati	Deputy Chief Executive (OPS)
Mr. Charles Tetteh Kwao Dodoo	Director, Finance
Mr. Alexander M. Asiedu	Director, General Services
Mr. Kosi Gone Traugott	Director, Audit
Mr. F.A Temeng	Director, Human Resource
Mr. Ebenezer Tei Quartey	Director (RM&E)
Mr. Arnold Mensa-Bonsu	Director, Scholarship Unit
Dr. Godwin A. Lartey	Director, Health
Mr. John Clottey-Sefa	Director, Legal Services
Col. (Rtd) Mathew Dakurah	Director, Special Services
Mr. George Okyere	Dep. Director, CODAPEC/HI-TECH
Mr. Emmanuel E. Opoku	Dep. Director, (R&D)
Mrs. Elizabeth M.A Abodurin	Dep. Director, Audit
Mr. LCT Zaukuu	Dep. Director, Finance

HEADS OF DIVISIONS/SUBSIDIARIES

2013/14

Mr. Jacob Ofosu Koree	Managing Director, CMC (Gh). Ltd
Dr. Francis Baah	Executive Director, CHED
Mr. Thomas K. Osei	Managing Director, QCC
Mr. George Asante	Executive Director, SPU
Dr. Frank Amoah	Executive Director, CRIG

CHAIRMAN'S STATEMENT

ECONOMIC BACKGROUND

WORLD COCOA ENVIRONMENT 2013/14 SEASON

World cocoa production as reported by the International Cocoa Organisation (ICCO) was estimated at 4.31 million tonnes in 2013/14 representing a 9.67% increase over 3.93 million tonnes recorded in 2012/13. The high cocoa output recorded in 2013/14 was influenced largely by favourable weather conditions in the West Africa sub-region. Supplies from West Africa were boosted by weak harmattan winds and good rainfall interspersed with sunshine. Cote d'Ivoire and Ghana continued with their dominance as the two leading producers in the world.

Global consumption of cocoa beans, as measured by grindings, increased by 7.02% from 3.99 million tonnes in 2012/13 to 4.27 million tonnes in 2013/14. The increase was as a result of a shift in global consumption pattern in emerging countries with a strong positive growth in North America and a substantial increase in grindings among Asian countries especially Indonesia.

World market prices at the beginning of the year started on a weaker note at US$2,730.70. However, concerns over supply deficit for the 2013/2014 cocoa season influenced an upward movement of cocoa futures from the beginning of March, 2014. The average international cocoa prices as measured by the ICCO daily price for the 2013/14 season settled at US$3,009, an increase of 27.55% over the 2012/13 price of US$2,359. The price recovery was boosted by reports of increased buying activity by the cocoa processing and chocolate manufacturing industry. Despite the evidence of strong supplies from West Africa, several fundamental factors which could lead to long-term structural deficits in future years stimulated bullish trading within the cocoa markets to sustain reasonably high prices for the 2013/14 season.

OFF-SHORE BORROWING

We continued to rely on off-shore trade finance facility to support cocoa purchases during the year under review. For the 2013/14 operational year, COCOBOD secured a syndicated loan of US$1.2 billion from a consortium of banks, including Societe Generale, Bank of Tokyo-Mitsubishi UFJ Limited, Credit Agricole Co. Investment Bank and Ghana International Bank plc. COCOBOD successfully repaid the loan with interest within the agreed term of the facility.

OPERATING RESULTS

Amid global economic challenges, our Management team focused on strategic programs to ensure our operations returned a modest profit. Compared to 2012/13, our 2013/14 operations recorded a profit of GH¢227,588,000 from a GH¢1,085,371,000 loss recorded in 2012/13.

COCOBOD paid GH¢16,100,000 as export duty during 2013/14 season as against GH¢40,000,000 paid in the 2012/13 financial year.

FUTURE OUTLOOK

The 2013/14 season witnessed favourable weather conditions which impacted positively on the crop outturn. However, depreciation of the Ghana cedi eroded the fixed prices paid to farmers and rendered it uncompetitive compared with prices in neighboring countries. This development encouraged smuggling of cocoa beans to neighboring countries and reduced Ghana's expected crop size for 2013/14. In spite of these developments, the future of the cocoa industry in Ghana continues to be positive. The joint efforts by all stakeholders of the industry to work together will ensure the cocoa industry sustains increase in production levels. COCOBOD will continue to focus on appropriate strategies to overcome emerging challenges particularly climate change which remains the main threat to sustainable cocoa production.

The Government through COCOBOD continued with the free distribution of hybrid cocoa seedlings, fertilizers and agro chemicals to farmers to increase production. Additionally, COCOBOD has initiated a campaign to attract the youth to take up cocoa farming as a business. Our main focus is to encourage the youth to take over from their ageing parents in a professional manner and to shift the paradigm from subsistence practices. The extension model, which sought to build capacity of farmers to take cocoa farming as a business enterprise is also being intensified and designed to facilitate the youth programme.

Within the coffee sector, we have initiated a programme to group all actors in the supply chain and build their capacities to enable them take advantage of emerging opportunities. Further, the identification of coffee processors is ongoing with four processing facilities identified.

As part of our efforts to sustain the sheanut industry, the Shea Unit embarked on sensitization visits to strengthen the capacity of Shea Co-operatives to adopt sustainable practices. This approach was targeted at creating a united front for women to bargain and sell their produce to improve their livelihoods. The Unit has developed a draft shea strategic document which is yet to be validated for implementation.

We have reviewed the sanctions and guidelines for the operations of Licensed Buying Companies (LBCs) in the internal marketing of cocoa in Ghana. We are in the process of getting the legal backing for the sanctions to ensure that operators that flout the rules and regulations guiding the internal marketing of cocoa are sanctioned to instill order and discipline in the cocoa industry.

COCOBOD has also mainstreamed the Ghana Cocoa Platform (GCP) into its line of activities. We envisage that the GCP mechanism will enhance dialogue amongst stakeholders on key issues in the cocoa industry for a sustainable cocoa economy.

In conclusion, I wish to emphasize that COCOBOD will intensify education and extension services to encourage farmers to adopt improved production technology through the application of fertilizers as well as disease and pest control. We shall sustain the interest of farmers by paying remunerative producer prices to increase returns from cocoa production and project cocoa farming as a business. The Board of Directors will offer the necessary support to COCOBOD Management to implement sound operational policies, and maintain Ghana's commitment to the International Cocoa Agreement in our efforts to achieve a sustainable cocoa economy.

DANIEL OHENE AGYEKUM
Chairman

GHANA COCOA BOARD

45th

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

30th September, 2014

CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDING 30TH SEPTEMBER, 2014

REVIEW OF BUSINESS OPERATIONS

1. PRODUCER PRICE

The 2013/14 cocoa year opened on 18th October, 2013. The producer price of GH¢3,392 per tonne of cocoa as well as buyers margins, fees and charges remained unchanged.

The coffee and sheanut sectors have been privatized. As a result, their producer prices are determined through negotiations between farmers and Licensed Buying Companies (LBCs). COCOBOD merely determines a floor price for the two commodities which serve as the starting point at which both farmers and LBCs may begin negotiations. During the period under review, the floor price for a tonne of coffee was GH¢1,700.00 while sheanut farmers received GH¢1,176.47 per tonne or GH¢100.00 per 85kg bag for their produce.

2. COCOA PURCHASES PERFORMANCE AND LICENSED BUYING COMPANIES (LBCs)

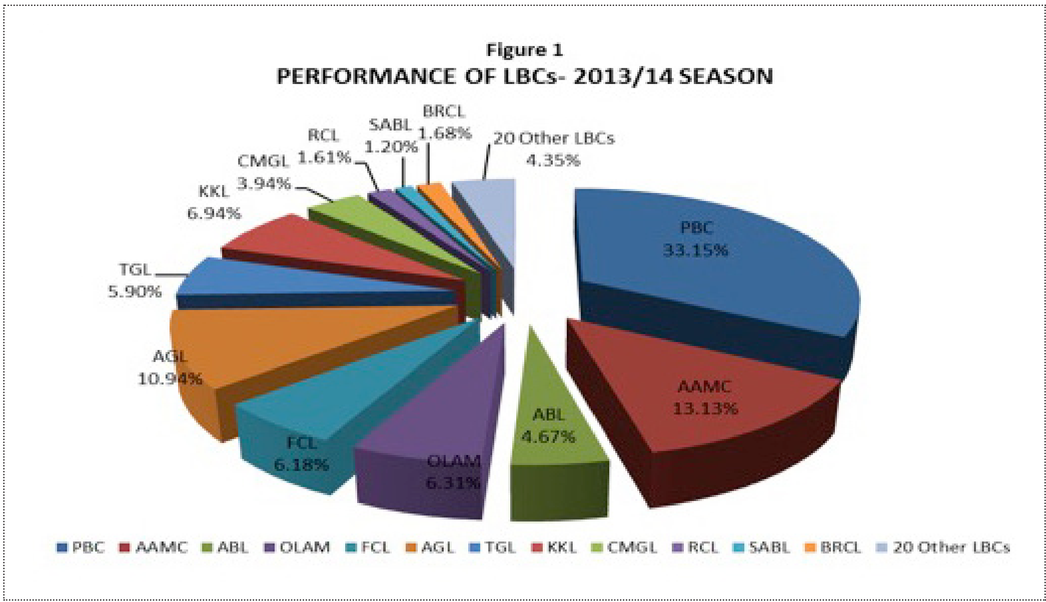
The 2013/14 cocoa season marked 21 years of participation by Licensed Buying Companies (LBCs) in the internal marketing of cocoa. Currently COCOBOD has licensed 41 companies to engage in the internal marketing of cocoa. However, 32 out of the 41 LBCs are active and purchased cocoa during the 2013/14 season.

Declared cumulative cocoa purchases for the 2013/14 crop year was 896,220 tonnes, representing 7.27% increase over the 835,466 tonnes recorded in 2012/13. List of LBCs and tonnages of cocoa purchased during the 2013/14 crop year were as follows:

LBC	Tonnage
1. PBC Limited	297,131
2. Akuafo Adamfo Mkting Ltd.	117,673
3. Armajaro (Gh) Limited	98,029
4. Kuapa Kokoo Limited	62,232
5. Olam (Gh) Limited	56,560
6. Federated Commodities Ltd.	55,355
7. Transroyal (Gh) Limited	52,869
8. Adwumapa Buyers Limited	41,826
9. Cocoa Merchants (Gh) Ltd	35,337
10. Brossaman Company Ltd.	15,055
11. Royal Commodities Limited	14,400
12. Sika Aba Buyers Ltd.	10,732
13. Kumankoma Company Ltd	7,754
14. CDH Commodities Ltd.	7,133
15. NTHC Company Ltd.	5,606
16. Nyonkopa Cocoa Buying Co.	4,756
17. Nhyira Dua Ghana Ltd	3,973
18. Splendid Business Services	1,800
19. Fortune Tree Company Ltd.	1,508
20. Abapa Golden Limited	1,467
21. Farmers Star Limited	1,215

LBC	Tonnage
22. Liberty Company Ltd.	685
23. Aboafo Buyers Limited	625
24. Marpie Enterprise Limited	595
25. Akuotec Company Limited	507
26. Yayra Glover Limited	465
27. M-Ghazalli Company Ltd	383
28. Universal Co-op Ltd.	211
29. Fredako Cocoa Co. Ltd.	204
30. Edebo Kokoo Co. Ltd.	75
31. Enyidado Commodities Ltd	47
32. Evadox Company Ltd.	10
33. Sompa Kokoo Ltd	0
34. Dio Jean Company	0
35. Diaby Company Ltd	0
36. Duapa Buyers Co. Ltd.	0
37. Blossom Exports Limited	0
38. Alhaji Sulemana Ind. Ltd.	0
39. Tradeco International Co. Ltd.	0
40. Farmers Alliance Ltd.	0
41. Ghana Co-op Mktg. Assoc.	0

The performance of the respective LBCs during the season under review is shown in Figure 1.



The PBC Limited (PBC) continued to be the leading buyer of cocoa with 33.15% share of the market. Akuafo Adamfo and Armajaro Ghana Limited followed in second and third places with market shares of 13.13% and 10.94% respectively. The other twenty-nine (29) companies together accounted for 42.78% of the market.

3. COFFEE AND SHEANUT PURCHASES/EXPORTS

The private sector continued to dominate the internal and external marketing of coffee and sheanuts during the 2013/14 crop year. The number of coffee and sheanut LBCs was fifteen (15) and nine (9) respectively during 2013/14. The fifteen (15) active coffee LBCs include Time Marketing Company Ltd, Ghalia Ghana Ltd, Melgrove Company Limited, De Jong, Al Noad, Emof Ventures, S.A.S Paaso Limited, Bethel Inc Agencies Limited, Multi-Bio Limited, L.D & Sons Int. Limited, Yoal Limited, Plantations Resources, Nincoent Company Ltd., GNPA Ltd and Bet Exports Limited reported coffee purchases totaling 3,884 tonnes during the period. With support from Government, COCOBOD continued with the coffee rehabilitation project focused on boosting production. The overall aim of the project is to transform the coffee sub-sector as part of the modernization of the agricultural sector in Ghana.

Sheanuts exported during the year 2013/14 was 48,927 tonnes valued at GH¢25,390,356.12 while sheabutter exports were 711 tonnes valued at GH¢1,860,228.77. Produce Buying Company (Shea) Limited, 3F Ghana Limited, Ghana Nuts Limited, AAK Limited, Wilmardel Limited, Loders Crockhaan Limited, Shebu Company Limited, Pure Limited and Savannah Fruits Company Limited were the major operators in the industry.

4. PERFORMANCE OF DIVISIONS AND SUBSIDIARIES

A. QUALITY CONTROL COMPANY (QCC)

The QCC continued with their core functions of grading/sealing and disinfestation of scheduled crops of COCOBOD ie. cocoa, coffee, cashew nuts and sheanuts. During the 2013/14 crop year, the Company inspected and certified the storage facilities for Cocoa Marketing Company (Gh) Limited, Unicontrol (Gh) Limited and LBCs at both up-country and take-over centres, in accordance with the Cocoa Industry Regulations 1968/LI598. Additionally, the company intensified education of farmers on good agronomic practices in order to maintain the premium quality of Ghana's cocoa.

a. Selective Grading of Cocoa

Prescribed codes for the various cocoa bean-size categories that differentiate the 2013/14 crop from the previous years' are indicated below.

BEAN SIZE	BEAN COUNT	PRESCRIBED CODES
Category	**Per 100 Grams**	**2013/14 Season**
Super Main Crop	Up to 90	H
Main Crop	91 to 100	A
Super Light Crop	101 to 110	L
Light Crop	111 to 120	F
Small Beans	121 to 130	P
Type "4"	131 to 150	V
Remnant	151 to 180	R

b. Grading and Sealing

(i) Cocoa

QCC graded and sealed 892,954 tonnes of cocoa in 2013/14 as against 831,922 tonnes in 2012/13. The graded and sealed figure represented 99.64% of the total declared purchases of 896,220 tonnes.

(ii) Composition of Bean-size Categories

Bean-size category	2013/14	2012/13
Main Crop	76.87	72.03
Light Crop	21.33	19.02
Small Beans	1.64	6.84
Type "4" Beans	0.14	1.71
Remnant	0.02	0.39
	100.00	**100.00**

(iii) Other Produce Inspected

QCC also inspected and certified the following produce during the 2013/14 crop season.

Produce	2013/14	2012/13
Cocoa Waste (tonnes)	2,185	1,693
Coffee (tonnes)	8	26
Sheanut (tonnes)	15,416	11,799

c. Check Sampling

QCC carried out check sampling activities to certify the purity of consignment of sealed cocoa delivered by the LBCs to CMC at the Take-Over Centres. Additionally, parcels of cocoa for export or delivery to local processing factories were check-sampled prior to shipment or delivery to the local processing factories.

d. Disinfestation Activities

The company also undertook the following disinfestation activities during the period.

(i) Insect Control Operations:	2013/14	2012/13
1. Number of sheds sprayed	69,919	98,802
2. Number of sheds fogged	92,490	145,648
3. Tonnage of produce fumigated for export (Including re-fumigated stock of cocoa)	1,084,543	1,410,222

(ii) Shipment Inspection and Treatment:		
Number of vessels inspected and treated at the two ports before loading of produce for shipment	285	345

B. COCOA MARKETING COMPANY (GH) LIMITED (CMC)

CMC continued to market and ship cocoa on contract to local and overseas buyers from Takoradi and Tema ports.

(a) Shipments and Processing

(i) Cocoa Beans

Cocoa beans shipped to overseas destinations during 2013/14 crop year totaled 721,222 tonnes. The FOB value of the beans shipped amounted to GH¢4,498,546,215. A total of 252,632 tonnes of cocoa beans was processed into semi-finished products by local processing factories. The local processors include Barry Callebaut, Cocoa Processing Company Limited, Niche Cocoa Industries Limited, Plot Enterprise, Cargill (Ghana) Limited, ADM Limited, BD Associates and Real Products Limited. The direction of trade for beans shipments as well as cocoa processed by local processing factories is shown in Figures 2 and 3 respectively.

Figure 2
COCOA BEANS SHIPMENT BY DESTINATION - 2013/14

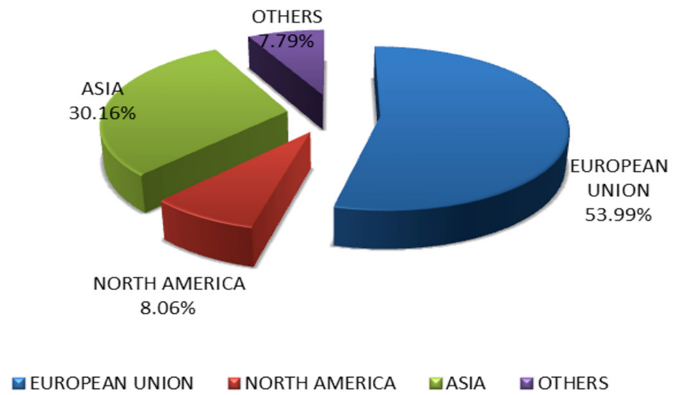
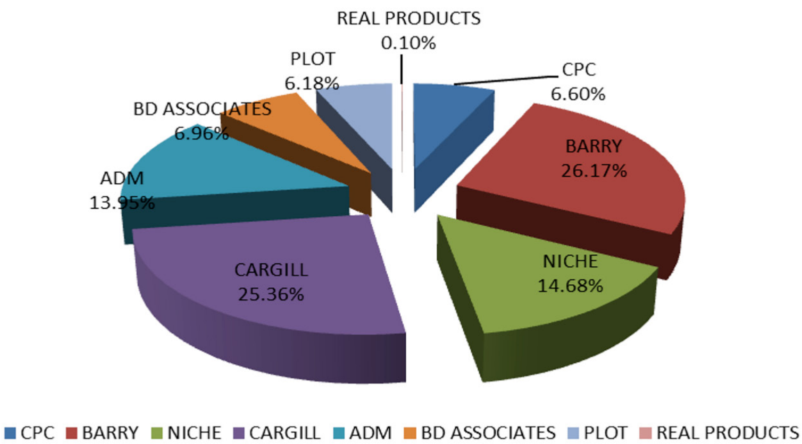


Figure 3
COCOA BEANS PROCESSED BY FACTORIES-2013/14



SOURCE: RM&E DEPT., COCOBOD

The European Union continued to be the largest buyer of Ghana cocoa beans. Shipment of cocoa to the EU accounted for 53.99% of total cocoa beans exported in 2013/14 as depicted in Figure 2.

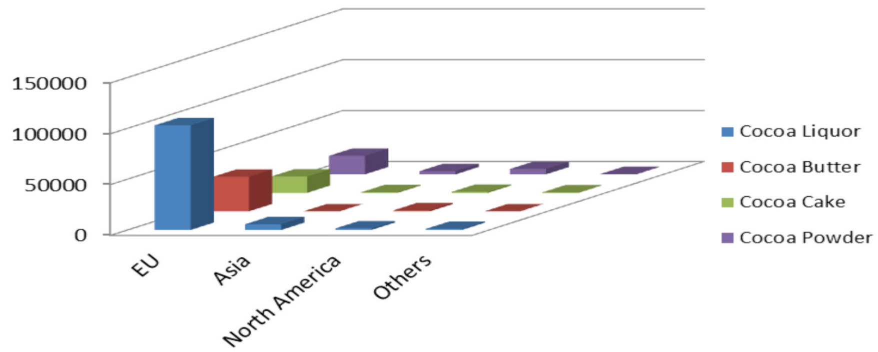
Figure 3 depicts the shares of cocoa beans processed by respective local processing factories during the year. Barry Callebaut Limited was the largest processor with 26.17% in 2013/14.

(ii) Cocoa Products

Exports of cocoa products by eight (8) cocoa processing factories during the 2013/14 year comprised 111,289 tonnes of cocoa liquor, 35,195 tonnes of cocoa butter, 18,278 tonnes of cocoa cake and 26,991 tonnes of cocoa powder. These products were valued at GH¢892,006,570, GH¢539,354,360, GH¢78,401,220 and GH¢152,126,200 respectively.

Details of cocoa products shipments by destination during the 2013/14 season are shown in Figure 4 below.

Figure 4
COCOA PRODUCTS EXPORTS BY DESTINATION (TONNES)
2013/14



SOURCE: RM&E DEPT., COCOBOD

Trend analysis of cocoa products shipments confirmed the EU market as Ghana's most important destination for the cocoa trade. The bulk of cocoa products produced by local cocoa processing factories were delivered to European buyers.

C. SEED PRODUCTION UNIT – (SPU)

The Seed Production Unit (SPU) produced and distributed hybrid cocoa seed pods and seedlings to farmers during the 2013/14 season.

(a) Hybrid Seed Pods

In 2013/14, the Division harvested 6,430,462 hybrid seed pods, representing 77.48% of the target of 8,299,493 pods.

Out of the total hybrid pods harvested, 5,919,173 representing 92% was distributed as field usable totals. A total of 5,581,156 pods was sold to farmers while the remaining 338,817 were used to raise seedlings for distribution to farmers. A total of 162,600 pods was issued to institutions while 347,889 fermentable and non-fermentable discards were processed into dry beans.

(b) Cocoa Seedlings

Cocoa seedlings raised in 2013/14 totalled 9,014,852. This performance exceeded the season's target of 9,000,000 seedlings by 14,852 seedlings or 0.17%. A total of 8,664,597 seedlings representing 93.11% was distributed to the Cocoa Health and Extension Division under the free seedlings Programme. The remaining stock of 350,255 was carried over to the following season.

D. COCOA HEALTH AND EXTENSION DIVISION (CHED)

(a) Field Operations

The Cocoa Swollen Shoot and Virus Control Unit (CSSVDCU) changed its name to Cocoa Health and Extension Division (CHED) during the period under review. The CHED continued with cocoa swollen shoot virus disease control activities during the 2013/14 crop year. The Unit intensified the public-private partnership extension model introduced four years ago and strengthened the National Cocoa Rehabilitation Scheme.

A total of 207 sectors, involving 863 blocks and covering an area of 513,818.06 hectares, was surveyed during the

2013/14 year. In addition, the Unit discovered 2,375 swollen shoot outbreaks, covering land area of 26,698.62 hectares with an estimated 9,930,762 diseased trees. The Unit also treated 578 outbreaks with the removal of 3,822,430 contact trees. Outstanding CSSVD outbreaks stood at 37,968 with 181,645,213 estimated diseased trees.

The CHED disbursed GH¢1,629,404.08 as initial treatment grant to owners of 2,641.70 hectares of cocoa farms treated against CSSVD during its 2013/14 operations. A total of GH¢476,214.21 was paid as wages for the removal of 1,585,386 diseased and contact trees while GH¢11,042,462.57 was paid as replanting grant for 8,842.67 hectares.

(b) CODAPEC & Hi-Tech

Cocoa Disease and Pest Control (CODAPEC) activities as well as fertilizer application on cocoa farms continued during the period under review. A total of 126,523 cartons of fungicides and 94,511 cartons of insecticides were distributed for spraying on cocoa farms. A total of 1,598,970 bags of inorganic granular and 219,869 bags of elite organic fertilizers were distributed to farmers. In addition, a total of 59,959 cartons of Lithovit and 68,345 cartons of Sidalco liquid fertilizers were distributed to farmers for use on their cocoa farms.

E. COCOA RESEARCH INSTITUTE OF GHANA (CRIG)

Scientific research activities carried out by CRIG during the 2013/14 crop year included the following.

a. Cocoa Agronomy, Cocoa Development/Improvement, Capsid, Black Pod and CSSVD Control

i. Under cocoa establishment, it was confirmed that cocoa inter-planted with two stands each of shade tree species grew significantly faster in girth and height than the other shade tree species.

ii. Tests of inorganic fertilizers on mature cocoa have produced yield results that compare favourably with the standard fertilizers approved for use by COCOBOD. Super Master and Fruit Master, designed to improve pod yield has also shown significant positive effect in preliminary trials, outperforming the standard fertilizers.

iii. Analyses of existing progeny trials have revealed a number of potential new clones with good combining abilities for important agronomic traits when hybridized with existing Seed Garden female parents.

iv. Under the cocoa fungal diseases management, epidemiological studies showed that Pink and White thread blight disease adversely affected cocoa yield. Mistletoe infestation was widespread and epiphytic plants were prevalent on poorly managed cocoa farms.

v. Studies revealed changes in pest cycles particularly mirids and stink bugs. A spraying strategy that takes into account these changes was effective. It was recommended that two good applications in the first half of the year i.e February to May at monthly intervals and a further two in September and October in mature farms should suffice.

vi. Under cocoa swollen shoot virus (CSSV) thrust, it was noted that two mild strains (N1 and SS365B) have the potential to minimize the effect of the severe strain of the virus on the growth and yield of cocoa progenies albeit up to 20 years after inoculation.

b. Coffee Agronomy, Coffee Development/Improvement, Coffee Pests and Disease Control

i. In the light of Global change in climate and its adverse effect on productivity, the coffee improvement program developed coffee planting material that is tolerant to drought, and generally adaptable to prevailing environmental conditions.

ii. Eleven hybrids showed high mean performance in vigor traits and leaf chlorophyll content, and low sensitivity to drought and nutrient-stress. Two hybrids with average four-year bean yield of 2.0 to 2.2 tons/ha and bean weight of 14.5 to 15.1g/100 beans without fertilizer application were recommended for multiplication by the Seed Production Unit for distribution to farmers.

iii. Intercropping coffee with fruit trees has not affected coffee yield at initial stage. Both intercropping and weed control method did not significantly influence the growth of coffee plants six months after transplanting.

c. Kola Agronomy, Development/Improvement, Kola Pests and Disease Control

i. A compatibility assessment carried out on thirteen (13) introductions made in 2007/08 continued for the 2013/14 crop season. The introductions were crossed to the leading hybrids to access their compatibility status. Ninety-two percent (92%) of the crosses made were compatible while 8% were not.

ii. On the clonal evaluation trial on kola, it was observed that significant differences exist in the growth of the clones in-terms of girth size. Finally, re-assessment of the pest status of kola fruit fly, Ceratitis colae in Ghana has been initiated.

d. Sheanuts Agronomy/Cashew Development, Sheanuts Pests and Disease Control

i. Cashew genotypes introduced from Brazil and Benin was evaluated for yields. For the Brazilian Dwarf types, yields obtained from trees planted in Bole were generally low compared to yields recorded in Wenchi. Yield from Benin materials followed a similar trend. However, yields from Benin were higher than those from Brazil.

ii. Studies on the residual effects of gamma-irradiation of sheanut seeds and cuttings on growth traits of shea showed that increasing dose of gamma-irradiation caused marked reduction in plumule emergence. For studies on Pestalotia leaf spot of sheanut, nine fungal isolates were successfully identified.

e. New Products Development

Production of by-products developed from cocoa, cashew and shea continued during the period. Products produced included soap, pomades, alcoholic beverages and other edible products. Cocoa butter soap, pomade and alata samina as well as shea butter pomade, alata samina and shower gel passed quality assessment at the Ghana Standards Authority and have been registered with the Food and Drugs Authority.

5. FINANCIAL RESULTS

Highlights of the audited accounts for the 2013/14 season included the following:-

(i) Profit/Loss

During the 2013/14 financial year, COCOBOD made a profit of GH¢227,588,000 compared to a loss of GH¢1,085,371,000 recorded in 2012/13. The 2013/14 financial year recorded an achievable FOB price of US$2,434.00 per tonne as against US$2,383.00 per tonne in the 2012/13 financial year.

(ii) Export Duty

COCOBOD paid a total of GH¢16,100,000 as export duty into Government Treasury in 2013/14 crop year as against GH¢40,000,000 paid during the 2012/13 crop year.

6. COMMUNITY IMPROVEMENT PROJECTS

As part of our corporate social responsibility, COCOBOD made cash donations to various institutions during the 2013/14 season. The institutions that received sponsorship during the period were:-

1. Bunso Police
2. KNUST Medical School Association
3. Asogli State
4. Trade Union Congress (May day celebration)
5. Okyeman Council
6. Support for Independence Anniversary Celebration
7. Ministry of Youth and Sports
8. Assinman Cocoa Farmers Association
9. Ga South Municipal Directorate
10. Otumfuo Osei Tutu (15th Anniversarry celebration)
11. Ebenezer Martei Hammond – Homowo Festival
12. Premier Production – Asanteman
13. Farmers Day Celebration
14. Medi Moses Postrate Foundation
15. Bechem Traditional Council
16. Begoroman Congress

DR. STEPHEN KWABENA OPUNI
Chief Executive

24th February, 2015

GHANA COCOA BOARD

FINANCIAL STATEMENTS

30 SEPTEMBER 2014

GHANA COCOA BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

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GHANA COCOA BOARD CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Daniel Ohene Agyekum	Chairman	(Appointed 20/1/14)
Dr. Stephen Kwabena Opuni	Chief Executive	(Appointed 20/1/14)
Alhaji Alhassan Bukari	Member	(Appointed 20/1/14)
Mr. Cassiel Ato Forson	Member	(Appointed 20/1/14)
Mr. Edwin Nii Lantey Vanderpuye	Member	(Appointed 20/1/14)
Dr. Agyemang-Attuahene Kontor	Member	
Dr. Henry Kofi Wampah	Member	
Nana Adjei Damoah	Member	
Mr. Charles Tetteh Kwao Dodoo	Member	
Mrs. Afriyie Haffar	Member	

Dr. Percival Alfred Kuranchie	(Resigned 20/1/14)
Mr. Anthony Fofie	(Resigned 20/1/14)
Prof. Kofi Nketia Afful	(Resigned 20/1/14)
Mr. Paul Asimenu	(Resigned 20/1/14)
Dr. (Mrs) Bernice Adiku-Heloo	(Resigned 20/1/14)

REGISTERED OFFICE

Ghana Cocoa Board
Cocoa House
41 Kwame Nkrumah Avenue
P O Box 933
Accra

SOLICITOR/SECRETARY

Mr. John Daniel Clottey-Sefa
Ghana Cocoa Board
41 Kwame Nkrumah Avenue
P O Box 933
Accra

AUDITOR

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

BANKERS

Bank of Ghana
Agricultural Development Bank Limited
Barclays Bank of Ghana Limited
Ecobank Ghana Limited
GCB Bank Limited
Ghana International Bank Plc
HFC Bank Ghana Limited
National Investment Bank Limited
Prudential Bank Limited
Societe Generale Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana Limited
Universal Merchant Bank Ghana Limited

GHANA COCOA BOARD
REPORT OF THE DIRECTORS TO THE MINISTER RESPONSIBLE FOR FINANCE

The Directors present their report and the financial statements of Ghana Cocoa Board for the year ended 30 September 2014.

PRINCIPAL ACTIVITIES

Ghana Cocoa Board is a corporate body (Company) domiciled in Ghana, which was established by the Ghana Cocoa Board Act, 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991, (PNDCL 265). The mandate of Ghana Cocoa Board as set out in section 2 of the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended includes amongst others:

(a) To purchase, market and export cocoa produced in Ghana, which is graded under the Cocoa Industry Regulation (Consolidation) Act, 1968 (NLCD 278) or any other enactment as suitable for export;

(b) To establish or encourage the establishment of industrial processing factories for the processing of cocoa and cocoa waste into marketable cocoa products; and

(c) To regulate the marketing and export of cocoa, coffee and sheanuts.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended 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.

BUSINESS REVIEW

The Company recorded a net profit of GH¢227,588,000 (2013: net loss of GH¢1,085,371,000) for the year. The achievement for the year was attributable to the following:

- A 7.4% increase in production from 835,466 metric tonnes in the prior year to 896,883 metric tonnes in the current year

- A higher average FOB price per tonne of US$2,434 in the year (2013: US$2,383)

- Improved efficiency in operations which resulted in the reduction in distribution expenses, administrative expenses and finance costs amongst others.

The Company carried out a revaluation of its immovable properties during the year. The revalued amounts which have been incorporated in the financials strengthened the Company's assets base.

The Directors will put in place the following measures to sustain the Company's profitability in the coming years:

- Improved utilization of operational inputs to ensure that desired production targets are achieved

- Continuous restructuring of sales contracts to free the Company from the use of short-term financing with its accompanying high interest rates.

- Continuous monitoring of the Company's operations to ensure efficiency at all levels.

The Directors expect a fall in the world cocoa production of cocoa beans in 2014/15 due to the El Nino weather conditions.

There has also been a forecasted increase in grindings which is likely to create a shortfall in supply. This is likely to result in higher cocoa prices in the 2014/15 financial year. The Company will take advantage of the projected deficit in supply and the higher prices to put in necessary measures to increase production in the year.

SUBSIDIARIES

Cocoa Marketing Company (Ghana) Limited, a company incorporated in Ghana to engage in the sale and marketing of cocoa, is a wholly owned subsidiary of Ghana Cocoa Board.

Ghana Cocoa Board also holds a 57.73% interest in Cocoa Processing Company Limited, a company incorporated in Ghana to engage in the processing and marketing of cocoa products.

The financial statements of the above subsidiaries are included in the consolidated financial statements of Ghana Cocoa Board, which are available at its registered office, Cocoa House, 41 Kwame Nkrumah Avenue, Accra, Ghana.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company were approved by the Board of Directors on 24th February, 2015 and were signed on their behalf by:

....	....
DANIEL OHENE AGYEKUM	**DR. STEPHEN KWABENA OPUNI**
Director	Director

GHANA COCOA BOARD

INDEPENDENT AUDITOR'S REPORT TO THE MINISTER RESPONSIBLE FOR FINANCE

KPMG

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Ghana Cocoa Board ("the Company"), which comprise the statement of financial position at 30 September 2014, and the statements of profit or loss and other 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 and other explanatory information as set out on pages 6 to 35.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by the Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265), 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 Company'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 Company'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 separate financial statements give a true and fair view of the financial position of Ghana Cocoa Board at 30 September 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ghana Cocoa Board Act, 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265).

KPMG

SIGNED BY: NATHANIEL D HARLLEY (ICAG/P/1056)
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2014/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX 242
ACCRA

23 March 2015

GHANA COCOA BOARD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 GH¢'000	2013 GH¢'000
Revenue	7	6,025,750	3,710,565
Direct costs	8	(4,914,276)	(3,711,804)
Gross profit/(loss)		1,111,474	(1,239)
Other operating income	9	3 5,994	19,485
Distribution expenses	10	(86,960)	(102,211)
Administrative expenses	11	(590,039)	(665,498)
Operating profit/(loss)		470,469	(749,463)
Finance costs	12	(391,859)	(430,341)
Finance income	13	148,978	94,433
Profit/(loss) for the year		227,588	(1,085,371)
Other comprehensive income			
Items that will not be classified to profit or loss			
Revaluation of property plant and equipment	15	1,733,879	-
Actuarial gains on defined benefit pension plans		27 977	1,366
		1,734,856	1,366
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of other financial assets classified as available for sale	27	9,979	20,880
Net (gain)/loss realized on disposal of available for sale financial assets recycled to profit or loss	27	(399)	9,774
		9,580	30,654
Other comprehensive income for the year		**1,744,436**	**32,020**
Total comprehensive income for the year		**1,972,024**	**(1,053,351)**

The notes on pages 10 to 35 form an integral part of these financial statements

GHANA COCOA BOARD
STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2014

	Note	2014 GH¢'000	2013 GH¢'000
Non-current assets			
Property, plant and equipment	15	2,139,216	406,465
Trade and other receivables	20	125,377	5,747
Investments in subsidiaries	16	23,904	23,904
Other investments	17	31,871	22,291
		2,320,368	528,407
Current assets			
Inventories	19	251,528	417,971
Other financial assets	18	221,743	122,198
Trade and other receivables	20	1,358,559	1,337,837
Cash and cash equivalents	21	441,003	222,040
		2,272,833	2,100,046
Total assets		**4,593,201**	**2,628,453**
Equity			
Capital contribution	27	393	393
Fair value reserve	27	18,244	8,664
Revaluation reserve	27	1,733,879	-
Other reserve	27	3,364	2,387
Retained earnings	27	(828,658)	(1,056,246)
Total equity		**927,222**	**(1,044,802)**
Current Liabilities			
Other interest bearing loans and borrowings	22	1,160,594	898,884
Trade and other payables	23	303,489	67,522
Deferred income	24	222,198	640,952
Provisions	26	63,441	35,372
		1,749,722	**1,642,730**

Statement of Financial Position...........cont'd.

Non-current liabilities			
Other interest bearing loans and borrowings	22	1,287,100	1,296,909
Deferred income	24	608,088	713,382
Employee benefits	25	21,069	20,234
		1,916,257	**2,030,525**
Total Liabilities		**3,665,979**	**3,673,255**
Total Equity and Liabilities		**4,593,201**	**2,628,453**

These financial statements were approved by the Board of Directors on 24th February, 2015 and were signed on their behalf by:

DANIEL OHENE AGYEKUM
Director

DR. STEPHEN KWABENA OPUNI
Director

The notes on pages 10 to 35 form an integral part of these financial statements

GHANA COCOA BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2014

2014	Capital Contribution GH¢'000	Revaluation Reserve GH¢'000	Fair Value Reserve GH¢'000	Retained Earnings GH¢'000	Other Reserves GH¢'000	Total Equity GH¢'000
Balance at 1 October 2013	393	-	8,664	(1,056,246)	2,387	(1,044,802)
Total comprehensive income						
Profit for the year	-	-	-	227,588	-	227,588
Other comprehensive income	-	1,733,879	9,580	-	977	1,744,436
Total comprehensive income	-	1,733,879	9,580	227,588	977	1,972,024
Balance at 30 September 2014	393	1,733,879	18,244	(828,658)	3,364	927,222

2013	Capital Contribution GH¢'000	Fair Value Reserve GH¢'000	Retained Earnings GH¢'000	Other Reserves GH¢'000	Total Equity GH¢'000
Balance at 1 October 2012	393	(21,990)	29,125	1,021	8,549
Total comprehensive income					
Loss for the year	-	-	(1,085,371)	-	(1,085,371)
Other comprehensive income	-	30,654	-	1,366	32,020
Total comprehensive income	-	30,654	(1,085,371)	1,366	(1,053,351)
Balance at 30 September 2013	393	8,664	1,056,246)	2,387	(1,044,802)

The notes on pages 10 to 35 form an integral part of these financial statements.

GHANA COCOA BOARD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 GH¢'000	2013 GH¢'000
Cash flow from operating activities			
Profit/(loss) for the year		329,311	(1,093,472)
Adjustments for:			
Depreciation, amortization and impairment	15	33,833	32,161
Foreign exchange (gains)/losses		(257,115)	21,828
Loss on deemed sale of equity accounted investees	27	-	(1,306)
Gain on disposal of available for sale financial assets		(10)	-
Cumulative fair value changes recycled from fair value reserve on disposal of shares		(399)	-
Finance income	13	(156,899)	(104,587)
Finance costs	12	399,845	433,103
Taxation		3,288	1,881
		351,854	(710,392)
Changes in:			
Decrease in trade and other receivables		190,419	252,662
Decrease in inventories		184,293	66,827
Increase/(decrease) in trade and other payables		243,376	(397,237)
(Decrease)/increase in deferred income		(432,296)	324,432
Increase/(decrease) in provisions		28,069	(97,860)
Increase in employee benefits		(2,270)	(2,117)
(Increase)/decrease in other financial assets		(112,208)	113,069
Cash from/(used in) operating activities		451,237	(450,616)
Tax (paid)/refund		-	602
Net cash from/(used in) operating activities		451,237	(450,014)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		793	-
Proceeds from sale of available for sale financial assets		447	-
Interest received		144,097	94,142
Dividends received	13	841	690
Acquisition of property, plant and equipment	15	(27,179)	(93,039)
Net cash from investing activities		118,999	1,793

Cash flows from financing activities			
Proceeds from loan		934,578	858,774
Interest paid		(334,793)	(151,574)
Repayment of borrowings		(973,654)	(386,873)
Net cash (used in)/from financing activities		(373,869)	320,327
Net increase/(decrease) in cash and cash equivalents		196,367	(127,894)
Cash and cash equivalents at 1 October		256,551	384,557
Effect of exchange rate fluctuation on cash held		12,435	(112)
Cash and cash equivalents at 30 September	22	465,353	256,551

The notes on pages 11 to 46 form an integral part of these financial statements.

GHANA COCOA BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. REPORTING COMPANY

Ghana Cocoa Board is a corporate body domiciled in Ghana, which was established by the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265). These are the consolidated financial statements of Ghana Cocoa Board for the year ended 30 September 2014.

2. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards. Additional information required under the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended, have been included where appropriate.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Ghana Cedis, which is the company's functional currency. All financial information presented in Ghana Cedis have been rounded to the nearest thousand, except where otherwise indicated.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are included in notes 26 and 29.

5. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention except for the following material items:

- Financial assets classified as available-for-sale, measured at fair value.
- Defined benefit obligations, recognised at the present value of future benefit of employees, net of the fair value of plan assets, plus unrecognized actuarial gains less unrecognized past service costs and unrecognized actuarial losses.
- Land and buildings and produce sheds, measured at fair value.

6. SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of identifiable assets acquired and liabilities assumed.

When the excess is negative, this is recognised immediately in profit or loss. Costs relating to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Changes in the Group's interests in a subsidiary that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of the equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in a former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

6.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentation currency (Ghana Cedi) at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year. Exchange differences arising from the translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest as the case may be.

When a foreign operation is disposed of, such that control, joint control or significant influence is lost, the entire accumulated amount in the translation reserve, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

6.3 Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The Group classifies non-derivative financial liabilities into financial liabilities at fair value through profit or loss and other financial liabilities category.

Non-derivative financial assets and liabilities – recognition and derecognition

Financial assets and liabilities at fair value through profit or loss are financial assets and liabilities that are designated on initial recognition as those measured at fair value with fair value changes through profit or loss or financial assets and liabilities that are held for trading.

Held to maturity assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity and which are not designated at fair value through profit or loss or available for sale. Any sale or reclassification of a significant amount of held to maturity asset not close to their maturity would result in the reclassification of all held to maturity assets as available for sale and would prevent the Group from classifying financial assets as held to maturity for the current and the following two financial years. Differences between the carrying amount (amortized cost) and fair value on the date of reclassification are recognized in other comprehensive income.

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market other than held for trading or designated on initial recognition as assets at fair value through profit or loss or as available for sale and comprise mainly of cash and cash equivalents, loans and advances and other assets.

Available for sale financial assets are non-derivative financial assets designated on initial recognition as available for sale or any instruments that are not classified as loans and receivables, held to maturity or financial assets at fair value through profit or loss.

Other than loans and receivables and debt securities, the Group recognizes all financial assets and financial liabilities initially on the trade date. Loans and receivables and debt securities are initially recognized on the date when they are originated.

Financial assets and liabilities are offset and the net amount presented when and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or when 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 assets 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 asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Non-derivative financial assets and liabilities – measurement

Held-to-maturity financial assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Cash and cash equivalents comprise cash at banks and in hand as well as short-term deposits and highly liquid investments with a term of three months or less from the date of acquisition.

Available-for-sale financial assets represent other investments in equity instruments. These are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and accumulated in fair value reserves. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. Investments in subsidiaries are carried at cost.

Non-derivative financial liabilities, are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, other than those measured at fair value through profit or loss, these liabilities are measured at amortised cost using the effective interest method. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

6.4 Impairment

Financial assets not classified at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

i. default or delinquency by a debtor;

ii. restructuring of an amount due to the Group on terms that the Group would not otherwise consider;

iii. indications that a debtor or issuer will enter bankruptcy;

iv. adverse changes in the payment status of borrowers or issuers;

v. the disappearance of an active market for a security; or

vi. observable data indicating a measurable decrease in expected cash flows from a group of financial assets.

The Group considers evidence of impairment for assets at both individual and collective levels. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amounts of loss incurred and makes an adjustment if current economic and credit conditions are such that actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by re-classifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

For investments in equity securities, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged. At each reporting date, the Group reviews the carrying amounts of its non-financial assets (inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

6.6 Property, plant and equipment

(i) Initial and subsequent measurement

During the year the Group changed its accounting policy on land and buildings and produce sheds from the 'cost model' to the 'revaluation model'. Land and buildings and produce sheds are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the gross net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings and produce sheds are credited to other comprehensive income and shown as revaluation reserve in equity. Decreases that offset previous increases of the same assets are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss, and depreciation based on the asset's original costs is transferred from revaluation reserve to retained earnings. When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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, 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.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and the useful life of the asset. Freehold land is not depreciated. The estimated useful lives are as follows:

- Buildings - 50 years
- Produce sheds - 10 years
- Plant and equipment - 5 years
- Furniture - 5 years
- Motor vehicles - 4 years
- Leasehold property - shorter of the lease term and the remaining estimated useful life

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

(iii) Capital work in progress

Property 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 and equipment when commissioned and ready for its intended use.

(iv) Dual-use property

Properties that are part used for own-use activities and part for rental activities are considered dual-use properties. This would result in the property being considered to be classified as part property and equipment and the other part as investment property. If a significant portion of the property is used for own-use and the portion rented out cannot be sold or leased out separately under a finance lease, then the entire property is classified as property and equipment. The Group considers an own-use portion above 95% of the measure as significant.

6.7 Goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use.

6.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the selling price less costs to sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs 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 overheads based on normal operating capacity.

6.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions to a separate Group and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past services or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined plan when the settlement occurs.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by employees and the obligation can be estimated reliably.

6.10 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rates that reflect risks specific to the liability.

6.11 Revenue

Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, associated costs and the possible return of goods can be estimated reliably, there is no continuing management involvement in the goods and the amount of revenue can be measured reliably. Risks and rewards of ownership are transferred at the point of despatch.

6.12 Leases

(i) Lease payments - Lessee

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Lease assets - Lessee

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognized in the Group's statement of financial position.

(iii) Lease assets - Lessor

Where significant portions of the risks and rewards of ownership or leases are retained by the lessor, such leases are classified as operating leases.

Lease income from operating leases are recognized in other income on a straight-line basis over the period of the lease.

6.13 Finance income and expenses

Finance income comprise interest receivable on funds invested and dividend income. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Finance expenses comprise interest payable and finance lease charges recognised in profit or loss using the effective interest method and unwinding of discounts on provisions that are recognised in profit or loss.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying assets are recognised in profit or loss using the effective interest method.

6.14 Taxation

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

6.15 New standards and interpretations not yet adopted

The following IFRSs have been issued but have not been applied by the Group in these financial statements. The following standards are those that may be relevant to the Group:

a. Amendments to IAS 19 'Employee Benefits'

The amendments introduce relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. Such contributions are eligible for practical expedient if they are:

- set out in the formal terms of the plan;
- linked to service; and
- independent of the number of years of service.

When contributions are eligible for the practical expedient, a company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered. The amendments apply retrospectively for annual periods beginning on or after 1 July 2014 with early adoption permitted. This standard is not expected to have a significant impact on the Group's financials.

b. IFRS 9 Financial Instruments

This standard includes changes to the measurement bases of financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Group. This standard will have a significant impact on the Group. The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application.

c. Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities

The amendments clarify when an entity can offset financial assets and financial liabilities. This amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted. The impact of the adoption of this amendment on the Group's financial statements is not currently known.

d. Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed. The amendments apply retrospectively for annual periods beginning on or after 1 January 2014 with early adoption permitted. The impact of the adoption of this amendment on the Group's financial statements is not currently known.

e. IFRS 15 Revenue from contracts with customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard is not likely have a significant impact on the financial statements. The standard is effective for annual periods beginning on or after 1 January 2017.

6.16 Changes in accounting policy

Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

a. IFRS 13 Fair Value Measurement.

b. IFRS 10 Consolidated Financial Statements (2011)

c. IFRS 12 Disclosure of Interests in Other Entities

d. IAS 19 Employee benefits (2011)

e. IAS 16 Property, plant and equipments

(a) Fair value measurement

In accordance with the transitional provisions of IFRS 13, the Group has applied the new definition of fair value, as set out in Note 6.5 prospectively. The change had no significant impact on the measurements of the Group's assets and liabilities, but the Group has included new disclosures in the financial statements, which are required under IFRS 13. These new disclosure requirements are not included in the comparative information. However, to the extent that disclosures were required by other standards before the effective date of IFRS 13, the Group has provided the relevant comparative disclosures under those standards.

(b) Subsidiaries

As a result of IFRS 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates other entities. IFRS 10 (2011) introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns. In accordance with the transitional provisions of IFRS 10 (2011), the Group reassessed its control conclusions as of 1 January 2013. This reassessment however did not result in the Group's consolidation of any of the entities that it previously did not consolidate. The change therefore did not have any impact on the Group's financial statements.

(c) Interests in other entities

As a result of IFRS 12, the Group has expanded disclosures about its interests in subsidiaries (see Note 26).

(d) Post-employment defined benefit plans

As a result of IAS 19 (2011), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to its post retirement defined benefit plans.

The change did not have a significant impact on the Group's financial statements. Group previously recognized actuarial gains and losses in other comprehensive income and not directly in profit or loss, which is consistent with the requirements of IAS 19 (2011).

(e) Property, plant and equipment

During the year the Group changed its accounting policy on land and buildings and produce sheds from the 'cost model' to the 'revaluation model'. The change was applied prospectively with no adjustment made to comparative information. The change had a significant impact on the measurement of property, plant and equipment in the financial statements.

7. REVENUE

	2014	2013
	GH¢'000	GH¢'000
Sale of cocoa beans	5,935,455	3,638,096
Processed cocoa products	95,155 1	15,760
	6,030,610	3,753,856

8. DIRECT COSTS

Cost of inventory included in cost of sales	3,391,798	2,899,965
Buyers' margin and haulers' costs	464,473	418,737
Pest and disease control	467,378	271,150
Cocoa Hi-Tech expenses	435,554	71,166
Other direct costs	159,878	94,558
	4,919,081	3,755,576

9. OTHER OPERATING INCOME

Rental income	3,250	2,994
Sundry income	55,641	34,181
Profit/(loss) on "deemed" disposal of interest in associate	-	1,306
Profit recycled from fair value reserve		
on disposal of available for sale financial assets	399	-
Profit on disposal of available for sale financial assets	10	-
	59,300	38,481

10. DISTRIBUTION EXPENSES

Export duty	16,100	40,000
Other distribution costs	3,840	2,225
	19,940	42,225

11. ADMINISTRATIVE EXPENSES INCLUDE:

Auditor's remuneration	370	198
Depreciation	33,833	32,161
Directors' remuneration	2,003	1,020
Impairment loss	129,041	50,926
Staff costs	396,320	248,730
Exchange differences	(257,115)	21,828

12. FINANCE COSTS

Interest on loans and borrowings	395,555	429,000
Interest on defined benefit pension plan obligations	4,290	4,103
	399,845	433,103

13. FINANCE INCOME

Interest on fixed deposits	89,576	40,628
Interest on loans and advances	34,869	46,974
Bank interest earned	31,613	16,295
Dividend income	841	690
	156,899	104,587

14. TAXATION

Ghana Cocoa Board is exempt from income tax in accordance with section 25 of the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265). Cocoa Processing Company Limited, one of the Company's subsidiary, is also exempt from income tax due to its free zone status. Of the Group entities, only Cocoa Marketing Company (Ghana) Limited and Ghana Cocoa Marketing Company (UK) Limited are subject to tax.

a. Recognised in profit or loss

	2014 GH¢'000	2013 GH¢'000
Current tax expense		
Current year	3,599	1,881
Deferred tax		
Current year	(311)	-
	3,288	1,881

b. Income tax recognized in other comprehensive income

Revaluation surplus	15,776	-

c. Reconciliation of effective tax rate

	2014 GH¢'000	2013 GH¢'000
Profit/(loss) before tax	332,599	(1,091,591)
Tax using the Ghana corporation tax rate of 0% (2013: 0%)	-	-
Effect of subsidiaries subject to tax	3,288	1,881
Total tax expense	3,288	1,881
Effective tax rate	0.99%	(0.17%)

d. Movement in deferred tax balances 2014

	1 October GH¢'000	Profit or loss GH¢'000	In OCI GH¢'000	Net assets GH¢'000	Deferred tax asset GH¢'000	Deferred liabilities GH¢'000
Property, plant and equipment	-	11	(15,776)	(15,765)	11	(15,776)
Other items	-	300	-	300	300	-
	-	311	(15,776)	(15,465)	311	(15,776)

e. Tax reconciliation table

Year of assessment

	Balance at 1 Oct 2013 GH¢'000	Tax paid GH¢'000	Charge to profit & loss GH¢'000	Balances at 30 Sep 2014 GH¢'000
Company tax				
2012	(604)	-	-	(604)
2013	1,725	-	-	1,725
2014	-	-	3,599	3,599
	1,121	-	3,599	4,720
National reconstruction levy				
2004 -2006	3	-	-	3
	1,124	-	3,599	4,723

15. PROPERTY, PLANT AND EQUIPMENT

2014

	Land and Buildings GH¢'000	Produce Sheds GH¢'000	Fixtures and Equipment GH¢'000	Motor Vehicles GH¢'000	Plant and Machinery GH¢'000	Under Construction GH¢'000	Total GH¢'000
Cost/valuation							
At 1 October 2013	470,041	5,755	43,898	31,961	181,384	8,746	741,785
Additions	438	-	5,287	11,131	3,221	7,102	27,179
Transfer between categories	1,998	-	-	-	1,928	(3,926)	-
Disposals	(180)	-	(18)	(1,652)	(34)	-	(1,884)
Revaluation surplus	1,618,682	216,392	-	-	-	-	1,835,074
Revaluation adjustment	(54,106)	(3,925)	-	-	-	-	(58,031)
Effect of movement in foreign exchange	57,318	-	1,003	686	87,070	1,180	147,257
At 30 September 2014	2,094,191	218,222	50,170	42,126	273,569	13,102	2,691,380
Accumulated depreciation							
At 1 October 2013	44,456	3,351	28,379	25,605	54,121	-	155,912
Charge for the year	12,173	574	5,711	4,569	10,806	-	33,833
Released on disposal	(22)	-	(16)	(1,031)	(22)	-	(1,091)
Revaluation adjustment	(54,106)	(3,925)	-	-	-	-	(58,031)
Effect of movement in foreign exchange	558	-	523	520	18,438	-	20,039
At 30 September 2014	3,059	-	34,597	29,663	83,343	-	150,662
Net book value							
At 30 September 2014	2,091,132	218,222	15,573	12,463	190,226	13,102	2,540,718
At 30 September 2013	425,585	2,404	15,519	6,356	127,263	8,746	585,873
Comprising							
Carrying amount under cost model	415,690	1,830					417,520
Effects of movement in foreign exchange	56,760	-					56,760
Revaluation surplus recognized	1,618,682	216,392					1,835,074
At 30 September 2014	2,091,132	218,222					2,309,354

2013

	Land and Buildings GH¢'000	Produce Sheds GH¢'000	Fixtures and Equipment GH¢'000	Motor Vehicles GH¢'000	Plant and Machinery GH¢'000	Under Construction GH¢'000	Total GH¢'000
Cost							
At 1 October 2012	385,994	5,755	34,416	27,867	172,263	11,875	638,170
Additions	74,872	-	9,376	4,039	1,809	2,943	93,039
Transfer between categories	5,916	-	-	-	283	(6,199)	-
Effect of movement in foreign exchange	3,259	-	106	55	7,029	127	10,576
At 30 September 2013	470,041	5,755	43,898	31,961	181,384	8,746	741,785

Accumulated depreciation							
At 1 October 2012	33,302	2,708	23,550	21,121	41,191	-	121,872
Charge for the year	10,724	643	4,768	4,449	11,577	-	32,161
Effect of movements in foreign exchange	430	-	61	35	1353	-	1,879
At 30 September 2013	44,456	3,351	28,379	25,605	54,121	-	155,912
Net book value							
At 30 September 2013	425,585	2,404	15,519	6,356	127,263	8,746	585,873
At 30 September 2012	352,692	3,047	10,866	6,746	131,072	11,875	516,298

Cocoa Processing Company Limited, one of the Group's subsidiaries, has pledged assets with a carrying value of GH¢333,388,000 (2013: GH¢176,380,000) as security for loans and overdrafts from a syndicate of banks led by Bank of Ghana and Prudential Bank Limited respectively.

There are no other restrictions to title on the Group's other property, plant and equipment.

During the year the Group adopted the revaluation model of accounting for its land and buildings and produce sheds. Land and buildings and produce sheds were revalued by BMCS Chartered Surveyors, members of the Royal Institution of Surveyors, London, UK, Valuation and Investment Associates and Property Solutions Model, both members of the Ghana Institute of Surveyors on 30 September 2014 based on the market comparable approach, which reflects recent prices for similar properties. Where market comparable data was not available for some locations, the fair value of buildings was determined to replacement costs, which reflects the cost a market participant will incur to construct assets of comparable utility and age, adjusted for obsolescence. The gain on revaluation has been recognized in other comprehensive income and is disclosed in revaluation surplus in equity.

The following table analyses the valuation method by levels in the fair value hierarchy:

16. INTANGIBLE ASSETS

	Goodwill GH¢'000
Cost	
Balance at 30 September 2013 and 30 September 2014	18,680
Impairment	
Balance at 30 September 2013 and 30 September 2014	18,680
Net book value	
Balance at 30 September 2013 and 30 September 2014	-

17. LIST OF SUBSIDIARIES

Set out below is a list of subsidiaries of the Group:

	Country of incorporation	Interest	Principal place of business
Cocoa Processing Company Limited	Ghana	57.73%	Ghana
Cocoa Marketing Company (Ghana) Limited	Ghana	100%	Ghana

18. OTHER INVESTMENTS

	2013 GH¢'000	2014 GH¢'000
Equity securities - Available for sale		
At 1 October	22,291	10,943
Net change in fair value	9,580	9,115
Reclassification of associates to 'other investments'*	-	2,233
At 30 September	31,871	22,291

* This represents the carrying value of the remaining interest in Aluworks Limited (a former associate) due to the dilution of the Group's interest following a rights issue of shares by the investee during 2013.

19. OTHER FINANCIAL ASSETS

	2014 GH¢'000	2013 GH¢'000
Held to maturity financial assets		
Fixed deposits	274,792	167,429

20. INVENTORIES

Cocoa beans	140,303	339,332
Other consumables and inputs	139,316	88,790
Processed cocoa products 1	0,810	27,999
	290,429	456,121

21. TRADE AND OTHER RECEIVABLES

Current		
Trade receivables	96,936	363,261
Amounts due from related parties (note 33)	935,790	656,707
Other receivables	196,671	122,826
Prepayments	19,652	23,939
Loans receivable	23,179	15,325
	1,272,228	1,182,058
Non-current		
Loans receivable	21,023	10,510

22. CASH AND CASH EQUIVALENTS

	2014 GH¢'000	2013 GH'000
Bank balances	412,363	252,732
Cash in hand	116	1,611
Fixed deposits	58,746	7,942
Cash and cash equivalent per statement of financial position	471,225	262,285
Bank overdrafts	(5,872)	(5,734)
Cash and cash equivalent per cash flow statement	465,353	256,551

23. OTHER INTEREST BEARING LOANS AND BORROWINGS

Current		
Secured bank loans	171,721	211,418
Unsecured bills payable	1,000,794	699,004
	1,172,515	910,422
Non-current		
Secured bank loans	1,343,726	1,332,857

Terms and debt repayment schedule

	Currency	Year of Maturity	2014 Face Value GH¢'000	2014 Carrying amount GH¢'000	2013 Face Value GH¢'000	2013 Carrying Amount GH¢'000
Secured bank loan (a)	GH¢	2023	1,999,403	1,287,100	1,999,403	1,196,968
Secured bank loan (b)	US$	2015	159,800	159,800	299,821	299,821
Secured bank loan (c)	US$	2019	36,599	36,599	25,734	25,733
Secured bank loan (d)	US$	2019	31,948	31,948	21,752	21,753
Unsecured bills payable (e)	GH¢	2015	1,000,794	1,000,794	699,004	699,004
			3,228,544	2,516,241	3,045,714	2,243,279

a. This relates to a Bank of Ghana facility dated 18 September 2013 covering the conversion of GH¢1,999,403,000 worth of 182 day treasury bills into a ten (10) year credit facility. This facility has a tenure of ten (10) years and attracts interest at 6% per annum on the outstanding principal balance. Repayment of the loan plus interest is to be made in accordance with predefined repayment schedule. This facility is secured by the company's bank accounts held with Bank of Ghana and any other bank accounts, both local and foreign.

b. This is the outstanding balance of Ghana Cocoa Board's US$200,000,000 loan facility made available by a syndicate of international banks towards the purchase of light crop cocoa beans for the 2012/13 crop year. The facility has a tenor of eight (8) quarters and attracts interest at LIBOR + 2% and is secured over future cash flows from trade receivables for the 2012/13 crop year sales contracts.

c. This is the outstanding balance of Cocoa Processing Company Limited's US$22,000,000 loan facility made available by a syndicate of banks led by Barclays Bank of Ghana Limited for the expansion of production capacity. The facility had an initial tenure of 5 years from February 2005 and attracted interest at LIBOR plus 3.32%. Subsequently, the maturity date was revised to March 2019 and the interest rate has been revised to the aggregate of the prevailing 6 month USD LIBOR plus a margin of 9.19%. The facility is secured by an assignment of export contracts and receivables amounting to a maximum of eighty percent (80%) of all receivables and by 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.

d. This is the outstanding balance of Cocoa Processing Company Limited's €22,000,000 loan facility made available by a syndicate of banks led by Barclays Bank of Ghana Limited for the expansion of production capacity from 25,000 metric tonnes to 65,000 metric tonnes. The facility was initially denominated and repayable in Euros over 5 years in equal instalments after one year moratorium. Interest on the facility was charged at EURIBOR plus 2.5%. In 2013 the facility was converted to US$ with a revised maturity of March 2019 and the interest rate has been revised to the prevailing 6 month USD LIBOR plus 9.19%. The facility is secured by fixed and floating charges over the assets of the company.

e. This relates to 4 lots of short term borrowings from Bank of Ghana in the form of treasury (cocoa) bills at varying rates of between 26% and 28% per annum and is repayable within six (6) months.

f. Ghana Cocoa Board, in collaboration with a consortium of over twenty (20) international banks signed a syndicated loan agreement on 11 September 2014 for an amount of US$1,700,000,000 to finance the purchase of cocoa beans for the 2014/15 crop year. The first tranche of the loan of US$850,000,000 was disbursed on 2 October 2014.

24. TRADE AND OTHER PAYABLES

	2014 GH¢'000	2013 GH¢'000
Current		
Trade payables	63,792	4,818
Other taxes and social security	8,076	6,684
Other payables	40,329	30,825
Accruals	237,325	50,373
	349,522	92,700

25. DEFERRED INCOME

	2014 GH¢'000	2013 GH¢'000
Current		
Customer advances	119,602	551,899
Deferred discount on below market rate loans	102,596	89,053
	222,198	640,952
Non-current		
Deferred discount on below market rate loans	608,089	713,382

26. EMPLOYEE BENEFITS

Pension plans

The Group operates the following defined benefit schemes:

(a) Ghana Cocoa Board Pension scheme

This pension scheme entitles retired employees to receive annual pension payments. Members retire at the age of 60 and are entitled to receive annual payments, based on a proportion of their final salary until their death.

Long-service awards

This defined benefit scheme entitles employees to a benefit package at the end of their service with the Group. This benefit package is paid at the point of exit on scales that have been graduated based on the length of service ranging from 10 to 40 years.

(b) Post-retirement medical benefit

The defined benefit scheme entitles:

i. retired employees who have served a minimum of twelve (12) years to free medical care for themselves, one registered spouse and two children up to 18 years (or 22 years, if still in school).

ii. retrenched employees who have continuously served a minimum of fifteen (15) years and have attained the compulsory retiring age to free medical care for themselves, one registered spouse and two children up to 18 years (or 22 years, if still in school)

End of service benefit

The Group has an end of service benefit scheme for staff.

	2014 GH¢'000	2013 GH¢'000
Present value of funded defined benefit obligations	(24,556)	(22,930)
Fair value of plan assets	-	-
Total employee benefits	(24,556)	(22,930)

Movements in present value of defined benefit obligation

	2014	2013
At 1 October	(22,930)	(21,715)
Current service costs	(923)	(855)
Interest cost	(4,290)	(4,103)
Actuarial gains	1,897	891
Benefits paid	3,156	2,972
Exchange adjustments	(1,466)	(120)
At 30 September	(24,556)	(22,930)

Expense recognised in profit or loss

Current service costs	575	855
Interest on defined benefit pension plan obligations	4,290	4,103
	4,865	4,958

The expense has been recognised in the following line items in profit or loss:

Administrative expenses	575	855
Finance costs	4,290	4,103
	4,865	4,958

Expense recognised in other comprehensive income

Actuarial gains	1,897	891

The principal actuarial assumptions at the year-end were as follows:

	2014 %	2013 %
Discount rate	20	20
Future salary increases	10	10

Sensitivity analysis

Possible changes at the reporting date to the relevant actuarial assumptions is not likely to have a material effect on the defined benefit obligation at the year end.

Defined Contribution Plans

The Group operates the following defined contribution pension plans.

(i) Social Security

Under a national defined benefit pension scheme, the Group contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Group's obligation is limited to the relevant contributions, which are settled on due dates. The pension liabilities and obligations, rest with SSNIT.

(ii) Provident Fund

The Group operates a provident fund scheme for staff under which the company contributes 7% of each staff's basic salary to the scheme. Obligations under the plan are limited to the relevant contributions and these are settled on due dates to the fund manager.

(iii) End of Service Benefit

The Group operates a contributory 'End-of-Service benefit' scheme for staff under which the Group contributes 12.5% of each staff's basic salary. Obligations under the plan are limited to the relevant contributions which are settled on due dates to the fund manager.

The total expense relating to these plans in the current year was as follows:

	2014 GH¢'000	2013 GH¢'000
Defined contribution expense recognised in the year	62,922	52,310

27. PROVISIONS

	Stabilisation fund GH¢'000	Farmers' social security fund GH¢'000	Farmers' welfare fund GH¢'000	Other provisions GH¢'000	Total GH¢'000
At 1 October 2013	8,338	26,452	-	582	35,372
Provisions made during the year	1,668	-	25,287	1,114	28,069
At 30 September 2014	10,006	26,452	25,287	1,696	63,441
Current	10,006	26,452	25,287	1,696	63,441

Stabilisation fund

Ghana Cocoa Board is mandated by the Producer Price Review Committee (PPRC), a quasi-regulatory body, to establish a stabilisation fund to be used to avoid significant fluctuations in the producer price of cocoa in Ghana. The funds are set aside from profit at the directive of the PPRC. The outstanding balance relates to the utilised portion of the balance at the end of the year.

Farmers' social security fund

Ghana Cocoa Board is required under section 26 of the Ghana Cocoa Board Act 1984 (PNDCL Law 81), as amended to establish a contributory insurance scheme for cocoa, coffee and sheanuts farmers within the framework of the Social Security Fund. The balance at the year-end represents funds set aside from profit in prior periods to meet the requirement of section 26 of the establishing Act.

Farmers' welfare fund

Ghana Cocoa Board is required under section 27 of the Ghana Cocoa Board Act 1984 (PNDL Law 81), as amended to establish a farmers' welfare fund into which a sum of not more than 10 percent of the net profit of the Group shall be transferred each year. The fund is intended to be used for:

(a) development projects in any cocoa, coffee or sheanuts producing area; and

(b) the provision of other farmers' benefits such as low interest-bearing farmers' welfare loans, farmers' refresher courses, scholarship scheme for farmer's wards, and for other purposes aimed at enhancing the welfare of coca, coffee and sheanuts farmers.

28. CAPITAL AND RESERVES

Capital contribution

The capital contribution comprise of Ghana Government's contribution towards the set up fund for Ghana Cocoa Board during its establishment.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Revaluation reserve

Where property, plant and equipment is revalued, the cumulative increase in the fair value of the property at the date of revaluation in excess its carrying amount is included in the revaluation reserve.

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statement of foreign operations.

Other reserve

Other reserve comprises the cumulative actuarial gains or losses recognised in relation to the Group's defined benefit scheme.

Other comprehensive income

2014

	Translation Reserve GH¢'000	Fair Value Reserve GH¢'000	Revaluation Reserve GH¢'000	Other Reserves GH¢'000	Retained Earnings GH¢'000	Total Parent Equity GH¢'000	Non-Controlling Interest GH¢'000	Total Comprehensive Income GH¢'000
Other comprehensive income								
Foreign exchange translation differences – foreign operations	222	-	-	-	-	222	196	418
Effect of foreign exchange on revaluation surplus realised	-	-	-	-	336	336	245	581
Change in fair value of assets classified as available-for-sale	-	9,979	-	-	-	9,979	-	9,979
Changes in fair value of available for sale financial assets recycled to profit and loss	-	(399)	-	-	-	(399)	-	(399)
Actuarial gains and losses on defined benefit pension plans	-	-	-	1,508	-	1,508	389	1,897
Revaluation of property, plant and equipment	-	-	1,818,972	-	-	1,818,972	16,102	1,835,074
Related tax	-	-	(15,776)	-	-	(15,776)	-	(15,776)
Total other comprehensive income	222	9,580	1,803,196	1,508	336	1,814,842	16,932	1,831,774

2013

	Translation Reserve GH¢'000	Fair Value Reserve GH¢'000	Revaluation Reserve GH¢'000	Other Reserves GH¢'000	Retained Earnings GH¢'000	Total Parent Equity GH¢'000	Non-Controlling Interest GH¢'000	Total Comprehensive Income GH¢'000
Other comprehensive income								
Foreign exchange translation differences – foreign operations	(415)	-	-	-	-	(415)	(363)	(778)
Change in fair value of assets classified as available-for-sale	-	9,115	-	-	-	9,115	-	9,115
Actuarial gains and losses on defined benefit pension plans	-	-	-	1,092	-	1,092	(201)	891
Total other comprehensive income	(415)	9,115	-	1,092	-	9,792	(564)	9,228

29. FINANCIAL INSTRUMENTS

(a) Fair values of financial instruments

Investments in equity securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rates of interest at the reporting date.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rates of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rates of interest at the reporting date.

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the statement of financial position are as follows:

	Carrying amount 2014 GH¢'000	Fair value 2014 GH¢'000	Carrying amount 2013 GH¢'000	Fair value 2013 GH¢'000
Available-for-sale financial assets				
Other investments	31,871	31,871	22,291	22,291
Held to maturity financial assets				
Other financial assets	274,792	274,792	167,429	167,429
Loans and receivables				
Cash and cash equivalents	475,282	475,282	262,285	262,285
Trade and other receivables	1,273,599	1,273,599	1,168,629	1,168,629
Total loans and receivables	1,748,881	1,748,881	1,430,914	1,430,914
Total financial assets	2,055,544	2,055,544	1,620,634	1,620,634
Financial liabilities not measured at fair value				
Bank overdrafts	5,872	5,872	5,734	5,734
Other interest-bearing loans and borrowings	2,516,241	2,507,326	2,243,279	2,239,545
Trade and other payables	349,522	349,522	92,700	92,700
Total financial liabilities not measured at fair value	2,871,635	2,862,720	2,341,713	2,337,979

A number of the Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

(a) Level 1: quoted prices (adjusted) in active markets for identical assets or liabilities.

(b) Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(c) Level 3: inputs for assets 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 liability might be categorised in different levels of the fair value hierarchy, then the fair 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2014

	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Available–for-sale financial assets				
Other investments	31,871	-	-	31,871

2013

	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Available–for-sale financial assets				
Other investments	22,291	-	-	22,291

(b) Financial risk management

The Group has exposure to the follow risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through training and established management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Group.

The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and related parties, other financial assets and cash and cash equivalents held with financial institution counterparties.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date by class of financial instrument was as follows:

	2014 GH¢'000	2013 GH¢'000
Other financial assets	274,792	167,429
Cash and cash equivalents	471,225	260,674
Trade receivables	96,936	363,261
Loan receivables	44,202	25,835
Amount due from related parties (note 33)	935,790	656,707
	1,822,945	1,473,906

Trade receivables and loan receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk of the geographical area in which each customer operates. The concentration of credit risk for trade receivables at the reporting date by geographic region was:

	2014 GH¢'000	2013 GH¢'000
Local trade receivables (including amounts owed by related parties and loan receivables)	1,058,237	1,012,038
Foreign trade receivables	18,691	33,765
	1,076,928	1,045,803

Credit quality of trade receivables, amounts due from related parties and loan receivables and impairment losses

The aging of trade receivables, amounts due from related parties and loans receivables at the reporting date was as follows:

	Gross 2014 GH¢'000	Impairment 2014 GH¢'000	Gross 2013 GH¢'000	Impairment 2013 GH¢'000
Neither past due nor impaired	970,397	-	722,056	-
Past due 0-30 days	14,230	-	55,867	-
Past due 31-120 days	37,376	-	108,149	-
Individually impaired	281,200	(226,275)	256,965	(97,234)
	1,303,203	(226,275)	1,143,037	(97,234)

Management believes that the unimpaired amounts that are past due by more than 30 days but less than 120 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit worthiness.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2014 GH¢'000	2013 GH¢'000
At 1 October	97,234	46,308
Impairment loss recognised	129,041	50,926
At 30 September	226,275	97,234

The allowance account for trade receivables and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at which point the amounts considered irrecoverable are written off against trade receivables directly.

Cash and cash equivalent and other financial assets

The Group held cash and cash equivalents of GH¢475,166,000 (2013: GH¢260,674,000) and other financial assets of GH¢274,792,000 (2013: GH¢167,429,000) at the reporting date. These balances are held with banks and financial institution counterparties, which are assessed as having a relatively good credit rating.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to hold cash and cash equivalents and maintain undrawn committed facilities at a level sufficient to ensure the Group has available funds to meet its liabilities as they become due. The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

2014

	Carrying amounts GH¢'000	Contractual cashflows GH¢'000	1 year or less GH¢'000	1 to 2 years GH¢'000	2 to 5 years GH¢'000	5 years and over GH¢'000
Non-derivative financial liabilities						
Bank overdraft						
Secured bank loans (GH¢)	1,287,100	2,602,181	119,634	190,714	1,193,202	1,098,631
Secured bank loans (US$)	228,347	230,330	173,705	12,475	37,426	6,724
Unsecured bill payables	1,000,794	1,063,862	1,063,862	-	-	-
Bank overdrafts	5,872	5,872	5,872	-	-	-
Trade and other payables	342,189	342,189	342,189	-	-	-
	2,864,302	4,244,434	1,705,262	203,189	1,230,628	1,105,355

2013

	Carrying amounts GH¢'000	Contractual cashflows GH¢'000	1 year or less GH¢'000	1 to 2 years GH¢'000	2 to 5 years GH¢'000	5 years and over GH¢'000
Non-derivative financial liabilities						
Secured bank loans (GH¢)	1,196,968	2,721,815	119,634	119,634	1,004,697	1,477,850
Secured bank loans (US$)	347,307	353,649	210,912	111,280	20,971	10,486
Unsecured bill payables	699,004	699,004	699,004	-	-	-
Bank overdrafts	5,734	5,734	5,734	-	-	-
Trade and other payables	92,700	92,700	92,700	-	-	-
	2,341,713	3,872,902	1,127,984	230,914	1,025,668	1,488,336

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Market risk - Foreign currency risk

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount of monetary financial instruments.

2014

	Sterling GH¢'000	EUR GH¢'000	US Dollar GH¢'000	Others GH¢'000	Total GH¢'000
Cash and cash equivalents	3,678	6,579	219,160	-	229,417
Trade receivables	-	-	311,317	-	311,317
Amounts due from related parties	-	-	399,291	-	399,291
Loan receivables	-	-	44,202	-	44,202
Other financial assets	-	-	120,873	-	120,873
Secured bank loans	-	-	(228,347)	-	(228,347)
Net exposure	3,678	6,579	866,496	-	876,753

2013

	Sterling GH¢'000	EUR GH¢'000	US Dollar GH¢'000	Others GH¢'000	Total GH¢'000
Cash and cash equivalents	589	1,822	10,353	18	12,782
Trade receivables	-	91	443,112	-	443,203
Amounts due from related parties	-	-	204,108	-	204,108
Loan receivables	-	-	25,835	-	25,835
Secured bank loans	-	-	(228,347)	-	(228,347)
Net exposure	589	1,913	455,061	18	457,581

The following significant exchange rates have been applied during the year and at the year end.

	Average		Year end	
GH¢	**2014**	**2013**	**2014**	**2013**
GBP 1	4.6391	3.1209	5.3629	3.4832
EUR 1	3.7638	2.5908	4.1893	2.9185
USD 1	2.6140	1.9234	3.1973	1.9988

A 10 percent weakening of these currencies against the Ghana Cedi at 30 September would have increased/(decrease) equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the comparative period.

	Equity		Profit or loss	
	2014 GH¢'000	**2013 GH¢'000**	**2014 GH¢'000**	**2013 GH¢'000**
Sterling	(368)	(60)	368	60
Euro	(658)	(1,800)	658	1,800
US Dollar	(104,095)	(65,643)	104,095	65,643
Others	-	(2)	-	2

Market risk - Foreign currency risk (cont'd)

A 10 percent strengthening of the above currencies against the Ghana Cedi at 30 September would have had an equal but opposite effect on equity and profit or loss. This analysis has been prepared on the basis that all other variables remain constant.

Market risk – Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	2014 GH¢'000	2013 GH¢'000
Fixed rate instruments		
Financial assets	274,792	167,429
Financial liabilities	(2,287,894)	(1,895,972)
	(2,013,102)	(1,728,543)
Variable rate instruments		
Financial liabilities	(228,347)	(347,307)

Sensitivity analysis

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at available for sale with fixed interest rates. The analysis is performed on the same basis for the comparative period.

	2014 GH¢'000	2013 GH¢'000
Equity		
Increase	16,143	15,229
Decrease	(16,143)	(15,229)
Profit or loss		
Increase	16,143	15,229
Decrease	(16,143)	(15,229)

Market risk – Equity price risk

The Group's exposure to equity price risk arises from its investment in equity securities which are classified as available for sale financial assets and are shown on the reporting date as other financial assets.

Sensitivity analysis

All of the Group's equity investment are listed on the Ghana Stock Exchange. For investments classified as available-for-sale, a 2 percent increase in the equity prices at the reporting date would have increased equity by the amounts shown below.

	2014 GH¢'000	2013 GH¢'000
Equity	637	446

A 2 percent increase in the equity prices at 30 September would have had an equal but opposite effect on equity.
The analysis assumes that all other variables remain constant.

30. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	2014 GH¢'000	2013 GH¢'000
Less than one year	2,790	2,513
Between one and five years	-	2,790
	2,790	5,303

31. COMMITMENTS

Ghana Cocoa Board has made commitments to incur capital expenditure of GH¢11,282,534 (2013: GH¢14,227,000). These commitments are expected to be executed in 2015.

32. CONTINGENCIES

Contingent liabilities including pending law suits against the Group is estimated at GH¢32,998,000 (2013: GH¢4,401,000).

33. RELATED PARTIES

The Group has related party relationship with its ultimate controlling party and subsidiaries. In the course of normal operations, related party transactions entered into by the Group have been contracted on an arm's length basis.

Ultimate controlling party

The ultimate controlling party of Ghana Cocoa Board is the Government of Ghana.

Key management personnel compensation

Compensation paid to key management personnel (including the directors) during the year was as follows:

	2014 GH¢'000	2013 GH¢'000
Directors' emoluments including social security costs	2,003	1,020

Compensation paid to the Group's key management personnel include salaries, non-cash benefits and contributions to defined contribution schemes.

Other related party transactions

	2014 GH¢'000	2013 GH¢'000
Advances made in the year:		
Payments made on behalf of the Government of Ghana	72,836	32,481
Advances to the Government of Ghana (i.e. excess export duties paid in 2014)	83,900	-
	156,736	32,481
Export duties paid to the Government of Ghana	16,100	40,000
Receivables outstanding:		
Government of Ghana	935,790	656,707

All transactions with these related parties are priced on an arm's length basis and are to be settled before the end of the next reporting date. None of these balances is secured.

34. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern. The Group monitors capital using the ratio of adjusted net debt to equity. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises of all components of equity.

The Group's policy is to keep a ratio of below 3.50.

The Group's adjusted net debt to equity at the reporting date was as follows:

	2014 GH¢'000	2013 GH¢'000
Total liabilities	3,810,418	3,755,473
Less: Cash and cash equivalents	471,225	262,285
Net debt	3,339,193	3,493,188
Total equity	1,092,179	(1,068,906)
Net debt to equity ratio	3.06	(3.27)

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