48th

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 September 2017

Ghana Cocoa Board

AUDITORS AND REGISTERED OFFICE

Auditors

Ghana Audit Service
P.O. Box M 96
Accra

Registered Office

Cocoa House
41 Kwame Nkrumah Avenue
Post Office Box GP 933
Accra
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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“Happiness is...an unexpected bar of chocolate”

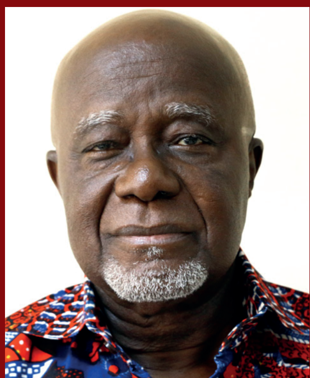
HIGHLIGHTS

	2016/17	2015/16	% CHANGE
1. Turnover (Gross) (GH¢)	10,245,118,000	9,145,815,000	12.02
2. Total Assets (GH¢)	7,174,735,000	5,129,708,000	39.87
3. Equity Capital (GH¢)	393,000	393,000	-
4. Current Assets (GH¢)	2,921,684,000	4,849,518,000	(39.75)
5. Current Liabilities (GH¢)	1,471,070,000	4,628,208,000	(68.22)
6. Producer Prices:			
- Main Crop (Cocoa) (GH¢) - (per tonne)	7,600	6,800	11.76
- Mid Crop (Cocoa) (GH¢) - (per tonne)	7,600	6,800	11.76
- Coffee (Hulled) (GH¢) - (per tonne)	6,800	4,250	60.00
7. Number of Subsidiaries and Divisions	5	5	-
8. Total Employees	8,669	7,541	14.96
9. Quantity Purchased (Tonnes):			
Cocoa (purchases)	969,540	778,043	24.61
10. Achieved F.O.B. (US$) - per tonne of Cocoa	2,912.43	3,073.19	(5.23)

***Note:** *The 47th Annual Report for the year ended September 2016 showed consolidated accounts. However the highlights above shows the COCOBOD standalone comparativies for 2015/2016 and 2016/2017.*

BOARD OF DIRECTORS AND COCOBOD MANAGEMENT –2016/17

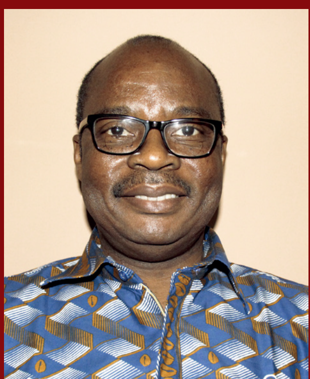
Board of Directors



Hon. Hackman Owusu-Agyemang
Board Chairman

Hon Joseph Boahen Aidoo
Chief Executive, Member

Mr. Kwame Sarpong
Management consultant, Member



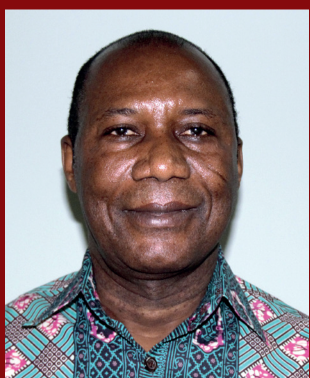
Dr. Ernest Addison
Governor, Bank of Ghana, Member

Nana Adwoa Dokua
Government Appointee, Member

Hon. Charles Adu Boahen
Dep. Minister of Finance, Member

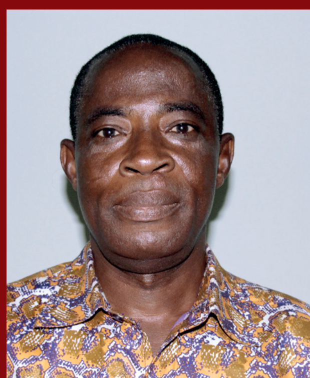
Hon. Kingsley Carlos Ahenkorah
Dep. Minister of Trade & Industry, Member

Hon. Gyiele Nurah
Dep. Minister of State MOFA, Member



Nana Johnson Mensah
Farmers' Representative, Member

Nana Obeng Akrofi
Farmers' Representative, Member



Mr. Peter Atta Boakye
Workers' Representative, Member

COCOBOD Management

Hon. Joseph Boahen Aidoo	Chief Executive
Dr. Yaw Adu-Ampomah	Deputy Chief Executive (A&QC)
Dr. William Mensah	Deputy Chief Executive (F&A)
Nana-Oduro Owusu	Deputy Chief Executive (OPS)
Mr. Peter Osei-Amoako	Director, Finance
Mr. Kwadwo Kissiedu Kwapong	Director, Human Resource
Dr. (Mrs.) Agnes Owusu-Ansah	Director, Audit
Mr. Vincent Okyere Akomeah	Director, Research
Mr. J. D. Clottey-Sefa	Director, Legal Services
Col. (RTD) Matthew Dakurah	Director, Special Services
Dr. Jerry Owusu-Ansah	Director, Health
Mr. Joseph Nsiah	Ag. Director, General Services
Mr. Ernest Doudu	Ag. Deputy Director, Civil Works
Mr. Johanes Vegba	Deputy Director, Legal, Northern Sector
Arnold Mensa-Bonsu	Deputy Director, Scholarship
Mr. Charles Asafo-Adjei	Deputy Director, Civil Works
Dr. Eric Fordjour	Deputy Director, Health
Mr. Charles Amenyaglo	Deputy Director, Special Services
Mr. Richard A. Danquah-Boateng	Head, General Services, Northern Sector
Mr. John Daniel Clottey-Sefa	Solicitor Secretary

Heads of Divisions/Subsidiaries

Dr. Isaac Yaw Opoku	Managing Director, QCC
Dr. K. Mensah-Aborampah	Ag. Managing Director, CMC
Mr. Emmanuel A. Opoku	Executive Director, CHED
Dr. Franklin Manu Amoah	Executive Director, CRIG
Mr. Eric Kwame Adjei	Ag. Executive Director, SPD

CHAIRMAN'S STATEMENT

Economic Background

World Cocoa Environment 2016/17 Season

World cocoa production was estimated at 4.6 million tonnes as reported by the International Cocoa Organisation (ICCO) in 2016/17, representing a 15% increase over the 4.03 million tonnes recorded in 2015/16. This increase was as a result of the favourable weather condition experienced in the West African sub-region accounting for about 74% of global cocoa supply. Cote d'Ivoire and Ghana continued with their dominance as the two leading producers globally.

Global consumption of cocoa beans, as measured by grindings, increased by 2.12% from 4.15 million tonnes in 2015/16 to 4.24 million tonnes in 2016/17. The increase was due to availability of cocoa beans to processors in the West African region. Conversely, grindings in Asia and Oceania increased by almost five per cent to 919,000 tonnes, while for Europe and the Americas, remained virtually flat, to 1.60 million tonnes and 890,000 tonnes respectively.

World market prices at the beginning of the year started on a strong note at US$2,790 per tonne. General market expectation of production surplus for the 2016/17 main crop from West Africa contributed to a decrease in price. Improving weekly figures related to port arrivals in Côte d'Ivoire also contributed to setting the bearish tone on both markets.

The average international cocoa prices, as measured by the ICCO daily price for the 2016/17 season, settled at US$2,142.14. This price fell short of the average price of US$3,092.59 realized in the 2015/16 season by 30.73%. The decline in cocoa prices began on both London and New York markets following general market expectation of a production surplus for the 2016/17 cocoa season resulting from the prospects of a strong recovery in West Africa and Latin America production.

Off-shore Borrowing

COCOBOD continued to rely on off-shore trade finance facility to support cocoa purchases operations. At the start of the season, COCOBOD secured a syndicated loan of US$1.8 billion from a consortium of banks led by mandated lead arrangers. They were Deutsche Bank AG, Nedbank Ltd. of South Africa, Standard Chartered Bank, Bank of Tokyo-Mitsubishi UFJ, Natixis, Rabobank, Société Générale and DZ Bank as Co-Arranger. There were participating lenders which included ABN Amro bank N.V., Attijariwafa Bank Europe, Bank of China (London), Barclays Bank Ghana Ltd., Credit Agricole Corporate and Investment Bank, Deutsche Bank AG, DZ Bank AG Deutsche Zentral-Genossenchaftbank, Ecobank Ghana, Sumitomo-Mitsui Banking Corporation, KfW Impex-Bank GmbH, Intesa SanPaolo SpA, Mizuho Bank, Rand Merchant Bank, Ghana International Bank Plc, S.G

Ghana Ltd., State Bank of India (London) and Fidelity bnk Ghana Ltd. COCOBOD successfully repaid the loan with interest within the agreed terms of the facility.

Operating Results

The industry experienced challenges which invariably affected the operational returns of COCOBOD. Consequently, we recorded a loss of GH¢394,851,000 as against a loss of GH¢199,414,000 recorded in 2015/16.

COCOBOD paid a total of GH¢178,528,000 as export duty into government treasury in the 2016/17 crop year as against GH¢364,937,000 paid during the 2015/16 crop year.

Future Outlook

In collaboration with relevant stakeholders, COCOBOD is seeking new markets and strengthening the demand for cocoa products produced in the country.

Among several initiatives to be rolled out by COCOBOD is the Artificial Pollination (Hand Pollination) which is expected to enhance productivity per hectare by at least three folds from an average 450 kg per hectare to more than 1,300 kg per hectare.

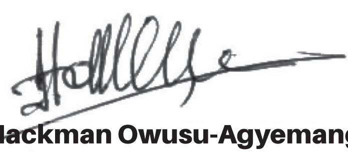
In view of the effects of climate change and the associated harsh weather conditions, COCOBOD will promote irrigation among cocoa farmers. This has the potential to increase cocoa production and also to ensure high survival of transplanted cocoa seedlings. Irrigation systems will be set up in the cocoa stations from 2017/18 and piloted on cocoa farms around the cocoa stations for effective monitoring and evaluation.

As part of Ghana's programme in reducing emissions from deforestation and forest degradation, COCOBOD in collaboration with the Forestry Commission will undertake interventions to increase planting of economic shade trees on cocoa farms as well as conservation of shea parklands. COCOBOD will continue to fund the Shea Unit as part of its operational activities to revamp the Shea industry.

COCOBOD's Scholarship Trust Fund, Child Education support programme and the support for the elimination of worst forms of Child Labour will be continued in 2018. The programme will be re-designed to align with the Free Senior High School Programme in the 2017/18 academic year.

To ensure the long term sustainability of coffee production, Government in collaboration with stakeholders will implement the Ghana Coffee Development Programme in 2018, with the aim of raising production to about 25,000 tonnes per annum over four (4) years.

In conclusion, I wish to emphasize that COCOBOD will sustain the interest of farmers by rendering the required services within its mandate, such as deploying an effective method of extension delivery system, effective pest and disease control, soil fertility management and improvement as well as remunerative Producer price. Under the new strategic direction, COCOBOD will work assiduously to expand cocoa processing, utilization and consumption. The Board of Directors will offer the necessary support to COCOBOD Management to implement sound operational policies, monitor and consolidate gains made and find solutions to any emerging challenges.



Hon. Hackman Owusu-Agyemang
Chairman

CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDING 30TH SEPTEMBER, 2017

Review Of Business Operations

1. Producer Price

The 2016/17 cocoa year commenced on 1st October, 2016. The producer price per tonne of cocoa was set at GH¢7,600.00. Margins and rates for cocoa buyers, hauliers and other operatives as well as fees and charges were also set at the beginning of the season.

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) with minimal COCOBOD involvement. For the two commodities, COCOBOD sets their floor prices which serve as the starting point at which both farmers and LBCs may negotiate. During the period under review, the floor price for a tonne of coffee was GH¢4,250.00 (GH¢250.00 per bag) whiles a tonne of sheanut stood at GH¢1,428.00 (GH¢119.00 per bag).

2. Cocoa Purchases Performance Of Licensed Buying Companies (LBCs)

The 2016/17 cocoa season marked 24 years of participation by Licensed Buying Companies (LBCs) in the internal marketing of cocoa. At the beginning of the 2016/17 season, 49 LBCs were to engaged in the internal marketing of cocoa. However, 44 out of 49 registered LBCs were active and purchased cocoa during the year.

Cocoa purchased for 2016/17 season was 969,540 tonnes which shows an increase of 24.61%, compared to the 778,043 tonnes recorded in 2015/16.

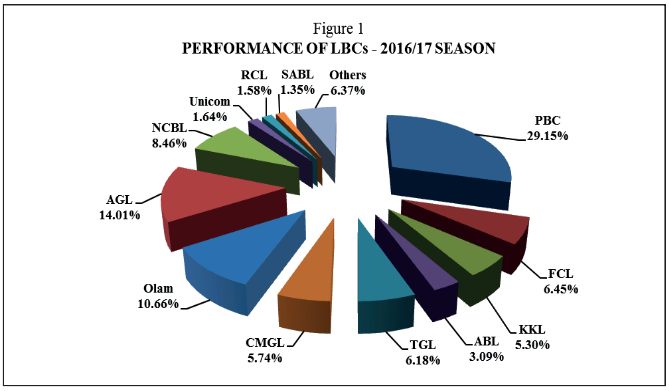
The LBCs that were actively involved in the internal marketing of cocoa in the year under review were;

1.	Produce Buying Company	(PBC)	23..	Brosaman Company Ltd.	(BRCL)
2.	Federated Commodities Ltd.	(FCL)	24.	Nyonkopa Comm. Buyers Ltd.	(NCBL)
3.	Kuapa Kokoo Ltd.	(KKL)	25.	M-Ghazzalli Ghana Ltd.	(BRCL)
4.	Adwumapa Buyers Ltd.	(ABL)	26.	NTHC Commodities Ltd.	(NTHC)
5.	Transroyal Ghana Ltd.	(TGL)	27.	Liberty Commodities Ltd.	(LCL)
6.	Cocoa Merchant Gh. Ltd.	(CMGL)	28.	Edebo Kokoo Company	(EKC)
7.	Olam Ghana Ltd.	(Olam)	29.	Farmers Alliance Co. Ltd.	(FACL)
8.	Armajaro Ghana Ltd.	(AGL)	30.	Hyperlink Company Ltd.	(HCL)
9.	Royal Commodities Ltd	(RCL)	31.	Unicom Commodities Ltd.	(Unicom)
10.	Sika Aba Buyers Ltd.	(SABL)	32.	Countryside Investment Ltd.	(CIL)
11.	Evadox Ltd.	(EVL)	33.	Nkwa Dua Ghana Ltd.	(NDGL)
12.	Yayra Glover Ltd.	(YGL)	34.	Fludor Ghana Ltd.	(FGL)
13.	CDH Commodities Ltd.	(CDH)	35.	Kokoo Aba Buyers Ltd.	(KABL)
14.	Universal Co-operative Ltd.	(UCCL)	36.	First Sky Company	(FSL)
15.	Splendid Business Services	(SBS)	37.	Yemon Ghana Ltd.	(Yemon)
16.	Fredako Cocoa Company Ltd.	(FCCL)	38.	Demeter Commodities Ltd.	(Demeter)
17.	Farmers Star Ltd.	(FSL)	39.	Akyaamah and Sons	(AAS)
18.	Kumankuma Company Ltd.	(KCL)	40.	Doxa Worldwide Movers Ltd	(Doxa)
19.	Fortune Tree Company Ltd.	(FTCL)	41.	Five Star Produce Buying Co.	(FSPBC)
20.	Akuotech Ghana Ltd.	(AKCL)	42.	Sassh Alliance Ltd.	(Sassh)
21.	Abrempong Commodities Ltd.	(Abrempong)	43.	Adinkafo Company Ltd.	(Adikanfo)
22.	Nhyira Dua Ghana Ltd.	(NHDGL)	44.	Cargill Kokoo Soucing Ltd.	(Cargill)

The LBCs that did not operate during the period under review were as follows:

1.	Akuafo Adamfo Mkt. Ltd.	(AAMC)	4.	Alhaji Sulemana Ind. Ltd	(ASIL)
2.	Abapa Golden Co. Ltd	(ABGL)	5.	Aboafo Buyers Limited	(ABCL)
3.	Tradeco International Company (TIC)				

The Produce Buying Company Limited (PBC) continued to be the leading buyer of cocoa with 29.15% share of the market. Armajaro Ghana Limited and Olam Ghana Limited followed in second and third places with market shares of 14.01% and 10.66% respectively. Nine (9) of the remaining LBCs had market shares of between 1.00% and 10.00%. The remaining thirty two (32) companies together accounted for 6.37% of the market. The performance of the respective LBCs during the season under review is shown in Figure 1.



Source: RM&E DEPT., COCOBOD

3. Coffee And Sheanut Purchases/Exports

The private sector continued to dominate the internal and external marketing of coffee and sheanuts. The number of eligible coffee and sheanut LBCs during 2016/17 was forty eight (48). However, only two (2) Coffee Licenced Buying Companies in the name of Time Marketing Company Limited and Asili Coffee Surveyors reported their activities to COCOBOD.

Sheanuts exported during the year 2016/17 was 78,268 tonnes valued at GH¢75,125,956.20 while sheabutter exports were 82,036 tonnes valued at GH¢179,853,410.24.

4. Performance of Subsidiaries and Divisions of COCOBOD

A. Quality Control Company Limited (QCC)

QCC continued with its core functions of grading/sealing of mandated crops namely cocoa, coffee and sheanuts, as well as the disinfestation of produce, warehouses and ship holds. During the year under review, the Company also inspected and certified storage facilities of Cocoa Marketing Company (Gh) Limited, the mega bulk shipment facility Kateon Natie, and warehouses belonging to LBCs at both up-country and take-over centre's. Furthermore, 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 2016/17 crop from the previous years' are indicated below:

		Prescribed Codes
Bean Size Category	**Bean Count per 100 grams**	**2016/17**
Super Main Crop	Up to 90	B
Main Crop	91 to 100	L
Super Light Crop	101 to 110	A
Light Crop	111 to 120	Q
Small Beans	121 to 130	H
Type "4"	131 to 150	C
Remnant	151 to 180	R

(b) Grading and Sealing

(i) Cocoa

The Company graded/sealed a total of 966,489 tonnes of cocoa during the period under review. This tonnage compares to 776,667 tonnes in 2015/16 and represented a 19.63% increase. The graded and sealed figure represented 99.68% of the total declared purchases of 969,540 tonnes.

(ii) Composition of Bean-size Categories

The quantity of each bean size category (in percentage) graded/sealed is shown below:

Bean Size Category	2016/17	2015/16
Main Crop	71.62	83.15
Light Crop	20.80	7.85
Small Beans	4.99	6.33
Type “4” Beans	2.43	2.33
Remnant	0.17	0.34

(iii) Other Produce Inspected

Below indicates other produce inspected and certified by the Company during the 2016/17 crop season

Produce	2016/17	2015/16
Cocoa Waste (tonnes)	4,476	4,276
Coffee (tonnes)	-	50
Sheanut tonnes)	9,560	13,136
Cashew	17,246	23,628

(c) Check Sampling

The Company also carried out check-sampling activities to certify the purity of consignments to sealed cocoa delivered by Licenced Buying Companies (LBCs) to the Cocoa Marketing Company (CMC) at the take-over centres. Additionally, parcels of cocoa meant for shipment or delivery to local processing factories were check-sampled prior to shipment or delivery to the factories.

(d) Disinfestation Activities

The company also undertook the following disinfestation activities during the period under review, and these are spelt out below:

(i) Insect Control Operations	2016/17	2015/16
1. Number of sheds sprayed	36,108	47,036
2. Number of sheds fogged	48,136	34,031
3. Tonnage of produce fumigated for export (including re-fumigated stocks of cocoa)	909,217	866,912

(i) Shipment Inspection and Treatment

Number of vessels inspected and treated at the ports before loading of produce for shipment.	147	262

B. Cocoa Marketing Company (Gh) Limited (CMC)

CMC continued to market and ship/deliver cocoa on contract to overseas and local buyers from the Tema, Takoradi and Kumasi ports.

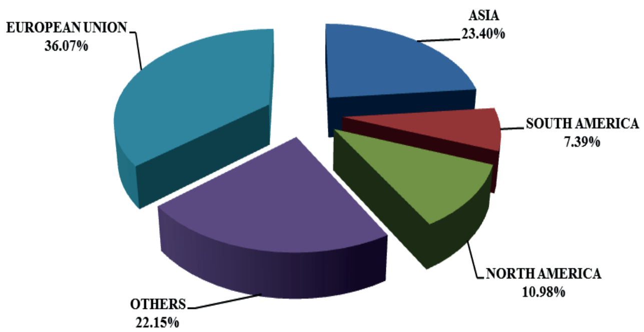
(a) Shipments and Deliveries to Local Processing Factories

(i) Shipment

Cocoa beans shipped to overseas destinations during the 2016/17 crop year totaled 735,086 tonnes. The FOB value of the beans shipped amounted to US$2,140,880,783.85.

The European Union continued to be the destination receiving the largest shipment of Ghana cocoa beans. Shipment of cocoa to the EU accounted for 35.96% of total cocoa beans exported. The direction of trade for bean shipments is shown in Figure 2.

Figure 2
COCOA BEANS SHIPMENT BY DESTINATION - 2016/17



Source: RM&E DEPT., COCOBOD

(i) Deliveries to Local Processing Factories

Cocoa beans delivered to local processing companies during the period totaled 292,941 tonnes with an FOB value of US$555,503,621.38.

(B) Cocoa Beans Processed and Products Export

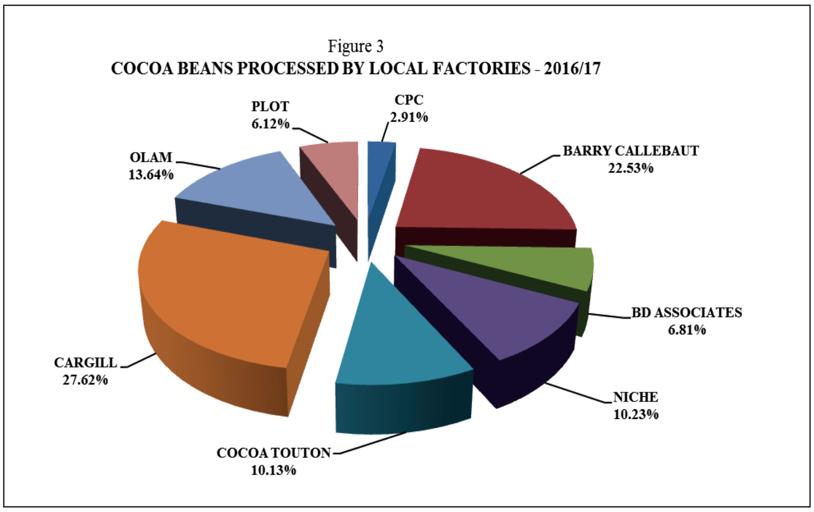
(i) Beans Processed

Eight (8) local processing companies processed 252,139 tonnes of cocoa beans into semi-finished and finished products. The companies include;

1. Barry Callebaut Limited
2. Cocoa Processing Company Limited (CPC)
3. Niche Cocoa Industries Limited
4. Cargill (Ghana) Limited
5. Olam Ghana Limited
6. BD Associates
7. Cocoa Touton Ghana Limited
8 Plot Enterprise

The three (3), Cargill (Ghana) Limited, Barry Callebaut and Olam Ghana Limited are members of multinational groups with operations worldwide.

Figure 2 below depicts the shares of cocoa beans processed by the respective local processing factories during the year. Cargill and Barry Callebaut Limited had market share of about 28% and 23% respectively, and accounting for 50.15% of domestic cocoa processing in 2016/17.



Source: RM&E DEPT., COCOBOD

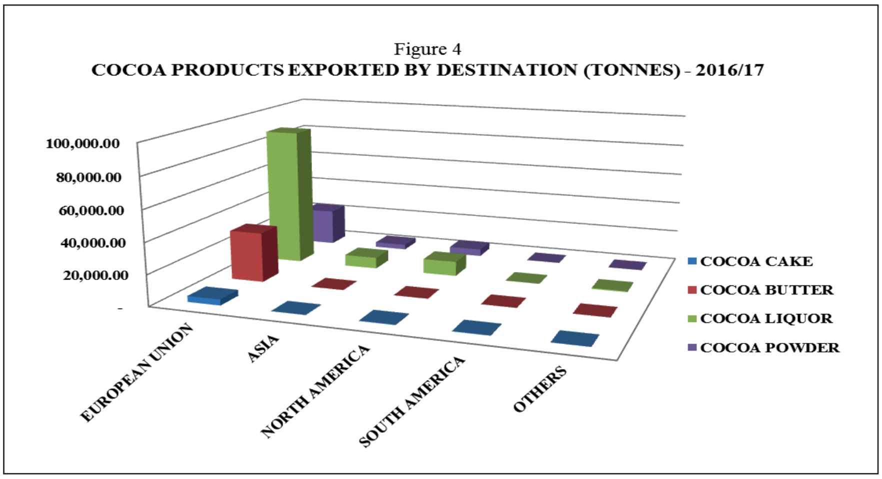
(ii) Cocoa Products

Exports of cocoa products by the eight (8) cocoa processing companies during the 2016/17 year comprised:

		Prescribed Codes
Product	**Tonnage**	**Value (GH¢)**
Cocoa liquor	106,920	1,383,179,186.94
Natural cocoa butter	38,539	747,604,928.67
Cocoa cake	10,020	26,386,813.03
Cocoa powder	31,889	246,413,949.56
Chocolate	13	441,090.18

(iii) Cocoa Product Exported by Destination

The trend of cocoa product shipments confirmed the EU market as Ghana's most important destination for the cocoa trade. Details of cocoa products shipments by destination during the season are shown in Figure 3 below.



Source: RM&E DEPT., COCOBOD

C. Seed Production Division - (SPD)

The Seed Production Division (SPD) has the mandate to multiply improved planting materials for distribution to cocoa farmers.

(a) Hybrid Seed Pods Production

A total of 6,040,920 mature hybrid cocoa seed pods were harvested in 2016/17 representing 67% of the target of 9,023,525 pods. Out of a 6,040,920 hybrid pods harvested during the year under review, 5,095,823 pods (84%) were distributed as good field usable pods while the remaining pods were treated as fermentable and non-fermentable discards.

(b) Cocoa Seedlings

Cocoa seedlings raised by SPD and CHED in 2016/17 totaled 64,053,629. This performance exceeded the season's target of 60,000,000 by 4,053,629 or 6.76%. The seedlings raised were distributed by CHED to farmers under the Free Seedlings Programme.

D. Cocoa Health and Extension Division (CHED)

(a) Field Operations

A total of 73 sectors involving 343 blocks and covering an area of 124,398.51 hectares was surveyed during the 2016/17 year. In addition, the Unit discovered 1,554 Swollen Shoot outbreaks covering an area of 11,398.37 hectares. The Unit also removed 2,062,876 diseased and contact trees from 4,197 farms, covering an area of 2,130.61 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 82,083 cartons of powdered fungicides consisting of 20,000 cartons of Champion, 10,000 cartons of kocide, 5,000 cartons of Nordox, 633 cartons of Agro Comet, 30,000 cartons of Fungikill, 10,750 cartons of Ridomil and 199,992 litres of Sidalco liquid fungicides were distributed to cocoa farmers. A total of 8,838 pieces of motorized spraying machines and 13,448 pieces of pneumatic spraying machines were distributed to gangs' sprayers.

Granular and liquid fertilizers were sold by LBCs band private distributors to cocoa farmers at a subsidized price of GH¢80.00 per 50kg bag and GH¢20.00 per liter respectively. Distribution and evacuation of fertilizers to LBCs and private distributors commenced in July and ended in November.

A total area of 1,500,015 hectares of matured bearing cocoa was sprayed with fungicides out of an estimated area of 1,800,000 hectares representing 83.33%. An average area of 2,575,805 hectares out of an estimated area of 3,067,891 hectares was sprayed twice under the capsid control programme.

E. Cocoa Research Institute of Ghana (CRIG)

Scientific research activities carried out by CRIG during the 2016/17 crop year included the following.

(a) Soil and Crop Management Thrust

During the year under review, studies on compost-topsoil mixtures for cocoa nursery suggest that these mixtures offer better support to the seedlings than topsoil only. Fertilizer trials are on-going to evaluate how calcium nitrate fertilizers affect cocoa yield.

Consistent performance of cocoa in cocoa/fruit tree intercropping systems suggest that these systems could replace the current system of using timber species as source of shade since the fruit trees could potentially provide extra income and nutrition to the farm families.

Weed control methods and soil amendments such as foliar fertilizers and manures have been shown to affect coffee berry yield. Also, intercropping food crops and fruit trees with coffee and kola is possible with added benefits.

(b) Crop Improvement Thrust

Under this thrust, 26 cocoa clones were introduced from the International Cocoa Quarantine Unit, Reading (UK), to broaden the genetic base for variety development. In addition, 65 clones that did not have passport data were fingerprinted and assigned names based on genetic groups.

A number of clones are under evaluation for ease of establishment, yield and resistance to black pod disease. The resistance of clone A1/197 to black pod disease has been confirmed in both field and detached pod assays. Across six farmers' plots, 8 clones were able to return coppiced farms into production by 12 months after grafting these clones on aged shoots that were previously coppiced.

To improve kola production in Ghana, high yielding kola varieties are being developed. Preliminary stem diameter and height measurements showed significant variation among the test genotypes.

Preliminary findings in coffee germplasm characterization, using morphological descriptors, showed that there is variation in the local and introduced coffee germplasm in Ghana. For hybrid development trials, promising hybrids with average yields of nearly 2 tons/ha as well as clones with comparable yield performance were identified.

(c) Insect Pests Management Thrust

Field population studies confirmed change in the temporal distribution of mirids. The insects are present all year round, but two population peaks exist (February-May and August-December). Other larger plant bugs in the cocoa ecosystem Bathycoelia thalassina and Pseudotheraptus devanstans have assumed key pest status that threatens cocoa production. Both bugs feed by piercing into the bark and beans resulting in distortion of the pods and clumping of the beans.

(d) Plant Diseases Management Thrust

In a survey to determine the distribution of Phytophthora species in the country, Phytophthora megakarya was found to be more predominant than P. palmivora. Other diseases found during the survey included stem canker, pink disease, white thread blight and leaf blight. Pink disease caused by Erythricium salmonicolor was found in 18 districts, distributed in the Ashanti, Brong Ahafo and Western Regions. There was significant increase in incidence of epiphytes, mainly mosses and lichens but their intensities on cocoa trees varied between the regions across the country.

(e) Pre and Post-harvest Quality Management Thrust

Marketing studies on newly developed shea butter toilet soap and body lotion begun on a very small scale. Development of coffee and kola based wines and biscuits are on-going. In the assessment of kola nut quality, a total of seventeen moulds were isolated from nuts obtained from Oyoko and Afosu in the Eastern Region with Aspergillus niger and Rhizopus sp. being predominant.

(f) Systems Assessment and Analysis Thrust

Preliminary results from the assessment of CRIG-recommended technologies by cocoa farmers suggested that some farmers do not know the recommended chemicals to use on their farms. This calls for farmer education and publicity of the approved chemicals by COCOBOD. In addition it was observed that educational level had significant influence on farmer productivity.

5. Financial Results

Highlights of the audited accounts for the 2016/17 season included the following:-

(i) Profit/Loss

During the 2016/17 financial year, COCOBOD made a loss of GH¢394,851,000 compared to a loss of GH¢199,414,000 recorded in 2015/16. The 2016/17 financial year recorded an achievable FOB price of US$2,912.43 per tonne as against US$3,015 per tonne in the 2015/16 financial year.

(ii) Export Duty

COCOBOD paid a total of GH¢178,528,000 as export duty into government treasury in the 2016/17 crop year as against GH¢364,937,000 paid during the 2015/16 crop year.

6. Community Improvement Projects

As part of COCOBOD corporate social responsibility, cash donations were made to various institutions and persons during the 2016/17 season. The lists of beneficiaries are listed below.

No	Name of Beneficiaries
1	Mfantsipim Old Boys Association
2	New Edubiase Traditional Council
3	School of Continuing and Distance Education
4	COCOBOD Retired Employees Association
5	Ghana Cocoa Coffee Sheanut Farmers Association
6	National Disaster Management Organisation
7	Ghana Golf Association
8	Tetteh Quarshie Memorial Hospital
9	Exclusive Events Ghana
10	Wesley Girls' High School
11	Ousman Inusah Ventures Limited/Syndicated Capital Finance
12	University of Ghana
13	Trades Union Congress (Ghana)
14	Afosu Traditional Authority
15	Garden City Special School
16	Akyem Tafo Ohum Festival
17	University of Ghana Business School
18	Ohum Secretariat
19	Association of National Service Persons, COCOBOD
20	Okaishie Stool Authority
21	Adabraka Atukpa I Stool Authority
22	Industrial & Commercial Workers Union
23	Transvictory Limited
24	20 University of Ghana Students (Medical Exchange Programme)

Hon. Joseph Boahen Aidoo
Chief Executive

> *Foods of the Gods - After water, cocoa is the single healthiest substance you can put in your mouth. It can easily replace a number of psychiatric drugs for mood, plus it produces the same chemistry in the brain that occurs when we fall in love.*
>
> *Chris Kilham*

Ghana Cocoa Board

ANNUAL REPORTS AND FINANCIAL STATEMENTS

Ghana Cocoa Board

CORPORATE INFORMATION

Board Of Directors

Hon Hackman Owusu-Agyemang (Chairman)
Hon Joseph Boahen Aidoo
Dr. Ernest Kwamina Yedu Addison
Mr. Kwame Sarpong
Nana Johnson Mensah
Nana Obeng Akrofi
Nana Adwoa Dokua
Hon Dr. Gyiele Nurah
Hon. Charles Kofi Adu Boahen
Hon. Carlos Kingsley Ahenkorah, MP
Mr. Peter Atta-Boakye

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

Ghana Audit Service
P.O.Box MB 96, Accra, Ghana
Tel: 233 302 664928
Fax: 233 302 675495

Bankers

Bank of Ghana
Agricultural Development Bank Limited
Bank of Africa (Ghana) Limited
Barclays Bank (Ghana) Limited
CAL Bank Limited
Ecobank Ghana Limited
FNB Bank Ghana Limited
Fidelity Bank 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
UniBank (Ghana) Limited
Universal Merchant Bank Limited
Zenith Bank (Ghana) Limited

Ghana Cocoa Board

REPORT OF THE DIRECTORS TO THE MINISTER RESPONSIBLE FOR AGRICULTURE

The Directors present their report and the financial statements of Ghana Cocoa Board (”COCOBOD”) for the year ended 30thSeptember, 2017.

Principal Activities

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). 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 (PNDCL 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 of financial statements that give a true and fair view of Ghana Cocoa Board, comprising the statement of financial position at 30th September, 2017, and the statement 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 notes, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Ghana Cocoa Board Act, 1984 (PNDCL, 81) as amended by the Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265). In addition, the directors are responsible for the preparation of the report of the directors.

The Directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of COCOBOD and its subsidiaries to continue as going concern and have no reason to believe that the businesses will not be going concerns in the year ahead.

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

Business Review

Total cocoa production for the year under review was 967,000 metric tonnes compared to the 2015/2016-crop season of 778,043 metric tonnes. The increase in production was occasioned by the interventions such as mass spraying, fertilizer application and disease control activities put in place by Management as well as good weather conditions during the year.

Cocoa beans quantity sold for the year was 895,979 metric tonnes.

Total turnover for the year ended 30th September 2017 was GH¢10.25 billion as compared to GH¢9.15 billion in the previous year.

The increase in turnover was largely as a result of increased cocoa production. The Directors have put in place the following measures to improve and sustain COCOBOD Profitability.

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

- Continuous monitoring of COCOBOD's operations to ensure efficiency at all levels particularly those associated with production and purchases.

The Directors also plan to embark on productivity enhancement programme such as:

Hand Pollination & Mass Pruning

Hand pollination is the process of manually cross-fertilizing gametes of male and female flowers of the cocoa plant. The objective is to complement the natural fertilisation carried out by insects and wind. This procedure ensures that a greater percentage of the flowers which fall off the plant get fertilised leading to the production of pods. Thus, the same land size can produce more than twice the tonnage currently produced.

Mass pruning will also be undertaken to ensure that the flowering of the cocoa tree is enhanced through improved aeration in the farms.

The hand pollination programme began in 2017 and will continue for the next three years after which COCOBOD expects that farmers would have been trained enough, and witnessed the benefits to enable them to take over and own the project. The skill of hand pollination would have also been transferred to farmers.

Irrigation

There are two seasons which prevail in the cultivation of cocoa, the rainy and the dry seasons. The flowering also coincides with the seasons. The May-July flowering meets the rainy season whilst the October-December flowering is adversely affected by the dry weather as a result of the harmattan season.

The extreme dry weather has often been a challenging factor against productivity in the cocoa sector in Ghana. To assist cocoa farmers to minimize the adverse effect of climate change on cocoa production, COCOBOD is initiating different systems of irrigation programmes on cocoa farms.

Cocoa Rehabilitation

COCOBOD intends to embark on two forms of rehabilitation programmes, namely Cocoa Swollen Shoot Virus Disease (CSSVD) control programme and the replanting of moribund cocoa farms.

CSSVD Control

The CSSVD programme will involve the following:

- Resurvey farms to map out and update CSSVD outbreak areas
- Cut out infected areas
- Provide farmers with economic trees and disease tolerant high-yielding hybrid cocoa seedlings
- Replant the cut out areas
- Compensate both the farmers and landowners to sustain interest in cocoa farming
- Increase extension services to support the programme implementation, monitoring, and evaluation.

Moribund Farms

This programme will seek to cut out and replant over-aged farms.

The replanting will be done with high yielding, disease-resistant and drought tolerant varieties

Prune and Remove Mistletoes

Motorised weeding and pruning equipment will be used

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.

Approval of The Financial Statements

The financial statements of the Ghana Cocoa Board were approved by the Board of Directors on

...8th June...2018 and were signed on their behalf by:

Director   Director

Ghana Cocoa Board

INDEPENDENT AUDITOR'S REPORT TO THE MINISTER RESPONSIBLE FOR AGRICULTURE

Opinion

I have audited the separate financial statements of Ghana Cocoa Board ("the Company") which comprise the separate statement of financial position at 30 September 2017, and the separate statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements as set out on pages 9 to 41, including a summary of significant accounting policies and other explanatory notes.

In my opinion, these financial statements give a true and fair view of the separate financial position of Ghana Cocoa Board at 30 September 2017, and of its separate financial performance and separate cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and in the manner required by the Ghana Cocoa Board Act, 1984 (PNDCL81) as amended by the Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265).

Basis for Opinion

I conducted my audit in accordance with International Standard for Supreme Audit Institutions.

My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statement in Ghana, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for other information. The other information comprises the information included in the Annual report and the Directors' report as required by the Ghana Cocoa Board Act, 1984 (PNDCL 81) as amended by the Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265) but does not include the financial statements and our auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work i have performed, I conclude that there is a material misstatement of this other information. I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors and those charged with Governance for the Financial Statements

The Directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by 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 board of directors determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit. I also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate , to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

....
JOHNSON ASIEDU AKUAMOAH
DEPUTY AUDITOR GENERAL
For: Auditor General
P. O. Box M96
Accra

8th June, 2018

Cocoa has great nutritional value, a lot of protein, which strengthens a person, and without sugar it is not fattening.

Samael Aun Weor

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2016/17 GH¢'000	2015/16 GH¢'000
Revenue	7	10,245,118	9,145,815
Direct Costs	8	(8,342,987)	(7,213,026)
		------------------	------------------
Gross profit		**1,902,131**	**1,932,789**
Other operating income	9	326,656	51,957
Distribution expenses	10	(329,096)	(475,317)
Administrative expenses	11	(1,896,297)	(1,583,974)
		------------------	------------------
Operating (loss)/profit before financing cost		3,394	(74,545)
Finance costs	12	(616,878)	(478,195)
Finance income	13	218,633	353,326
		------------------	------------------
(Loss)/Profit for the year		(394,851)	(199,414)
		========	========
Other comprehensive income			
Net change in fair value of other financial assets classified as available for sale	28	152	314
		------------------	------------------
Other comprehensive income for the year		152	314
		------------------	------------------
Total comprehensive income for the year		**(394,699)**	**(199,100)**
		========	========

Ghana Cocoa Board

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2017

	Note	2016/17 GH¢'000	2015/16 GH¢'000
Non-current assets			
Property, plant & equipment	15	2,095,602	2,008,819
Trade and other receivables	20	199,192	168,934
Investment in subsidiaries and associate	16	23,950	23,950
Other investments	17	6,473	6,321
		2,325,217	2,208,024
Current Assets			
Inventories	19	1,409,081	368,045
Other financial assets	18	507,931	377,114
Trade and other receivables	20	2,323,504	1,991,411
Cash and cash equivalents	21	609,002	185,114
		4,849,518	2,921,684
Total Assets		**7,174,735**	**5,129,708**
Equity			
Capital contribution		393	393
Fair value reserve		437	285
Revaluaton reserve		1,605,846	1,605,846
Other reserves		(34,291)	(34,291)
Retained earnings		(1,267,143)	(872,292)
Total equity		**305,242**	**699,941**
Current Liabilities			
Loans and borrowings	22	3,177,513	295,313
Trade and other payables	23	853,583	825,008
Deferred revenue	24	380,921	132,668
Provisions	26	216,191	218,081
		4,628,208	1,471,070

	Note	2016/17 GH¢'000	2015/16 GH¢'000
Non-current liabilities			
Loans and borrowings	22	2,162,367	2,890,271
Employee benefits	25	78,918	68,426
		2,241,285	2,958,697
Total liabilities		6,869,493	4,429,767
Total equity and liabilities		**7,174,735**	**5,129,708**

These financial statements were approved by the Board of Directors on .... and were signed on their behalf by:

Director　　　　Director

The notes on pages 24 to 58 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

2017	**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 2016	393	1,605,846	285	(872,292)	(34,291)	699,941
Total Comprehensive Income						
Profit/(Loss) for the year				(394,851)		(394,851)
				-		-
Other comprehensive income			152	-		152
Total comprehensive income	**-**	**-**	**152**	**(394,851)**	**-**	**(394,699)**
Balance at 30 September 2017	**393**	**1,605,846**	**437**	**(1,267,143)**	**(34,291)**	**305,242**

***Statement of cash flows for the year ended 30 September 2016** (cont'd)*

2016	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 2015	393	1,634,992	(29)	(702,024)	(34,291)	899,041
Total Comprehensive Income						
Profit/(Loss) for the year				(199,414)		(199,414)
Other comprehensive income				314		314
Total comprehensive income	**-**	**-**	**314**	**(199,414)**	**-**	**(199,100)**
Transfer within equity						
Revaluation surplus realised		(29,146)		29,146	-	-
Transfer within equity	-	(29,146)	-	29,146	-	-
Balance at 30 September 2016	**393**	**1,605,846**	**285**	**(872,292)**	**(34,291)**	**699,941**

The notes on pages 13 to 41 form an integral part of these financial statements.

Ghana Cocoa Board

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2016/17 GH¢'000	2015/16 GH¢'000
Cash flow from operating activities			
(Loss)/Profit for the year		(394,851)	(199,414)
Adjustments for:			
Depreciation	15	76,341	71,538
Loss/(Gain) on disposal of property, plant and equipment		(240)	7,405
Finance income	13	(218,633)	(353,326)
Finance costs	12	616,878	478,195
		79,495	**4,398**
Changes in:			
Inventories		(1,041,036)	(72,457)
Other financial assets		(130,817)	175,396
Trade and other receivables		(362,351)	(73,151)
Trade and other payables		28,575	232,480
Deferred income		248,253	(302,064)
Provisions		(1890)	84,943
Employee benefits		10,492	9,847
Net cash from operating activities		**(1,169,280)**	**59,392**

Consolidated statement of cash flows for the year ended 30 September 2016 (cont'd)

	Note	2016/17 GH¢'000	2015/16 GH¢'000
Cash flow from investing activities			
Proceeds from sale of property and equipment		431	23
Interest received		218,073	352,767
Dividends received	13	561	559
Acquisition of property, plant and equipment	15	(163,315)	(63,950)
Net cash flow from investing activities		**55,750**	**289,399**
Cash flow from financial activities			
Loans and borrowings		2,154,296	(81,001)
Interest paid		(616,878)	(478,195)
Net cash used in Financing activities		**1,537,418**	**(559,196)**
Net (decrease) /Increase in cash and cash equivalents		423,888	(210,405)
Cash and cash equivalents at 1 October		185,114	395,519
Cash and cash equivalent at 30 September		**609,002**	**185,114**

The notes on pages 24 to 58 form an integral part of these financial statements

Ghana Cocoa Board

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. Reporting Company

Ghana Cocoa Board ("the company") 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 financial statements are the separate financial statements of Ghana Cocoa Board for the year ended 30 September 2017 and are available at the Company's registered office, Cocoa House, 41 Kwame Nkrumah Avenue, Accra Ghana.

2. Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Ghana Cocoa Board Act, 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265).

3. Functional and presentation currency

These financial statements are presented in Ghana cedis (GH¢) 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.

Critical accounting estimates and judgments

The company's financial statements and financial results are influenced by accounting policies, assumptions, estimates and management judgments, which necessarily have to be made in the course of preparing the financial statements.

The Company makes estimates and assumptions that affect reported amounts of assets and liabilities. All estimates and assumptions required in conformity with IFRS are based on best estimates made in accordance with applicable standards. Estimates and judgments are evaluated on a continuous basis, based on past experience and other factors, including expectations with regard to future events.

(a) Impairment of trade and other receivables

The Company assesses its trade receivables for impairment on a continuing basis. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The estimation of the requirement for impairment is based on the current collectability of trade receivables, as well as taking into account historical factors with regard to the impairment of trade receivables. Management believe that the allowance for impairment is conservative that there are no significant trade receivables that are doubtful and have not been impaired.

(b) Fair value of financial instruments

The fair value of financial instruments, where no active market exists or where quoted prices are not otherwise available, are determined using valuation techniques. In these cases, fair values are estimated from observable data in respect of similar financial instruments or using models. Models are calibrated to ensure that outputs reflects actual data and comparative market prices.

Financial instruments for which the fair value cannot be reliably measured are stated at cost less any impairment losses.

(c) Property, plant and equipment

The residual values of property, plant and equipment are considered in the estimation of their useful lives and economic lives. The estimation of useful lives is based on historical performance as well as expectations about future use, and therefore, require a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets.

(d) Land and buildings

An external, independent valuation Company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company's property. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowlegeable, prudently and without compulsion.

(e) Defined benefit obligation

Key actuarial assumptions used in the measurement of defined obligations are described under Note 25

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, measurement 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 unrecognised actuarial gains less unrecognised past service cost and unrecognised 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 Foreign currency

Transactions denominated in foreign currencies are translated to the Company's functional currency at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at exchange rates rulling at that date. 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 exchange rates at the dates of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rates rulling at the dates the fair value was determined.

6.2 Financial instruments

All financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category.

Non-derivative financial assets and liabilities - recognition

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

The Company classifies its financial assets in the following categories: loans and receivables, held-to-maturity and available-for-sale. Management determines the classification of its financial assets at initial recognition. No financial assets are classified as fair value through profit or loss.

Loans and receivables

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and which the Company does not intend to sell immediately or in the near term.

Loans and receivables are initially recognised at fair value plus incremental direct transactions costs, and subsequently measured at amortised cost using the effective interest method less any impairment losses.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalent comprise of 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.

Held-to-maturity financial assets

The Company classifies other financial assets as Held-to-maturity financial assets.

Held-to-maturity assets are non derivative assets with fixed or determinable payments and fixed maturity that the company 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.

Held-to-maturity assets are initially recognised at fair value plus incremental direct transactions costs, and subsequently measured at amortised cost using the effective interest method.

Any sale or reclassification of a significant amount of held to maturity assets not close to their maturity would result in the reclassification of all held to maturity assets as available-for-sale, and would prevent the Company from classifying such assets as held-to-maturity for the current and the following two financial years. Differences between the carrying amount (amortised cost) and the fair value on the date of the reclassification are recognised in other comprehensive income.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, that are not classified as held-to-maturity investments, fair value through profit or loss or loans and receivables.

Available-for-sale financial assets comprise other investments.

Unquoted equity securities whose fair value cannot be measured reliably are carried at cost. All other available-for-sale financial assets are measured at fair value after initial recognition.

Interest income is recognised in profit or loss using the effective interest method. Dividends on available-for-sale equity instruments are recognised in profit or loss in dividend income when the Company's right to receive payment is established.

Other fair value changes, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve within equity. When the investment is sold the gain or loss accumulated in equity is reclassified to profit or loss.

(ii) Financial liabilities

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, into the other financial liabilities category.

Other financial liabilities include trade and other payables and loans and borrowings.

Other financial liabilities are initially recognised at fair value less any directly attributable transactions costs and subsequent measured at amortised cost using the effective interest method.

iii) Derecognition

Financial asset

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

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in profit or loss. Any interest in transferred financial asset that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

Financial liabilities

The Company derecognises a financial liability when its contracual obligations are discharged or cancelled or expire

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under applicable accounting standards, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

6.3 Impairment of financial assets

(a) Assets carried at amortised costs

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor will enter bankrutcy, adverse changes in the payment status of borrowers and economic conditions that correlate with defaults.

An impairment loss in respect of financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The company considers evidence of impairment of these assets both on an individual and collective basis. 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 Company uses historical information on the timing of recoveries and the amount of loss incurred, and make adjustments if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested historical trends.

All impairment losses are recognised in profit or loss and reflected in an allowance account. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistics prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairmant loss subsequently decreases and the decrease can be related objectively to an event occuring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(b) Assets classified as available-for-sale

The Company assesses whether there is objective evidence that financial asset or a group of financal assets is impaired at each reporting date. In the case of equity investment classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss.

In general, the Company considers a decline of 20% to be significant and a period of nine months to be prolonged. However, in specific circumstances a smaller decline or a shorter period may be appropriate.
Impairment losses are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

If, in a subsequent period, the fair value of debt instrument classified as available for sale increases and the increase can objectively be related to an event occuring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through other comprehensive income.

6.4 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. Land and building are recognised at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets and the net amount restated to the revalued amount of the assets.

An increase in the carrying amount of building as a result of a revaluation is recognised in other comprehensive income and accumulated in equity under revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.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A revaluation decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The surplus on revaluation is transferred to retained earnings as the relevant revalued assets is used. The amount transferred is the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost.

Valuation are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materiality from its carrying amount.

Other items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the 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 if there is uncertainty that the lessee will obtain ownership of the asset at the end of the lease term, if not they are depreciated over the useful life of the asset.
Freehold land is not depreciated.

The estimated useful lives are as follows:

• buildings and produce sheds	10-50 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 reassessed at each reporting date. Gains and losses on disposal of property, plant and equipment are included in profit or loss.

6.4 Property, plant and equipment

(iv) Capital work in progress

Property,plant and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

(v) Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefit are expected to flow to the Company from either use or disposal.

Impairment of non-financial assets

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

The recoverable amount is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessment of the time value of money and risks specific to the asset.

A previous recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the assets's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.5 Inventories

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

6.6 Employee benefits

Defined contribution plans

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

The Company has the following defined contribution schemes:

Social Security and National Insurance Trust

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

Provident Fund

The Company has Provident Fund Scheme for all permanent employees. The Company contributes 7% of their basic salary to the Fund. Obligations under the plan are limited to the relevant contributions which have been recognised in the financial statements and are settled on due dates to the fund manager.

End of Service Benefit

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

Defined benefit plans

The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a Qualified Actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains or losses is recognised immediately in other comprehensive income.


Choco
Delight

6.6 Employee benefits (cont'd)

Defined contribution plans (cont'd)

The Company determines the net interest expense (income) on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability at the period end, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss. When the benefit of a plan are changed or when a plan is curtailed, the resulting change in benefit that relate to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains or losses on the settlement of defined benefits when settlement occurs. The Company has the following defined benefit plans:

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 Company. 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.

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)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company 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.

6.7 Provisions

A provision is recognised when the Company 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. Unwinding of the discount is recognised as finance costs.

6.8 Revenue

Revenue from sale of goods is measured at the fair value of consideration received or receivable, net of returns, trade discount, 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. Risk and rewards of ownership are transferred at the point of despatch of cocoa beans.

6.9 Deferred revenue

Deferred revenue is made up of customer advances. This relates to deposits made by customers towards the purchase of cocoa beans, which had not been delivered at the end of the reporting period.

Deferred revenue is recognised when cash is received but goods have not been delivered. It is measured at the value of the amount received. When product is delivered, the amount delivered is translated from deferred revenue to revenue.

6.10 Lease

(i) Lease payments - Lessee

Payment made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised 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 finance expense and a 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 payment are accounted for by revising the minimum lease payment over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Lease assets - Lessee

Assets held under other leases are classified as operating leases and are not recognized in the Company's statement of financial position.

(iii) Lease assets - Lessor

Where significant portions of the risks and rewards of ownership are retained by the lessor, such leases are classified as leases. Lease income from operating leases are recognized in other income on a straight-line basis over the period of the lease.

6.11 Finance income and expenses

Finance income comprises 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 Company's right to receive payment 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.

6.12 New standards and interpretations not yet adopted

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective; These include the following Standards and Interpretations that are applicable to the business of the entity and may have an impact on future financial statements: The Company does not plan to adopt these standards early.

- **IFRS 15 Revenue from contracts with customers**

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreement for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue - Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contract 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 will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The Company is currently in the process of performing a detailed assessment of the impact of this standard on the Company. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

- **IFRS 9 Financial Instruments**

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's 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.

6.12 New standards and interpretations not yet adopted

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 by the Company. This standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

- **Equity Method in Separate Financial Statements (Amendments to IAS 27)**

The amendment allows an entity to apply the equity method in its separate financial statements to account for its investment in subsidiaries, associates and joint ventures. The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

IFRS 16 Introduces a single, on balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optimal exemption for short-term leases of low value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 27 leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC -15 operating Leases - incentives and SIC -27 Evaluating the substance of the Transaction involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with customers at the beginning or before the date of initial application on IFRS 16.

7. Revenue

	2016/17 GH¢'000	2015/16 GH¢'000
Sale of cocoa beans	10,245,118	9,145,815
	==========	==========

8. Direct costs

Cost of inventory included in cost of sales	6,651,928	5,272,023
Buyer's margin and haulers' costs	1,119,181	739,656
Pest and diseases control	79,288	294,625
Cocoa Hi- Tech expenses	117,215	715,815
Pollination & Other Productivity Enhancement Costs	29,725	-
Disinfestation & Fumigation	160,522	73,677
Inspection Charges	3,310	854
Farmers Bonus	76,555	31,434
Stabilisation Expenses	105,263	84,942
	--------------	--------------
	8,342,987	7,213,026
	========	========

9. Other operating income

	2016/17 GH¢'000	2015/16 GH¢'000
Rental income	5,191	2,909
Sundry income	321,225	49,048
Profit on disposal of property,plant and equipment	240	0
	-------------	-------------
	326,656	51,957
	=======	=======

10. Distribution expenses

Storage and shipping costs	85,106	68,535
Sales commission	59,681	40,789
Export duty	178,528	364,937
B.O.G. Commission	5,781	1,056
	-------------	-------------
	329,096	475,317
	=======	=======

11. Administrative expenses include:

Auditor's expenses/remuneration	306	554
Depreciation	76,341	71,538
Director's remuneration	3,715	4,165
Staff costs	606,829	565,537
Cocoa Roads	592,500	855,283
	=======	=======

The Producer Price Review Committee (PPRC) in collaboration with Ghana Cocoa Board and the Government of Ghana agreed that an amount of one hundred and fifty million United States Dollars (US$150 Million) will be set aside each year from the appropriation to develop roads in the cocoa growing communities). This agreement commenced in the 2014 financial year.

In August 2016, the Ministry of Finance set up a Cocoa Road Trust (independent of Ghana Cocoa Board), which has the mandate to administer funds contributed to the Trust. Consequently, Ghana Cocoa Board is only required to make annual contributions to the Trust based on the appropriations.

	2016/17 GH¢'000	2015/16 GH¢'000
12. Finance costs		
Interest on loans and borrowings	601,610	463,126
Interest on defined benefit pension plan obligation	15,268	15,069
	-------------	------------
	616,878	**478,195**
	=======	=======
13. Finance income		
Interest on fixed deposit	99,088	194,819
Interest on loans and advances	48,119	101,074
Bank interest earned	70,865	56,874
Dividend income	561	559
	-------------	-------------
	218,633	353,326
	=======	=======

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 the Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265).

> *Eat lots of Chocolate when times get rough, and eat even more when times are great*

15. Property, plant and equipment

2017	Land and Buildings GH¢'000	Furniture and Equipment GH¢'000	Motor Vehicles GH¢'000	Plant and Machinery GH¢'000	Work in Progress GH¢'000	Total GH¢'000
Cost/Valuation						
Balance at 01.10.2016	1,973,089	57,749	51,487	43,860	55,787	2,181,972
Additions	371	16,027	121	598	146,198	163,315
Disposal	-	(248)	(1,117)	(21)	-	(1,386)
Balance at 30.09.2017	**1,973,460**	**73,528**	**50,491**	**44,437**	**201,985**	**2,343,901**
Accumulated depreciation						
Balance at 01.10.2016	57,268	38,861	38,205	38,819	-	173,153
Charge for the year	58,531	9,467	7,025	1,318	-	76,341
Disposal	-	(172)	(1,002)	(21)	-	(1,195)
Balance at 30.09.2017	**115,799**	**48,156**	**44,228**	**40,116**	**-**	**248,299**
Net book Value at 30.09.2017	**1,857,661**	**25,372**	**6,263**	**4,321**	**201,985**	**2,095,602**
Comprising						
Carrying amount under cost model	251,815					251,815
Revaluation surplus recognized	1,605,846					1,605,846
At 30 September 2017	**1,857,661**					**1,857,661**

15. Property, plant and equipment (cont'd)

2016	Land and Buildings GH¢'000	Furniture and Equipment GH¢'000	Motor Vehicles GH¢'000	Plant and Machinery GH¢'000	Work in Progress GH¢'000	Total GH¢'000
Cost/Valuation						
Balance at 01.10.2015	1,974,282	47,295	49,226	39,610	16,352	2,126,765
Additions	5,707	10,837	3,635	4,336	39,435	63,950
Disposal/write off	(6,900)	(383)	(1,374)	(86)	-	(8,743)
Balance at 30.09.2016	1,973,089	57,749	51,487	43,860	55,787	2,181,972
Accumulated depreciation						
Balance at 01.10.2015	-	33,909	32,048	36,973	-	102,930
Charge for the year	57,268	5,219	7,119	1,932	-	71,538
Release on disposal	-	(267)	(962)	(86)	-	(1,315)
Balance at 30.09.2016	57,268	38,861	38,205	38,819	-	173,153
Net book Value at 30.09.2016	**1,915,821**	**18,888**	**13,282**	**5,041**	**55,787**	**2,008,819**
Comprising						
Carrying amount						
under cost model	309,975					309,975
Revaluation surplus recognized	1,605,846					1,605,846
At 30 September 2016	**1,915,821**					**1,915,821**

15. Property, plant and equipment (cont'd)

There are no restrictions to title on any of the Company's property, plant and equipment and there are no charges on any of these assets.

The Company's Land and building and produce sheds were independently revalued at 30 September 2015 and 30 September 2014 by Valuation and Investment Associates and Property Solutions Model. Subsequent revaluations will be done at intervals of five years. Valuations are made on the basis of the open market values, which reflect recent prices for similar properties. The revalued amounts were incorporated in the financial statements for the respective years. Revaluation differences are adjusted through revaluation reserve in shareholders' equity.

16. Investment in subsidiaries and associate

The Company had the following investments in the underlisted subsidiaries:

	Country of Incorporation	Interest	2016/17 GH¢'000	2015/16 GH¢'000
Investment in listed entity				
Cocoa Processing Company Limited	Ghana	57.73%	23,532	23,532
Investment in unlisted entity				
Cocoa Marketing Company (Ghana) Ltd	Ghana	100%	372	372
Quality Control Company Limited	Ghana	100%	10	10
Tema Chemicals Company Limited	Ghana	49%	36	36
			23,950	**23,950**

17. Other investments

	2016/17 GH¢'000	2015/16 GH¢'000
Equity securities - Available for sale		
At 1 October	6,321	6,007
Net change in fair value	152	314
Disposal		
At 30 September	**6,473**	**6,321**

18. Other financial assets

Held to maturity financial assets		
Fixed deposits	507,931	377,114

19. Inventories

Cocoa beans	478,046	31,517
Other consumables and inputs	931,035	336,528
	1,409,081	**368,045**

20. Trade and other receivables

	2016/17 GH¢'000	2015/16 GH¢'000
Current		
Trade receivables	465,016	212,171
Amounts due from related parties	1,343,357	1,387,235
Other receivables	437,892	274,205
Prepayments	6,124	105,531
Loans receivable	71,115	12,269
	2,323,504	1,991,411
Non-current		
Loans receivable	58,474	41,758
Amounts due from related parties	140,718	127,176
	199,192	168,934

21. Cash and cash equivalents

	2016/17 GH¢'000	2015/16 GH¢'000
Bank and Cash balances	363,124	166,295
Fixed deposits	245,878	18,819
	609,002	185,114

22. Loans and borrowings

	2016/17 GH¢'000	2015/16 GH¢'000
Current		
Secured bank loans (ci)	825,777	295,313
Unsecured bills payable	2,351,736	0
	3,177,513	295,313
Non-current		
Secured bank loans (a)	1,832,787	1,999,404
Secured bank loans (ci)	329,580	890,867
	2,162,367	2,890,271

Terms and debt repayment schedule

	Currency	Year of Maturity	Face Value GH¢'000	2016/17 Carrying amount GH¢'000	Face Value GH¢'000	2015/16 Carrying Amount GH¢'000
Secured bank loan (a)	GH¢	2023	1,832,787	1,832,787	1,999,404	1,999,404
Unsecured "Cocoa" bills (b)	GH¢	2016	2,351,736	2,351,736	-	-
Secured bank loans (ci)	US$	2019	1,155,357	1,155,357	1,186,180	1,186,180
			5,339,880	5,339,880	3,185,584	3,185,584

22. Loans and borrowings (cont'd)

a. This relates to a Bank of Ghana facility dated 18 September 2013 covering the conversion of GHc1,999,404,000 worth of 182 day treasury bills into 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 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 relates to 2 lots of unsecured short term borrowings from Bank of Ghana in the form of treasury (cocoa) bills at varying rates ranging from 20.50% to 24.5% per annum and is repayable within six (6) months.The bills were rolled over upon maturity in October 2017 and repayment is expected in May 2018

This relates to 2 lots of unsecured short term borrowings from Bank of Ghana in the form of treasury (cocoa) bills at an interest rate of 22% per annum and is repayable within one(1) year.

c (i) This relates to a US$300,000,000 loan facility signed on 15 January 2016 by a syndicate of international banks. The first draw-down on the loan was on 29 January 2016. The facility has a tenure of three (3) years and attracts interest at LIBOR plus 3.5% on a quarterly basis. The loan is secured by future cocoa sale contracts.

c (ii) Ghana Cocoa Board, in collaboration with a consortium of twenty seven (27) international banks signed a syndicated loan agreement on 20 September 2017 for an amount of US$1,300,000,000 to finance the purchase of cocoa beans for the 2017/2018 crop year. The first tranche of the loan was disbursed in the first week of October 2017. This loan is secured against receivable from future sale contracts.

23. Trade and other payables

	2016/17 GH¢'000	2015/16 GH¢'000
Trade payables	11,508	35,414
Other taxes and social security	3,073	6,127
Other payables	310,033	164,521
Accruals	528,969	328,384
Cocoa roads trust fund	0	290,562
	853,583	**825,008**

24. Deferred revenue

Customer advances	380,921	132,668

25. Employee benefits

Pension plans

Apart from the legally required social security scheme, the company contributes to the following post-employment defined benefit plans.

(a) Ghana Cocoa Board Pension scheme - Plan A

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.

(b) Long-service awards - Plan B

Long service awards accrue to employees based on graduated periods of uninterupted service. These awards accrue over the service life of employees. Employees leaving the service of the company after ten (10) years through retirement (both voluntary and compulsory) or resignation become eligible to entitlement at the time of retirement or resignation based on their length of service.

(c) Post-retirement medical benefit - Plan C

This 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)

These defined benefit plans expose the company to acturial risks, such as longevity risk, interest rate risk and market (investment risk)

Movement in defined benefit liability

The following table shows a reconciliation of the opening and closing balances of the net defined benefit liability and its components.

	2016/17 GH¢'000	2015/16 GH¢'000
At 1 October	68,426	58,579
Included in profit and loss		
Current service costs	1,400	1,383
Interest cost	15,268	15,069
	16,668	16,452
Included in other comprehensive income		
Re-measurements		
acturial gains*	-	-
Other		
Benefit paid	(6,176)	(6,605)
At 30 September	78,918	68,426

* There were no material change in economic assumptions and the related acturial gains or losses. Consequently, no acturial gains or loss is recognised in the financial statements for the current year.

> *Relax, breathe, go with the flow and eat chocolate you will feel much better*

25. Employee benefits (cont'd)

Represented by;	2016/17 GH¢'000	2015/16 GH¢'000
Net defined benefit liabiltiy - Plan A	17,491	15,166
Net defined benefit liabiltiy - Plan B	12,185	10,565
Net defined benefit liabiltiy - Plan C	49,242	42,695
	------------	------------
	78,918	68,426
	=======	=======

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

Administrative expenses	1,400	1,383
Finance costs	15,268	15,069
	------------	------------
	16,668	16,452
	=======	=======

The principal acturial assumption at the year-end were as follows:

Discount rate	20	24
Future salary increases	15	15

Sensitivity analysis

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

26. 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 2016	157,754	28,898	27,733	3,696	218,081
Provision made during the year	(1,890)				(1,890)
	--------------	--------------	--------------	--------------	-------------
At 30 September 2016	155,864	28,898	27,733	3,696	216,191
	========	========	========	========	========

26. Provisions (cont'd)

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 fund are set aside from profit at the directive of the PPRC.

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 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(PNDCL Law 81), as amended to establsih a farmers' welfare fund into which a sum of not more than 10 percent of the net profit of the Company shall be transferred each year. The fund is intended to be used for:

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

(b) the provision of other farmers' benefit 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 cocoa, coffee and sheanuts farmers.

27. 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 of its carrying amount is included in the revaluation reserve.

Other reserve

This reserve include re-measurement of the defined benefit plan of Ghana Cocoa Board.

28. Capital and reserves

Other comprehensive income

2017

	Revaluation reserve GH¢'000	Fair value reserve GH¢'000	Other reserves GH¢'000	Other comprehensive income GH¢'000
Change in fair value of assets classified as avaialable-for-sale		152		152
	-----	-----	-----	-----
Total other comprehensive income	-	152	-	152
	===	===	===	===

2016

	Revaluation reserve GH¢'000	Fair value reserve GH¢'000	Other reserves GH¢'000	Other comprehensive income GH¢'000
Change in fair value of asset classified as avaialable-for-sale	-	314	-	314
	--------	------------	------------	------------
Total other comprehensive income	-	314	-	314
	========	========	========	========

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. No fair value disclosures are provided for investment in other equity securities that are measured at cost less any impairment losses because their fair values cannot be measured reliably. These investments are unquoted equity investment with no observable market data. There is no active market for these investments and the company does not intend to dispose-off these investment in the foreseable future.

Trade and other receivables

The fair value of trade and other receivable 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 are 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 equivalent approximates their carrying values

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 following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in fair value hierachy. It does not include fair value information for financial assets and other liabilities if the carrying amount is a reasonble approximaiton of fair value:

	Carrying amount 2016/17 GH¢'000	Fair value 2016/17 GH¢'000	Carrying amount 2015/16 GH¢'000	Fair value 2015/16 GH¢'000
Available-for-sale financial assets				
Other investments	6,473	6,473	6,321	6,321
	----------	----------	----------	----------
Held to maturity financial assets				
Other financial assets	507,931	507,931	377,114	377,114
	----------	----------	----------	----------
Loans and receivables				
Cash and cash equivalents	609,002	609,002	185,114	185,114
Trade and other receivables	2,522,696	2,522,696	2,160,345	2,160,345
	----------	----------	----------	----------
Total loans and receivables	3,131,698	3,131,698	2,345,459	2,345,459
	----------	----------	----------	----------
Financial liabilities not measured at fair value				
Loans and borrowings	5,339,880	5,339,880	3,185,584	3,185,584
Trade and other payables	853,583	853,583	825,008	825,008
	----------	----------	----------	----------
Total financial liabilities not measured at fair value	**6,193,463**	**6,193,463**	**4,010,592**	**4,010,592**
	=======	=======	=======	=======

When measuring fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different level 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 liabilities that are not based on observable market data (unobservable inputs).

(a) Fair values of financial instruments

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 Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period duirng which the change has occurred.

2017

	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Available–for-sale financial assets				
Other investments	6,473	-	-	6,473
	======	======	======	======

2016

	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Available–for-sale financial assets				
Other investments	6,321	-	-	6,321
	======	======	======	======

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risks

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company's risk management policies are established to identify and analyse risks faced by the Company, 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 Company's activities. The Company, through training and established management standards and procedures, aims to maintain a discipline and constructive control environment in which all employees understand their roles and obligations.

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

The Company'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 company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the company's receivable from customers and investment securities.

Exposure to credit risk

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

	2016/17 GH¢'000	2015/16 GH¢'000
Other financial assets	507,931	377,114
Cash and cash equivalent	609,002	185,114
Trade receivables	465,016	212,171
Amounts due from related parties	1,484,075	1,514,411
Loan receivables	129,589	54,027
	----------------	----------------
	3,195,613	2,342,837
	========	========

Trade receivables, amounts due from related parties and loan receivables

The Company's exposure to credit risk is influenced by the individual characteristics of each customer. However, management also considers factors that may influence the credit risk of its customer base, including defaulting 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:

	2016/17 GH¢'000	2015/16 GH¢'000
Local trade receivables (including amounts owed by related parties and loan receivables)	2,048,978	1,763,727
Foreign trade receivables	29,703	12,113
	----------------	----------------
	2,078,681	1,775,840
	========	========

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 2016/17 GH¢'000	Impairment 2016/17 GH¢'000	Gross 2015/16 GH¢'000	Impairment 2015/16 GH¢'000
Neither past due nor impaired	1,472,947		1,112,652	-
Past due 0-30days	161		18,684	-
Past due 31-120 days	97,719		34,652	-
Individually impaired	1,070,321	(562,467)	1,177,088	(562,467)
	-----------------	-----------------	-----------------	-----------------
	2,641,148	(562,467)	2,343,076	(562,467)
	=========	=========	=========	=========

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 payments 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:

	2016/17 GH¢'000	2015/16 GH¢'000
At 1 October	(562,467)	(594,901)
Impairment loss recognised	0	32,434
	----------------	----------------
At 30 September	(562,467)	(562,467)
	========	========

The allowance account for trade receivables and other receivables is used to record impairment losses unless the company 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 equivalents and other financial assets

The Company held cash and cash equivalent of Gh¢609,002,000 (2016:Gh¢185,114,000) and other financial assets of Gh¢507,931,000 (2016:Gh¢377,114,000) 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 company will not be able to meet its financial obligation as they fall due. The Company's approach to managing liquidity is to hold cash and cash equivalents and maintain undrawn committed facilities at levels sufficient to ensure the Company 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.

2017	Carrying amounts GH¢'000	Contractual cash flows 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 (GHS)	1,999,403	2,304,313	131,440	436,391	1,327,318	409,164
Secured bank loans (US$)	988,741	1,033,275	696,551	336,724		
Trade and other payables	853,583	853,583	853,583			
	3,841,727	**4,191,171**	**1,681,574**	**773,115**	**1,327,318**	**409,164**

2016	Carrying amounts GH¢'000	Contractual cash flows 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 (GHS)	1,999,404	2,514,250	129,961	294,912	1,569,532	519,845
Secured bank loans (US$)	1,186,180	1,248,141	487,102	6 11,866	149,173	-
Trade and other payables	825,008	825,008	825,008	-	-	-
	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------
	4,010,592	**4,587,399**	**1,442,071**	**906,778**	**1,718,705**	**519,845**
	========	========	========	========	========	========

(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 company's income or the value of its holdings of financial instruments.

Market risk - Foreign currency risk

Foreign exchange or currency risk is the risk of loss that results from changes in foreign exchange rates. The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the functional currency. These transactions are primarily denominated in US Dollar, EURO and GB Pounds. The company's exposure to foreign currency risk was as follows based on the carrying amount of monetary financial instruments.

2017

	Pound Sterling 000	EUR 000	US Dollar 000
Cash and cash equivalents	6	119	12,377
Trade receivables			101,321
Amount due from related parties			39,398
Loan receivables			13,306
Other financial assets		4	16,493
Secured bank loans			(225,000)
	--------	-------	-----------------
Net exposure	6	123	(42,105)
	======	======	========

2016

	Pound Sterling 000	EUR 000	US Dollar 000
Cash and cash equivalents	739	866	18,076
Trade receivables			160,742
Amount due from related parties			249,062
Loan receivables			6,576
Other financial assets	202	130	45,478
Secured bank loans			(300,000)
Net exposure	941	996	179,934

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

	Average		Year end	
GH¢	**2016/17**	**2015/16**	**2016/17**	**2015/16**
GBP 1	5.5209	5.4494	5.8926	5.1492
EUR 1	4.8227	4.2836	5.1922	4.4532
USD 1	4.1809	3.8541	4.3922	3.9695

Market risk - Interest rate risk

Profile

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

	2016/17 GH¢'000	2015/16 GH¢'000
Fixed rate instruments		
Financial assets	507,931	377,114
Financial liabilities	(1,999,404)	(1,999,404)
	(1,491,473)	(1,622,290)
Variable rate instruments		
Financial liabilities	(988,740)	(1,186,180)

Sensitivity analysis

A change of 50 basis point 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. The analysis is performed on the same basis for the comparative period.

	2016/17 GH¢'000	2015/16 GH¢'000
Equity		
Increase	3,533	8,111
Decrease	(3,533)	(8,111)
Profit or loss		
Increase	3,533	8,111
Decrease	(3,533)	(8,111)

(iv) Market risk

Market risk - Equity price risk

The Company'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 Company'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.

	2016/17	2015/16
	GH¢'000	GH¢'000
Equity	129	126
	===	===

A 2 percent decrease 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. Commitments

Ghana Cocoa Board has made commitments to incure capital expenditure of Ghc203,643,548 (2016: Ghc267,105,680). These commitments are expected to be executed in 2017.

31. Contingencies

Ghana Cocoa Board set up a Trust to manage the cocoa roads project. An amount of US$150,000,000.00 was transferred annually to the Trust between 2014/15 to 2016/17 to settle certificates due for payment.

However, the Trust was non-functional because the Trust Deed was not executed. Currently, the Trust is indebted to various contractors to the tune of GH¢882,499,705.00. Ghana Cocoa Board has appointed a Committee to undertake Value for Money Audit in relation to all outstanding certificates due for payment.

Pending law suits against the company is estimated at Gh¢13,003,055 (2016:Gh¢168,417,283).

32. Related parties

The Company has related party relationship with its ultimate controlling party and subsidiaries.

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 end was as follows:

	2016/17	2015/16
	GH¢'000	GH¢'000
Directors' emoluments including social security costs	3,715	4,165
	======	=======

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

Other related party transactions

	2016/17 GH¢'000	2015/16 GH¢'000
Sales to:		
Cocoa Processing Company Limited	11,254	12,080
Services rendered by:		
Cocoa Marketing Company (Ghana) Limited	53,900	109,324
Advances made in the year:		
Payments made on behalf of the Government of Ghana	70,254	44,189
Advances to the Government of Ghana (i.e. excess export duties paid in 2016)	0	15,084
	70,254	59,273
Export duties paid to the Government of Ghana	178,528	364,937
Interest charge to:		
Cocoa Processing Company Limited	10,816	6,359
Receivables outstanding:		
Cocoa Processing Company Limited	219,132	342,178
Cocoa Marketing Company (Ghana) Limited	113,781	72,547
Government of Ghana	1,435,793	1,417,691
	1,768,706	1,832,416

None of these balances from related parties is secured. The total allowance against these balances at 30 September 2017 was GH¢354,033,000 (2016: GH¢354,033,000)

33. Capital management

The Company's objective when managing capital are to safequard the Company's ability to continue as a going concern. The Company 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 Company's adjusted net debt to equity at the reporting date was as follows:

	2016/17 GH¢'000	2015/16 GH¢'000
Total liabilities	6,869,493	4,429,767
Less: Cash and cash equivalents	(609,002)	(185,114)
Net debt	6,260,491	4,244,653
Total equity	305,242	699,941
Net debt to equity ratio	20.51	6.06

33 Comparative figures

Comparative figures have been restated where necessary to provide consistent information with the current year's presentation as follows;

Impact on 2016 Statement of Comprehensive Income

	Before Amendment GH¢'000	Adjustment GH¢'000	Amended Amount GH¢'000
Direct cost	8,069,365	(856,339)	7,213,026
Distribution expenses	474,261	1,056	475,317
Administrative Expenses	728,691	855,283	1,583,974
	9,272,317	-	9,272,317

	GH¢'000
Cocoa Roads	855,283
B.O.G. Commission	1,056
	856,339

Cocoa Roads and B.O.G commission were reclassified from Direct Cost to Administrative expenses and Distribution expenses respectively.

The above restatement had no impact on the Total Comprehensive Income

Ghana Cocoa Board
Tel.+233-302-661752/661757/661872
Fax: +233-302-667104
E-mail: cocobod@cocobod.gh
www.cocobod.gh