Ghana Cocoa Board

44th Annual Report

AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH SEPTEMBER, 2013

Ghana Cocoa Board

44th Annual Report & Financial Statements
for the Year Ended 30th September, 2013

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Auditors and Registered Office

AUDITORS

KPMG (ICAG/F/2014/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P.O BOX 242
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

Highlights

	2011/12*	2012/13	% CHANGE
1. Turnover (Gross) (GH¢)	4,546,890,000	3,753,856,000	**(21.13)**
2. Total Assets (GH¢)	3,135,443,000	2,686,567,000	**(16.71)**
3. Equity Capital (GH¢)	393,290	393,290	**-**
4. Current Assets (GH¢)	2,600,535,000	2,067,893,000	**(25.76)**
5. Current Liabilities (GH¢)	2,720,651,000	1,397,371,000	**(94.70)**
6. Producer Prices:			
- Main Crop (Cocoa) (GH¢) - (per tonne)	3,280	3,392	**3.41**
- Mid Crop (Cocoa) (GH¢) - (per tonne)	3,280	3,392	**3.41**
- Coffee (Hulled) (GH¢) - (per tonne)	1,000-1,020	935	**(6.50)**
7. Number of Subsidiaries and Divisions	5	5	**-**
8. Total Employees	7,368	7,430	**0.84**
9. Quantity Purchased/Exported (Tonnes):			
- Cocoa (purchases)	879,348	835,466	**(4.99)**
- Coffee (purchases)	3,254	6,525	**49.87**
-Sheanut (exports)	111,194	108,976	**(1.99)**
10. Achieved F.O.B. (US$) - per tonne of Cocoa	2,918.00	2,360.00	**(23.64)**

*2011/12 financial figures were restated

Board of Directors and COCOBOD Management

BOARD OF DIRECTORS

2012/13		
Dr. Percival Yaw Kuranchie	-	Chairman
Mr. Anthony Fofie	-	Chief Executive
Prof. Kofi Nketsia Afful	-	Member
Dr. Agyemang-Atuahene Kontor	-	Member
Dr (Mrs.) Bernice Adiku-Heloo	-	Member
Mr. Paul Asimenu	-	Member
Dr. Henry Kofi Wampah	-	Member
Mrs. Afriyie Haffar	-	Member
Nana Adjei Damoah	-	Member
Mr. Charles Tetteh Kwao Dodoo	-	Member

COCOBOD MANAGEMENT

2012/13		
Mr. Anthony Fofie	-	Chief Executive
Mr. William Mensah	-	Deputy Chief Executive (F&A)
Dr. Yaw Adu-Ampomah	-	Deputy Chief Executive (A&QC)
Mr. Kwabena Asante-Poku	-	Deputy Chief Executive (OPS)
Dr. Victor K. Osei	-	Director, Health
Mrs. Miriam Okwabi	-	Director, Finance
Mr. Alexander M. Asiedu	-	Director, General Services
Mr. Kosi Gone Traugott	-	Director, Audit
Mr. A.A. Appleton	-	Director, Human Resource
Mr. Ebenezer Tei Quartey	-	Director (RM&E)
Mr. G. Anto-Boateng	-	Director, Scholarship Unit
Mr. Kwame O. Adjinah	-	Dep. Director, CODAPEC
Mr. John Clottey-Sefa	-	Director, Legal Services
Mr. Thomas E.K. Dandzo	-	Dep, Director, Special Services
Dr. Godwin A. Lartey	-	Dep. Director- Health
Mr. Charles K. Kukah	-	Dep. Director, (M&E)
Mr. Emmanuel E. Opoku		Dep. Director, (R&D)
Mrs. Elizabeth M.A. Abodurin	-	Dep. Director, Audit
Mr. F.A. Temeng	-	Dep. Director, Human Resource
Mr. L. C. T. Zaukuu	-	Dep. Director, Finance

HEADS OF DIVISIONS/SUBSIDIARIES

2012/13		
Nana-Oduro Owusu	-	Managing Director, CMC (Gh). Ltd
Rev. K. Abaka-Ewusi	-	Executive Director, CSSVDCU
Mr. K. Gorkeh-Sekyim	-	Managing Director, QCC
Mr. K.B. Prempeh	-	Executive Director, SPU
Dr. F.M. Amoah	-	Executive Director, CRIG

Board of Directors, Cont'd


Dr. Percival Yaw Kuranchie
Chairman


Mr. Anthony Fofie
Chief Executive

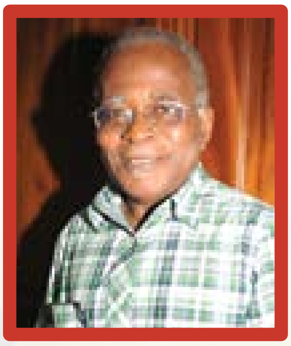

Dr. (Mrs.) Bernice Adiku-Heloo
Member

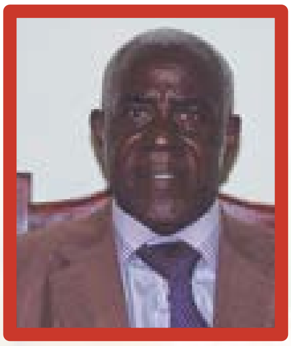

Mr. Paul Asimenu
Member


Mrs. Afriyie Haffar
Member


Dr. Henry Kofi Wampah
Member


Mr. Charles Tetteh Kwao Dodoo
Member


Prof. Kofi Nketsia Afful
Member


Dr. Agyemang-Atuahene Kontor
Member


Nana Adjei Damoah
Member

Chairman's Statement

ECONOMIC BACKGROUND

World Cocoa Environment 2012/13 Season

World cocoa production as reported by the International Cocoa Organisation (ICCO) was estimated at 3.93 million tonnes in 2012/13 representing 3.65% decrease from 4.08 million in 2011/12. The decrease in global production could be attributed to unfavourable weather conditions which prevailed during the period. Although weather conditions improved across the West Africa sub-region at the beginning of the season, it worsened at the tail of the mid-crop resulting in lower than expected output by the two leading producers. In spite of the lower output, Cote d'Ivoire and Ghana maintained their dominance as the two leading cocoa producers in the world.

Global consumption of cocoa beans, as measured by grindings, increased by 1.01% from 3.95 million tonnes in 2011/12 to 3.99 million tonnes in 2012/13. A shift in global consumption pattern in emerging countries with a strong positive growth in North America provided the necessary impetus that sustained the 1% growth achieved during the period.

Prices of cocoa on the world market experienced a slight decline during the 2012/13 cocoa season. The average international cocoa prices as measured by the ICCO daily price for the 2012/13 season settled at US$2,359, a decrease of 1.54% over the 2011/12 price of US$2,396. Prices remained generally unstable in a downtrend direction during the 2012/13 season. The erratic price movement was mainly the result of a relatively stronger United States Dollar which pressured cocoa prices on the world market. The unfavourable situation was exacerbated by concerns over the unresolved European debt crisis. The crisis partly underline the bear market observed during the period resulting in the marginal decline in the world cocoa prices.

The Local Scene

Support for cocoa purchases continued during the year under review. Under this arrangement, COCOBOD secured a syndicated loan of US$1.5 billion from a consortium of banks, including Standard Chartered Bank - London, Societe Generale, Bank of Tokyo-Mitsubishi UFJ Limited, Sumitomo Mitsui Banking Corporation and Ghana International Bank plc during the year. COCOBOD successfully repaid the loan with interest within the agreed period.

Operating Results

COCOBOD pursued strategies to overcome challenges associated with the production and marketing of cocoa. The Board, however, made a loss of GH¢1,093,472,000 compared to a restated loss of GH¢61,900,000 recorded in 2011/12.

COCOBOD paid GH¢40,000,000 as export duty during 2012/13 season as against GH¢76,000,000 paid in the 2011/12 financial year.

Future Outlook

In spite of the aforementioned challenges the cocoa market experienced during the period, the future of the cocoa industry in Ghana continues to be positive. The joint efforts by government, farmers, COCOBOD, Licensed Buying Companies (LBCs) and other stakeholder's ensured adherence to good agronomic practices, payment of remunerative producer price, application of fertilizers, disease and pest

Chairman's Statement, continued

control, use of hybrid cocoa seedlings and scientific research. Our combined efforts will ensure the cocoa industry sustains economic production levels for all stakeholders. COCOBOD will continue to focus on appropriate strategies to overcome emerging challenges in the cocoa industry to lay a firm foundation for a sustainable cocoa economy.

In this connection, there is a need to strengthen the public-private partnership extension model introduced three years ago. The extension model, designed to build the capacity of farmers to pursue cocoa farming as business enterprise, emphasizes the formation of Farmer Based Organizations (FBO) and the training of Local Community Facilitators (LCF) to enhance extension service delivery.

The Government through COCOBOD continued with the distribution of free hybrid cocoa seedlings to farmers. This was to complement farmers' role in the implementation of the National Cocoa Rehabilitation Programme.

As part of its effort to revamp the sheanut industry, the National Steering Committee on Shea held workshops and engaged in stakeholder consultations. These programmes discussed and adopted a sustainable approach to the revitalization of Shea Co-operatives as well as inter and intra community strategies and practices for the Shea Resource Management Conservation.

A document to regulate the operations of local cocoa processing companies in Ghana has been developed but yet to be implemented. The document is to ensure that local processors and their collaborators who indulge in malpractices detrimental to the industry are sanctioned. COCOBOD will also ensure that appropriate sanctions are imposed on LBCs that flout the rules and regulations guiding the internal marketing of cocoa in order to maintain discipline in the cocoa industry.

COCOBOD announced the launch of the Ghana Cocoa Platform (GCP) to facilitate dialogue among stakeholders on key issues in the cocoa industry to promote a sustainable cocoa economy.

As I conclude my statement, I wish to reiterate the Board of Directors commitment to maintain the good relations it has established with the COCOBOD Management and support the implementation of sound operational policies to sustain Ghana's cocoa economy.

DR. PERCIVAL YAW KURANCHIE
CHAIRMAN

Chief Executive's Report for the Year Ending 30th September, 2013

REVIEW OF BUSINESS OPERATIONS

1. PRODUCER PRICE

The 2012/13 crop year opened on 12th October 2012 with a new cocoa producer price of GH¢3,392 per tonne from GH¢3,280 per tonne of cocoa. This upward revision represented a 3.41% increase from the previous year's producer price.

Privatization of the Coffee and Sheanut sectors consequently resulted in the producer prices of these produce being determined through negotiations between farmers and Licensed Buying Companies (LBCs). COCOBOD intervenes by determining a floor price which serves as a starting point at which both farmers and LBCs begin their negotiations. During the period under review, the floor price for a tonne of coffee was GH¢935.00 while sheanut farmers received GH¢494.12 per tonne or GH¢42.00 per 85kg bag for their produce.

2. PERFORMANCE OF LICENSED BUYING COMPANIES (LBCs)

The 2012/13 cocoa season marked 20 years of participation by private Licensed Buying Companies (LBCs) in the internal marketing of cocoa. 29 out of the 38 registered LBCs purchased cocoa during the year under review. Declared cocoa purchases for the 2012/13 crop year was 835,466 tonnes, as compared to 879,348 tonnes recorded in 2011/12. The 2012/13 purchases decreased by 4.99% as compared to the previous year's purchases.

Table I and Figure 1 below show the performance of the LBCs during the year under review.
Table II lists LBCs duly registered but did not operate during the year under review.

List of LBCs in good standing during the 2012/13 crop year were as follows:

TABLE I

S/N	LBC	ABBRE.	PURCHASE (MT)
1	PBC LTD.	PBC	295,251.4400
2	AKUAFO ADAMFO MKTG CO. LTD	(AAMC)	107,099.3200
3	ARMAJARO GHANA LTD.	AGL	88,984.0700
4	OLAM GHANA LIMITED.	OLAM	63,294.6300
5	FEDERATED COMMODITIES LTD.	FCL	52,673.5800
6	TRANSROYAL GHANA LTD.	TGL	49,266.0800
7	KUAPA KOKOO LTD.	KKL	48,257.7000
8	COCOA MERCHANTS GHANA LTD.	CMGL	37,380.1800
9	ADWUMAPA BUYERS LTD.	ABL	31,251.1300
10	SIKA ABA BUYERS LTD.	SABL	20,237.0800
11	ROYAL COMMODITIES LTD.	RCL	15,480.8000
12	CDH COMMODITIES LTD.	CDH	7,692.2000
13	DIABY COMPANY LTD.	EVL	4,274.2600
14	EVADOX LTD.	DJC	2,882.3900
15	DIO JEAN CO. LTD	FTCL	2,298.5600
16	FORTUNE TREE CO. LTD.	BRCL	1,799.4500
17	BROSAMAN COMPANY LTD.	FCCL	1,011.1300
18	FREDAKO COCOA COMPANY LTD	NHIDL	910.0800
19	NHYIRA DUA GHANA LTD.	SBS	807,2000
20	SPLENDID BUSINESS SERVICES LTD.	ABGL	719.7500
21	ABAPA GOLDEN LTD.	ABCL	716.6300
22	ABOAFO BUYERS CO. LTD.	KCL	616.4400
23	KUMANKOMA CO. LTD	FSL	601.5700
24	FARMERS' STAR LTD.	YGL	565.7100
25	YAYRA GLOVER LTD.	AKCL	522.9500
26	AKUOTECH COMPANY LTD.	NCBL	332.1300
27	NYONKOPA COCOA BUYING CO. LTD	UCCL	305.0000
28	UNIVERSAL CO-OP. COM. CO. (GH) LTD.(ENCL)		181.5600
29	ENYIDADO COMMODITIES LTD.		53.1300
	TOTAL		**835,466.1500**

TABLE II - DORMANT LBCs for 2012/13

S/N	LBC	ABBRE.	PURCHASE (MT)
1	ALHAJI SULEMANA IND. LTD	ASIL	-
2	BLOSSOM EXPORTS LTD.	BEL	-
3	SOMPA KOKOO LTD	SKL	-
4	GHANA CO-OP MKTG ASSOC	GCMA	-
5	FARMERS ALLIANCE LTD.	FAL	-
6	MARPIE ENTERPRISE LTD.	MEL	-
7	M-GHAZALLI COMPANY LTD.	MGGL	-
8	ABAFUABA LTD.	ABFL	-
9	DUAPA BUYERS COMPANY LTD.	DBCL	-

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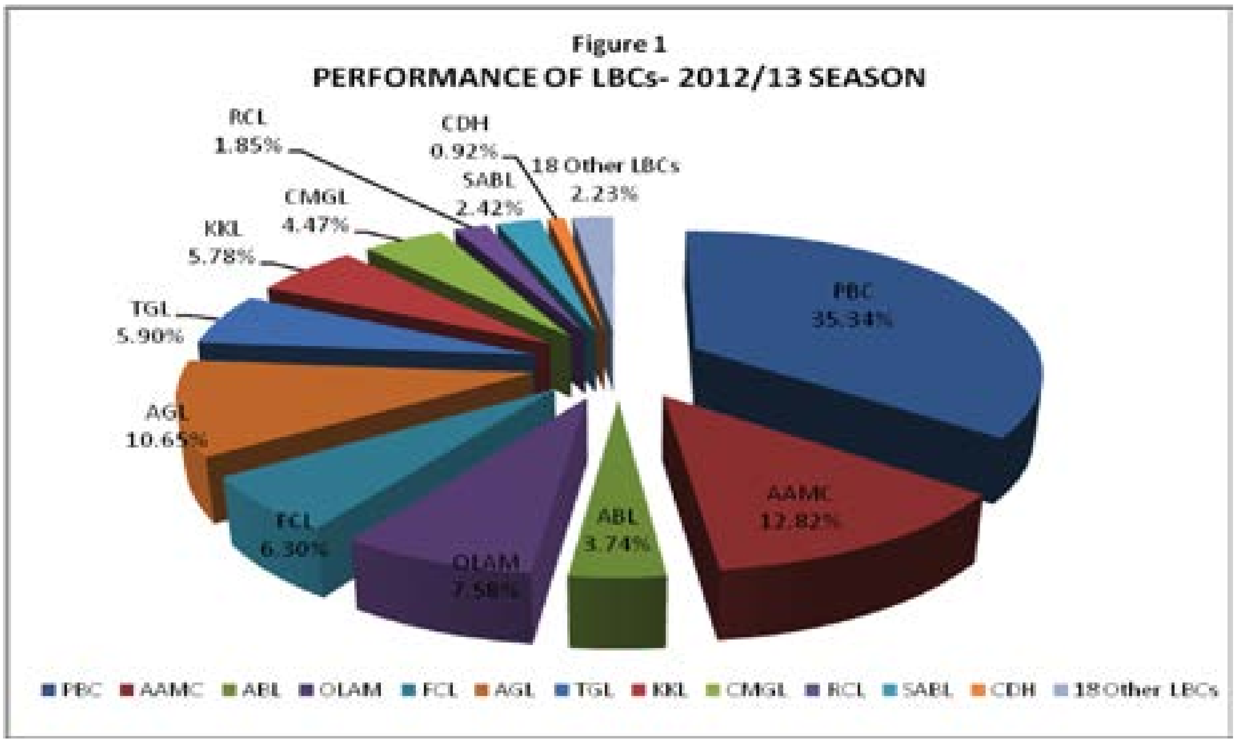
The performance of the respective LBCs during the season under review is shown in Figure 1.



The PBC Limited continued to be the leading buyer of cocoa with 35.34% share of the market. Akuafo Adamfo Marketing Limited and Armajaro (Gh) Limited followed in second and third places with market share of 12.82% and 10.65% respectively. The other twenty-six (26) companies together accounted for 41.19% of the market.

3 COFFEE AND SHEANUT PURCHASES/EXPORTS

The internal and external marketing of coffee and sheanuts continued to be dominated by the private sector during the 2012/13 crop year. The number of registered coffee and sheanut LBCs was thirteen (13) and nine (9) respectively during 2012/13. The thirteen (13) active coffee LBCs were Time Marketing Company Ltd, Ghalia Ghana Ltd, Melgrove Company Limited, De Jong, Al Noad, Emof Ventures, S.A.S Paaso Limited, Bethel Inc Agencies Limited, Multi-Bio Limited, L.D & Sons Int. Limited, Yoal Limited, Plantations Resources and Bet Exports Limited. They reported coffee purchases totaling 6,525 tonnes during the period. COCOBOD with the support of Government continued with the coffee rehabilitation project which focused on boosting production.

Sheanuts exported during the year 2012/13 was 108,976 tonnes valued at GH¢44,906,226.92 while sheabutter exports were 13,291 tonnes valued at GH¢21,894,985.97. Produce Buying Company (Shea) Limited, 3F Ghana Limited, Ghana Nuts Limited, AAK Limited, Wilmardel Limited, Loders Crockhaan Limited, Shebu Company Limited, Pure Limited and Savannah Fruits Company Limited were the major operators in the industry.

Chief Executive's Report for the Year Ending 30th September, 2013 Cont'd

4. PERFORMANCE OF DIVISIONS AND SUBSIDIARIES

A. QUALITY CONTROL COMPANY LIMITED (QCC)

The QCC continued with their core functions of grading/sealing and disinfestation of schedule crops of COCOBOD (i.e. cocoa, coffee, cashew nuts and sheanuts) during the period under review. The Company also inspected and certified the storage facilities of Cocoa Marketing Company (Gh) Limited, Unicontrol (Gh) Limited and LBCs at both up-country and take-over centres, in accordance with Cocoa Industry Regulations 1968/LI598. As part of its responsibilities, the Company intensified education of farmers on the best known 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 which differentiate the 2012/13 crop from the previous years' are indicated below:

BEAN SIZE CATEGORY	BEAN COUNT PER 100 GRAMS	PRESCRIBED CODES 2012/13 SEASON
Super Main Crop	Up to 90	Q
Main Crop	91 to 100	C
Super Light Crop	101 to 110	D
Light Crop	111 to 120	M
Small Beans	121 to 130	E
Type "4"	131 to 150	G
Remnant	151 to 180	R

b. Grading and Sealing

(i) Cocoa

QCC graded and sealed 831,773 tonnes of cocoa by the end of 2012/13 as against 877,326 tonnes in 2011/12. The graded and sealed figure represented 99.56% of the total declared purchases of 835,466 tonnes.

(ii) Other Produce Inspected

QCC also inspected and certified the following produce during the 2012/13 crop season.

Produce	2011/12	2012/13
Cocoa Waste (tonnes)	2,821	1,693
Coffee (tonnes)	52	26
Sheanut (Bags)	24,012	308,542
Cashew Nuts (Bags)	163,688	717,006

c. Check Sampling

QCC carried out check sampling activities to certify the purity of every consignment of sealed cocoa delivered by the LBCs to CMC at the Take-Over Centres. Additionally, parcels of cocoa for export or

Chief Executive's Report for the Year Ending 30th September, 2013 Cont'd

delivery to local processing factories were check-sampled prior to shipment or delivery to the local processing factories.

d. Disinfestation Activities

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

(i) Insect Control Operations:	2011/12	2012/13
1. Number of sheds sprayed	85,367	98,802
2. Number of sheds fogged	120,658	145,648
3. Tonnage of produce fumigated for export (Including re-fumigated stock of cocoa)	1,355,219	1,410,222
(ii) Shipment Inspection and Treatment:		
Number of vessels inspected and treated at the two Ports before loading of produce for export	393	345

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

CMC continued to market and ship cocoa on sales contract to local and overseas buyers from Takoradi and Tema ports as well as Kaase inland port.

(a) Shipments and Processing

(i) Cocoa Beans

Cocoa beans shipped to overseas destinations during 2012/13 crop year was 649,123 tonnes. The FOB value of the beans shipped amounted to GH¢3,077,583,313.71. A total of 226,042 tonnes of cocoa beans were processed into semi-finished products by local processing factories. The local processors include Barry Callebaut, Cocoa Processing Company Limited, Niche Cocoa Industries Limited, Plot Enterprise, Cargill (Ghana) Limited, ADM Limited, BD Associates and Real Products Limited. The direction of trade for beans shipments as well as cocoa processed by local processing factories are shown in Figures 2 and 3 respectively.

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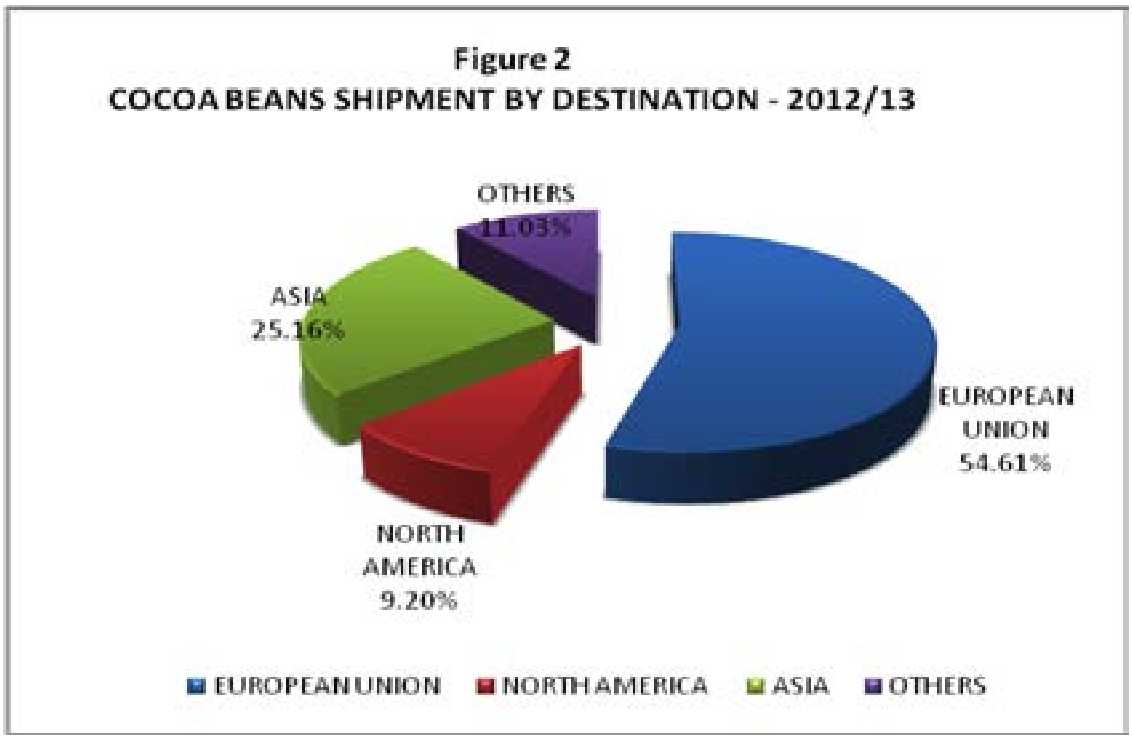

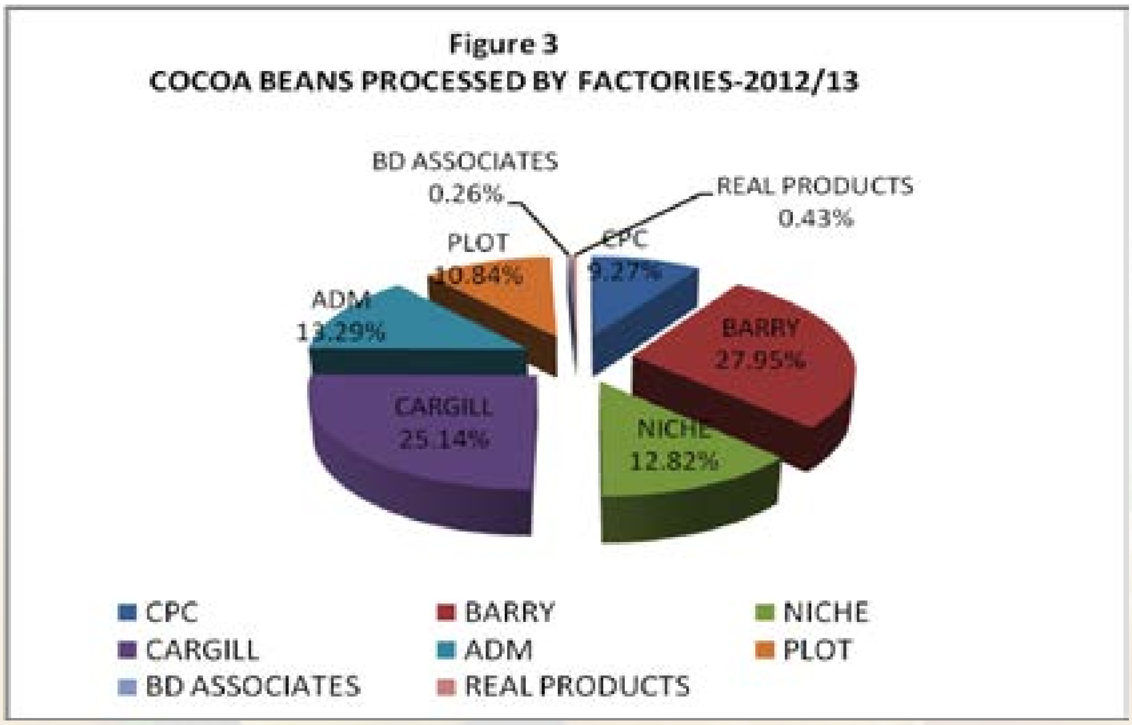

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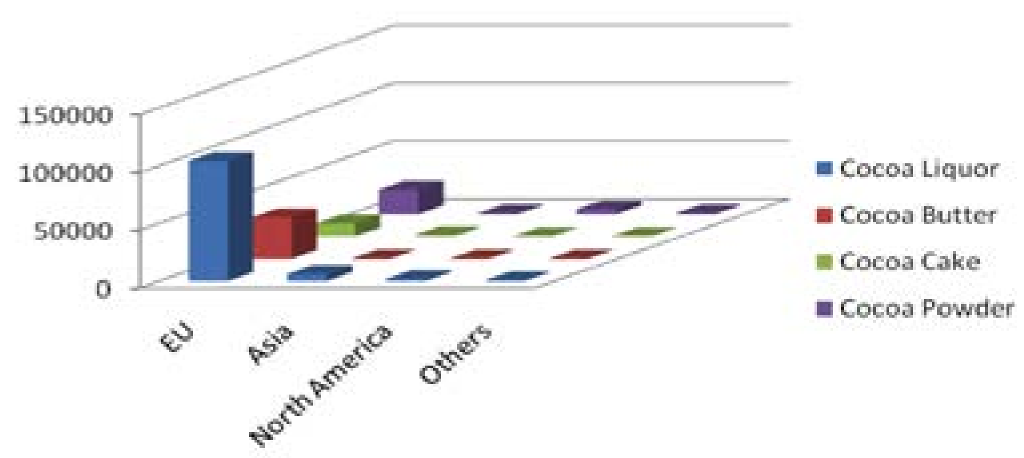
The European Union continued to be the largest buyer of Ghana cocoa beans. Shipment of cocoa to the EU accounted for 54.61% of total cocoa beans exported in 2012/13 as depicted in Figure 2.

(ii) Cocoa Products

Exports of cocoa products by eight (8) cocoa processing factories during the 2012/13 year comprised 112,651 tonnes of cocoa liquor, 35,946 tonnes of cocoa butter, 12,583 tonnes of cocoa cake and 27,155 tonnes of cocoa powder. These exports were valued at GH¢668,389,260, GH¢225,526,070, GH¢67,047,370 and GH¢181,808,880 respectively.

Details of cocoa products shipments by destination during the 2012/13 season are shown in Figure 4 below.

Figure 4
COCOA PRODUCTS EXPORTS BY DESTINATION (TONNES)
2012/13



Trend analysis of cocoa products shipments established the EU market as Ghana's most important destination for the cocoa trade.

C. SEED PRODUCTION UNIT – (SPU)

The Seed Production Unit (SPU) produced and distributed hybrid cocoa seed pods and seedlings to farmers during the 2012/13 season.

(a) Hybrid Seed Pods

A total of 6,325,870 hybrid cocoa pods representing 87.84% of the set target of 7,201,952 pods were produced. Out of the total hybrid pods harvested, 6,138,684 representing 97% was distributed as field usable totals. A total of 5,638,327 pods were sold to farmers while the remaining 500,357 were used by

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SPU and CSSVDCU to raise seedlings for distribution to farmers. A total of 187,186 fermentable and non-fermentable discards were processed into dry beans.

(b) Cocoa Seedlings

The SPU produced 9,000,000 hybrid seedlings which was targeted under the National Cocoa Rehabilitation Programme for the 2012/13 crop season. A total of 8,434,562 seedlings representing 93.72% were headed to the CSSVD Control Unit under the free seedlings Programme. The remaining stock balance of 565,438 which were too tender for transplanting are been natured for use in the next season.

D. COCOA SWOLLEN SHOOT VIRUS DISEASE CONTROL UNIT (CSSVDCU)

Field Operations

The CSSVD Control Unit continued with cocoa swollen shoot virus disease control activities during the 2012/13 crop year. The Unit also carried out Cocoa Extension Delivery as well as intensification of the National Cocoa Rehabilitation Scheme. Training of Farmer Based Organizations (FBOs) and Local Community Facilitators (LCF) in cocoa extension service delivery as well as the removal and replanting of old cocoa trees continued during the year under review.

A total of 382 sectors, involving 1,701 blocks and covering an area of 818,636.33 hectares, was surveyed during the 2012/13 crop year. In addition, the Unit discovered 3,361 swollen shoot outbreaks, covering a land area of 35,723.37 hectares with an estimated 29,303,864 diseased trees. The Unit also completely treated 536 outbreaks with the removal of 24,649,264 contact trees as against 21,467,618 removed in 2011/12. Outstanding CSSVD outbreaks stood at 37,369 with 186,778,524 estimated diseased trees.

The CSSVD Control Unit disbursed GH¢2,475,170.61 as initial treatment grant to owners of 4,476.22 hectares of cocoa farms treated against CSSVD during its 2012/13 operations. A total of GH¢1,747,858.95 was paid as wages for the removal of 4,250,182 diseased and contact trees while GH¢8,178,842.03 was paid as replanting grant for 6,316.67 hectares.

E. COCOA RESEARCH INSTITUTE OF GHANA (CRIG)

Scientific research activities carried out by CRIG during the 2012/13 crop year included the following.

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

(i) Cocoa establishment confirmed the results of Cedrela odorata, a commercial timber species as permanent shade in cocoa cultivation. The Cedrela shade trees allowed more light into the plot for growth and development of the cocoa and consequently higher cocoa yield than when thinning was delayed until the sixth year. The tree used as shade did not have any adverse effects on soil characteristics but rather improved the concentration of nitrogen in the soil.

(ii) Intercropping cocoa with food crops is beneficial even in the absence of fertilizer application. Responses of cocoa to fertilizers vary with locations. Production of healthy and diseased pods did not differ significantly with the month of application of the fertilizers at the locations.

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(iii) Data from three existing progeny trials were analysed during the period under review. In the first trial, eight Guiana clones tested as males for progeny development while GU 144C and GU 175V imparted better survival to their progeny. In the trial that tested the breeding value of clones from relatively under-utilized populations, CRG/T19 was the most promising clone for variety development and the family PA 150 x CRG/T19 recorded the highest vigor and earliness to yield.

(iv) Under the cocoa fungal diseases management studies, a black pod survey showed that out of 267 successful isolations, 43 (16.1%) were identified as Phytophthora palmivora and 224 (83.95%) as Phytophthora megarkarya. An indication that P. Megarkarya continues to dominate as the main species causing the disease in Ghana. Mistletoes and epiphytes infestations, white thread blight and stem canker diseases were common on most farms in Ghana. In addition, the efficacies of some candidate fungicides with trade names as Champ DP, CA 2241, Fluazinam, Revus 250 SC, Carlit Express, Dimethomorph with Fluazinam, Dimethomorph with Chlorothalonil and Volar were assessed on some farmers' farms as fungicide for the control of Black Pod disease in Ghana. Most of the test fungicides were promising and compared well with Ridomil Gold, the reference fungicide.

(v) The search for safer alternatives to currently used insecticides continued with investigations into effectiveness and efficiency of pest control strategies in cocoa. Considerable progress has been made in the area of integrated control including the use of entomopathogenic fungi. The search for alternative miridicides continued with a series of laboratory and field trials which gave results comparable to Confidor, Actara and Akatemaster. However, stem borers and ants invading stem borer increased continue to increase.

(vi) Cocoa swollen shoot virus (CSSV) thrust reviewed five mild strain cross-protection experiments. It was concluded that CSSV mild strain (N1 and SS365B) when inoculated alone on the cocoa varieties tested, did not affect growth and yield in the presence of the severe strain 1A. On the natural spread of CSSV, the two mild strains i.e. SS365B and N1 protected trees yielded more than the unprotected cocoa varieties.

(b) Coffee Agronomy, Coffee Development/Improvement, Coffee Pests and Disease Control

(i) The coffee-breeding programme at CRIG aims at developing genotypes with good agronomic characteristics for higher productivity and green bean quality. Drought has been considered the environmental stress limiting coffee yields in the main producing countries. In the light of Global change in climate and its adverse effect on productivity, it is also an objective of the coffee improvement program to develop coffee planting material that is tolerant to drought, and generally adaptable to prevailing environmental conditions in the growing areas.

(ii) Hybrid seed planting materials from two hybrids with bean yield of 2.0 to 2.2 tons/ha and bean weight of 14.5 to 15.1g/100 beans without fertilizer application are currently being distributed to farmers. These hybrids have good agronomic characteristics and highly tolerant to drought. An improved population of bean yields of 1.8 tons/ha and bean weight of 14.0g/100 beans, with good agronomic traits has also been released to farmers as tentative seed planting material.

(iii) The coffee population improvement programme at Tafo is at an advanced stage. To broaden the genetic base for breeding, germaplasm recently collected from local and foreign sources are being characterized and evaluated for genetic worth.

Chief Executive's Report for the Year Ending 30th September, 2013 Cont'd

(c) Kola Agronomy, Development/Improvement, Kola Pests and Disease Control

(i) Sixteen (16) Kola clones established at Afosu are still under evaluation for growth characteristics, tree architecture and yield. Preliminary results of data on girth measurement show significant differences in girth ($p<0.05$) among the genotypes under study in the year 2012/13. Clone B1/243 recorded the highest girth of 58.4mm, followed by A22/JB32 which recorded 46mm. The average clone girth of this trial is 34.8mm and the least girth is 21.0mm recorded by JB32.

(ii) Studies on pests and disease and their efficient control measures seek to determine the current pest status of the Kola fruit fly, Ceratitis colae by studying its population dynamics, as well as the extent of damage caused by the pest to Kola production.

(d) Sheanuts Agronomy/Cashew Development, Sheanuts Pests and Disease Control

(i) Investigations into pest control potentials of entomopathogens associated with the major insect pest of cashew, aspergillus, colletotricun, pencillium, acremonium, trichoderma and brotrytis were the major fungal species identified from insects collected in the field. However, none of the fungi isolated from the insects has been reported to be entomopathogenic.

(ii) Studies on the residual effects of the six fungicides namely, Goldazim (Carbendazim), Agriete (Forestyl), Shavit (Folpet+Triadimenol), Carlit Express (Forestyl+Mamcozeb+Benalaxyl), Sulfa (Sulphur) and Ridomil Gold (Mefenozam+Copper Oxide) have revealed the fungicides to have some effective residual activities against the leaf blight disease of cashew. However, Carlit Express and Ridomil Gold were relatively more effective than other fungicides.

(e) New Products Development

Production of by-products developed from cocoa, cashew and shea continued during the period. Products produced included soap, pomades, alchoholic beverages and other edible products. Edible products such as jam, yoghurt, wine and vinegar have also been developed from shea fruit pulp. Studies on the incorporation of reject cashew kernels in feed for broiler starter chicks revealed that reject cashew kernels could form up to 75g Kg-1 of broiler starter diets without any deleterious effects. Assessment of shea kernel cake treated with 0.01M NaOH as feed ingredient in growing-finishing pig diets is also ongoing. The use of cashew, shea pulp, kola and coffee husk as substrates for cultivation of edible mushroom and extracts from common spices for improving the shelf life of shea butter were assessed during the period under review.

5. FINANCIAL RESULTS

Highlights of the audited accounts for the 2012/13 season included the following:-

(i) Profit/Loss

During the 2012/13 financial year, COCOBOD made a loss of GH¢1,093,472,000 compared to a restated loss of GH¢61,900,000 recorded in 2011/12. The 2012/13 financial year recorded an achievable FOB price of US$2,360.00 per tonne as against US$2,918.00 per tonne in the 2011/12 financial year.

Chief Executive's Report for the Year Ending 30th September, 2013 Cont'd

(ii) Export Duty

COCOBOD paid a total of GH¢40,000,000.00 as export duty into Government Treasury in 2012/13 crop year as against GH¢76,000,000.00 paid during the 2011/12 crop year.

6. COMMUNITY IMPROVEMENT PROJECTS

As part of our corporate social responsibility, COCOBOD made cash donations to various institutions during the 2012/13 season. The institutions that received sponsorship during the period were:-

Bunso Liverpool Football Club-Football Jerseys
Mampong Akuapem Traditional Council
Ghana National Fire Service
The Head of State Award Scheme - Ghana
Ghana Meteorological Agency
Cocoa Advocacy Movement
Industrial and Commercial Workers Union
Bedum Area Council (Asikuma-Odoben-Brakwa District Assembly)- Odwira Festival
Modzaka Gershon – Visually Impaired Student at Okuapeman School - Laptop
Ajumako-Osedzi Development Association – Akwambo Festival
Ebenezer Martei Hammond – Homowo Festival
Adabraka Stool Authority – Homowo Festival
Tetteh Quarshie Hospital at Mampong – Akuapim - Borehole
Ofoase Community – Construction of Six Unit Classroom Block at Ofoase

ANTHONY FOFIE
CHIEF EXECUTIVE

FINANCIAL STATEMENTS
30th September, 2013

Contents

Board of Directors and Officials

CHAIRMAN	Dr. Percival Yaw Kuranchie	Chairman
CHIEF EXECUTIVE	Mr. Anthony Fofie	Chief Executive
MEMBERS	Prof. Kofi Nketsia Afful	Member
	Dr. Agyemang-Atuahene Kontor	Member
	Dr (Mrs.) Bernice Adiku-Heloo	Member
	Mr. Paul Asimenu	Member
	Dr. Henry Kofi Wampah	Member
	Mrs. Afriyie Haffar	Member
	Nana Adjei Damoah	Member
	Mr. Charles Tetteh Kwao Dodoo	Member
SECRETARY	Mr John Daniel Clottey-Sefa Ghana Cocoa Board P O Box 933 Accra	
MANAGEMENT	Mr. Anthony Fofie	Chief Executive
	Mr. William Mensah	Dep. Chief Executive (F&A)
	Dr. Yaw Adu-Ampomah	Dep. Chief Executive (A&QC)
	Mr. Kwabena Asante Poku	Dep. Chief Executive (Ops)
AUDITORS	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P O Box 242 Accra	
BANKERS	Bank of Ghana Agricultural Development Bank Barclays Bank of Ghana Limited Ecobank Ghana Limited GCB Bank Limited Ghana International Bank Plc HFC Bank Ghana Limited National Investment Bank Limited Prudential Bank Limited Societe Generale Ghana Limited Stanbic Bank Ghana Limited Standard Chartered Bank Ghana Limited Universal Merchant Bank Ghana Limited	

Report of the Directors to the Minister Responsible for Finance

The Directors present their report and the financial statements of Ghana Cocoa Board for the year ended 30 September 2013.

Principal activities

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

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

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

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

Directors' responsibility statement

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991, (PNDCL 265) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Going concern considerations

The Group reported a loss of GH¢1,093,472,000 (2012; GH¢65,558,000) for the year ended 30 September 2013 and at the end of the year had a consolidated negative equity of GH¢1,068,906,000 (2012: positive equity of GH¢15,337,000). Notwithstanding this, the Directors have prepared these consolidated and separate financial statements on a going concern basis in accordance with the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Law, 1991 (PNDCL 265) which provides under Section 21 as follows:

"Capital and funds of the Board

The Government may provide to the Board as working capital and as moneys required for carrying out the functions of the Board, the sums of money which the Minister, after consultation with the President, agrees are the sums of money requested by the Board from the Government."

In line with the above, the Directors will consult with the Government through the Minister to provide financial support to Ghana Cocoa Board when necessary to enable it to continue to carry out its functions in order to meet its financial obligations arising in the ordinary course of business for a period of not less than twelve months from the date of approval of the financial statements for the year ended 30 September 2013.

Report of the Directors to the Minister Responsible for Finance, Cont'd

Business review

The primary contributory factors accounting for the loss recorded in the year included the following:

- Fall in the average price of cocoa beans from US$3,000 in 2012 to US$2,383 in 2013;
- High interest costs associated with cocoa bills raised to support cocoa purchases; and
- High input costs incurred on fertilizers, chemicals and others to assist meet production targets

The Directors have embarked on the following measures to turn around the results of the company over the next two years:

- Improved control over input costs;
- Planned reduction of finance costs through the liquidation of medium term loans and a considerable reduction and/or elimination of the use of cocoa bills; and
- Restructuring of sales contracts to free the company from the purchase of cocoa bills, which attract very high interest rates.

The Directors also expect cocoa prices to improve the as world outlook prices for cocoa looks promising based on projections by the International Cocoa Organization (ICCO).

Approval of the financial statements

The Financial statements of the Group and Company were approved by the Board of Directors on **24th June 2014, 2014** and were signed on their behalf by:

…………………………………………	…………………………………………
Director	Director

Independent Auditors' Report to the Minister Responsible for Finance

KPMG

Report on the financial statements

We have audited the financial statements of Ghana Cocoa Board ("the company"), which comprise the consolidated and separate statements of financial position at 30 September 2013, and the consolidated and separate 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 information as set out on pages 20 to 62.

Directors' Responsibility for the financial statement

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirement of the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of these financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of Ghana Cocoa Board at 30 September 2013, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirement of the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265).

Independent Auditors' Report to the Minister Responsible for Finance , Cont'd

KPMG

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 6 and 33 to the financial statements which indicate that comparative information presented as at and for the year ended 30 September 2012 has been restated in accordance with IAS 8. The consolidated and separate financial statements of Ghana cocoa Board as at and for the years ended 30 September 2012 and 30 September, 2011 were audited by another auditor who expressed an unmodified opinion on the separate financial statements on 7 February 2013. Note 33 provides further detail and disclosure of the restatement.

KPMG

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

2nd July, 2014

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income For The Year Ended 30th September, 2013

	Notes	Group		Company	
		2013	2012 (Restated)	2013	2012 (Restated)
		GH¢000	GH¢000	GH¢000	GH¢000
Revenue	9	**3,753,856**	4,546,890	**3,710,565**	4,529,686
Direct costs		**(3,755,576)**	(3,813,691)	**(3,711,804)**	(3,798,887)
Gross (loss)/profit		**(1,720)**	733,199	**(1,239)**	730,799
Other operating income	10	**38,481**	39,064	**19,485**	31,928
Distribution expenses		**(85,165)**	(60,106)	**(140,532)**	(121,338)
Administrative expenses		**(714,671)**	(696,765)	**(627,177)**	(622,211)
Operating (loss)/profit		**(763,075)**	15,392	**(749,463)**	19,178
Finance income	12	**104,587**	113,959	**94,433**	107,811
Finance costs	12	**(433,103)**	(191,963)	**(430,341)**	(188,889)
Share of loss of associates, net of tax	16(a)	**-**	(1,258)	**-**	-
Loss before tax	11	**(1,091,591)**	(63,870)	**(1,085,371)**	(61,900)
Taxation	13	**(1,881)**	(1,688)	**-**	-
		(1,093,472	(65,558	**(1,085,371**	(61,900

The notes on pages 30 to 62 form an integral part of these financial statements.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for the Year Ended 30th September, 2013 cont'd

	Notes	Group		Company	
		2013	2012 (Restated)	2013	2012 (Restated)
		GH¢000	GH¢000	GH¢000	GH¢000
Other comprehensive income					
Items that will not be reclassified to income statement:					
Actuarial gains on defined benefit pension plans		**891**	4,749	**1,366**	1,021
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		**(778)**	1,966	**-**	-
Net change in fair value of other financial assets classified as available-for-sale		**9,115**	-	**20,880**	(26,885)
Net change in fair value of available-for-sale financial assets recycled to profit or loss		**-**	669	**9,774**	-
		8,337	2,635	**30,654**	(26,885)
Other comprehensive income for the year, net of income tax		**9,228**	7,384	**32,020**	(25,864)
Total comprehensive income for the year		**(1,084,244)**	(58,174)	**(1,053,351)**	(87,764)
Attributable to:					
Equity holders of the parent		**(1,074,110)**	(52,997)	**(1,053,351)**	(87,764)
Non-controlling interest		**(10,134)**	(5,177)	**-**	-
		(1,084,244)	(58,174)	**(1,053,351)**	(87,764)

The notes on pages 30 to 62 form an integral part of these financial statements.

Consolidated Statement of Financial Position as at 30th September, 2013

	Notes	30 Sept'13	30 Sept'12 (Restated)	30 Sept'11 (Restated)
		GH¢000	GH¢000	GH¢000
Non-current assets				
Property, plant and equipment	14	**585,873**	516,298	489,277
Trade and other receivables	20	**10,510**	6,740	13,441
Equity-accounted investees	16(a)	**-**	927	2,186
Other investments	17	**22,291**	10,943	10,272
		618,674	534,908	515,176
Current assets				
Inventories	19	**456,121**	520,906	426,923
Tax receivable		**-**	602	1,769
Other financial assets	18	**162,584**	275,653	73,700
Trade and other receivables	20	**1,186,903**	1,414,711	1,069,710
Cash and cash equivalents	21	**262,285**	388,663	207,132
Assets classified as held for sale		**-**	-	32
		2,067,893	2,600,535	1,779,266
Total assets		**2,686,567**	3,135,443	2,294,442
Equity				
Capital contribution	26	**(393)**	(393)	(393)
Fair value reserve	26	**(14,312)**	(5,197)	(4,528)
Translation reserve	26	**(778)**	(1,193)	(13)
Retained earnings	26	**1,074,655**	(8,155)	(63,001)
Equity attributable to equity holders of the parent		**1,059,172**	(14,938)	(67,935)
Non-controlling interest	26	**9,734**	(399)	(5,576)
Total equity		**1,068,906**	(15,337)	(73,511)
Current liabilities				
Bank overdraft	21	**(5,734)**	(4,106)	(4,367)
Other interest-bearing loans and borrowings	22	**(710,542)**	(1,867,442)	(1,567,398)
Trade and other payables	23	**(91,943)**	(488,404)	(374,810)
Tax payable		**(1,881)**	-	-
Deferred income		**(551,899)**	(227,467)	(137,125)
Provisions	25	**(35,372)**	(133,232)	(112,232)
		(1,397,371)	(2,720,651)	(2,195,932)

Consolidated Statement of Financial Position as at 30th September, 2013 Cont'd

	Notes	30 Sept'13	30 Sept'12 (Restated)	30 Sept'11 (Restated)
		GH¢000	GH¢000	GH¢000
Non-current liabilities				
Other interest-bearing loans				
And borrowings	22	**2,335,172**	(377,740)	(1,787)
Employee benefits	21	**(22,930)**	(21,715)	(23,212)
		2,358,102	399,455	24,999
Total liabilities	19	**3,755,473**	3,120,106	2,220,931
Total equity and liabilities		**2,686,567**	3,135,443	2,294,442

These financial statement were approved by the Board of Directors on **24th JUNE 2014** and were signed on their behalf by:

Director

Director

The notes on pages 30 to 62 form an integral part of these financial statements.

Statement of Financial Position as at 30th September, 2013 Cont'd

	Notes	30 Sept'13	30 Sept'12 (Restated)	30 Sept'11 (Restated)
		GH¢000	GH¢000	GH¢000
Non-current assets				
Property, plant and equipment	14	**406,465**	339,438	341,210
Trade and other receivables	20	**10,510**	6,740	13,441
Equity-accounted investees	16(b)	**23,532**	14,000	41,555
Other investments	17	**22,291**	10,943	10,272
		462,798	371,121	406,478
Current assets				
Inventories	19	**417,971**	467,742	378,195
Other financial assets	18	**119,683**	275,653	73,700
Trade and other receivables	20	**1,405,961**	1,627,037	1,225,583
Cash and cash equivalents	21	**222,040**	308,363	153,728
		2,165,655	2,678,795	1,831,206
Total assets		**2,628,453**	3,049,916	2,237,684
Equity attributable to equity holders of the parent				
Capital contribution	26	**(393)**	(393)	(393)
Fair value reserve	26	**(8,664)**	21,990	(4,895)
Retained earnings	26	**1,053,859**	(30,146)	(91,027)
Total equity		**1,044,802**	(8,549)	(96,315)
Current liabilities				
Other interest-bearing loans and borrowings	22	(699,004)	(1,811,968)	(1,512,469)
Trade and other payables	23	(67,522)	(470,831)	(360,078)
Deferred income		(551,899)	(227,467)	(137,125)
Provisions	25	(35,372)	(133,232)	(112,232)
		(1,353,797)	(2,643,498)	(2,121,904)

The notes on pages 30 to 62 form an integral part of these financial statements.

Statement of Financial Position as at 30th September, 2013 Cont'd

	Notes	30 Sept'13	30 Sept'12 (Restated)	30 Sept'11 (Restated)
		GH¢000	GH¢000	GH¢000
Non-current liabilities				
Other interest-bearing loans and borrowings	22	**2,299,224**	(377,740)	-
Employee benefits	24	**(20,234)**	(20,129)	(19,465)
Provision	25			
		(2,319,458)	(397,869)	(19,465)
Total liabilities	19	**(3,673,255)**	(3,041,367)	2,141,369
Total equity and liabilities		**(2,686,567)**	(3,049,916)	(2,237,684)

These financial statement were approved by the Board of Directors on ......**24th JUNE 2014**...... and were signed on their behalf by:

....
Director

....
Director

The notes on pages 30 to 62 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 30th September, 2013

	Capital contribution GH¢000	Translation reserve GH¢000	Fair value reserve GH¢000	Retained earnings GH¢000	Total parent equity GH¢000	Non-controlling interest GH¢000	Total equity GH¢000
Balance at 1 October 2011 (Restated) (notes 6 and 33)	(393)	(13)	(4,528)	(63,001)	(67,935)	(5,576)	(73,511)
Total comprehensive income for the period							
Loss for the year	-	-	-	58,020	58,020	7,538	65,558
Other comprehensive income (note 26)	-	(1,180)	(669)	(3,174)	(5,023)	(2,361)	(7,384)
Total comprehensive income for the period	-	(1,180)	(669)	54,846	52,977	5,177	58,174
Balance at 30 September 2012 (Restated) (notes 6 and 33)	**(393)**	**(1,193)**	**(5,197)**	**(8,155)**	**(14,938)**	**(399)**	**(15,337)**
Balance at 1st October 2012 (Restated) (notes 6 and 33)	(393)	(1,193)	(5,197)	(8,155)	(14,938)	(399)	(15,337)
Total comprehensive income for the period							
Loss for the year	-	-	-	1,083,902	1,083,902	9,570	1,093,472
Other comprehensive income (note 26)	-	415	(9,115)	(1,092)	(9,792)	563	(9,228)
Total comprehensive income for the period	-	415	(9,115)	1,082,810	1,074,110	10,133	1,084,243
Balance at 30 September 2013	**(393)**	**(778)**	**(14,312)**	**1,074,655**	**1,059,172**	**9,734**	**1,068,906**

The notes on pages 30 to 62 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 30th September, 2013

	Capital contribution GH¢000	'Special funds' GH¢000	Fair value reserve GH¢000	Retained earnings GH¢000	Total equity GH¢000
Balance at 1 October 2011	(393)	(99,677)	16,080	(119,129)	(203,119)
Effect of correction of errors (notes 6 and 33)	-	99,677	(20,975)	28,102	106,804
Balance at 1 October 2011 (restated)	(393)	-	(4,895)	(91,027)	(96,315)
Total comprehensive income for the period					
Loss for the year	-	-	-	61,900	61,900
Other comprehensive income (note 26)	-	-	26,885	(1,019)	25,866
Total comprehensive income for the period	-	-	26,885	60,881	87,766
Balance at 30 September 2012	**(393)**	**-**	**21,990**	**(30,146)**	**(8,549)**

	Capital contribution GH¢000	'Special funds' GH¢000	Fair value reserve GH¢000	Retained earnings GH¢000	Total equity GH¢000
Balance at 1 October 2012	(393)	(95,719)	24,219	(104,193)	(176,086)
Effect of correction of errors (notes 6 and 33)	-	95,719	(2,229)	74,047	167,537
Balance at 1 October 2012 (restated)	(393)		21,990	(30,146)	(8,549)
Total comprehensive income for the period					
Loss for the year	-	-		1,085,371	1,085,371
Other comprehensive income (note 26)	-		(30,654)	(1,366)	(32,020)
Total comprehensive income for the period	-		(30,654)	1,084,005	1,053,351
Balance at 30 September 2013	**(393)**		**(8,664)**	**1,053,859**	**(1,044,802)**

The notes on pages 30 to 62 form an integral part of these financial statements.

Consolidated and Separate Statements of Cash Flows
For The Year Ended 30th September, 2013

	Notes	Group		Company	
		2013	2012 (Restated)	2013	2012 (Restated)
		GH¢000	GH¢000	GH¢000	GH¢000
Cash flows from operating activities					
Loss for the year		**(1,093,472)**	(65,558)	**(1,085,371)**	(61,900)
Adjustments for:					
Depreciation, amortisation and impairment	14	**32,161**	28,020	**23,226**	21,238
Foreign exchange losses		**21,828**	-	**21,829**	-
Loss on deemed disposal of equity – accounted investees	10	**(1,306)**	-	**9,774**	-
Finance income	12	**(104,587)**	(113,959)	**(94,433)**	(107,811)
Finance costs	12	**433,103**	191,963	**430,341**	188,889
Share of profit of equity-accounted investees		**-**	1,260	**-**	-
Taxation	13	**1,881**	1,688	**-**	-
		(710,392)	43,414	**(694,634)**	40,416
Changes in:					
Decrease/(increase) in trade and other receivables		**252,662**	(351,470)	**258,132**	(330,460)
(Increase)/decrease in inventories		**66,827**	(82,922)	**49,771**	89,546
(Decrease)/increase in trade and other payables		**(397,237)**	114,014	**(403,309)**	110,753
(Decrease)/increase in deferred income		**324,432**	90,342	**324,432**	90,342
(Decrease)/increase in provisions		**(97,860)**	21,000	**(97,860)**	21,000
(Decrease)/increase in employee benefits		**(2,117)**	2,612	**(2,290)**	(1,985)
(Increase)/decrease in other financial assets and liabilities		**113,069**	(201,953)	**155,970**	(201,953)
Cash generated from operating activities		**(450,616)**	(364,963)	**(409,788)**	(361,433)
Tax refund/(paid)		**602**	(521)	**-**	-
Net cash from operating activities		**(450,014)**	(365,484)	**(409,788)**	(361,433)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**-**	191	**-**	124
Interest received		**94,142**	95,983	**86,018**	89,836
Dividends received	12	**690**	513	**690**	513
Acquisition of property, plant and equipment	14	**(93,039)**	(20,906)	**(90,253)**	(19,590)
Net cash from investing activities		**1,793**	75,781	**(3,545)**	70,883

Consolidated and Separate Statements of Cash Flows For The Year Ended 30th September, 2013 Cont'd

	Notes	Group		Company	
		2013	2012 (Restated)	2013	2012 (Restated)
		GH¢000	GH¢000	GH¢000	GH¢000
Cash flows from financing activities					
Proceeds from new loan		**858,774**	577,238	**858,774**	377,740
Interest paid		**(151,574)**	(91,963)	**(149,154)**	67,445
Repayment of borrowings		**(386,873)**	(13,573)	**(382,610)**	-
Net cash from financing activities		**320,327**	471,702	**327,010**	445,185
Net increase/(decrease) in cash and cash equivalents		**(127,894)**	181,999	**(86,323)**	154,635
Cash and cash equivalents at 1 October		**384,557**	202,765	**308,363**	153,728
Effect of exchange rate fluctuations on cash held		**(112)**	(207)	**-**	-
Cash and cash equivalents at 30 September	21	**256,551**	384,557	**222,040**	308,363

The notes on pages 30 to 62 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 30 September 2013

1. Reporting Company

Ghana Cocoa Board is a corporate body established by the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265) and is domiciled in Ghana.

2. Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. Additional information required under the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265) have been included where appropriate.

3. Functional and presentation currency

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

4. Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are included in note 24 and 27.

5. Basis of measurement

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

- Financial assets classified as available-for-sale, measured at fair value.
- The liability for defined benefit obligations, which is recognised at the present value of defined benefit obligations less the net total plan assets, plus unrecognised actuarial gains, less unrecognised past service costs and unrecognised actuarial losses.
- Non-current assets and disposal groups held for sale, measured at the lower of the carrying amount and fair value less costs to sell.

6. Restatements

This is the first time that consolidated financial statements have been prepared for Ghana Cocoa Board and its subsidiaries. Consolidated comparatives have accordingly been considered as restated.

A number of omissions were noted to have been made in the prior periods' separate financial statements. The prior years' financial statements have been restated to correct the effect of these omissions. The net impact on opening retained earnings, fair value reserve and total equity for the financial years ended 30 September 2012 and 30 September 2013 is summarised below. Further explanations of material restatement adjustments are provided in note 33.

Notes to the Financial Statements for the Year Ended 30 September 2013 Cont'd

The net impact of the restatements adjustments on the 2012 opening reserves and total equity is as follows:

- Retained earnings decreased by GH¢28,102,000
- Fair value reserve increased by GH¢20,975,000
- Total equity decreased by GH¢106,804,000

ii. The net impact of the restatements adjustments on the 2013 opening reserves and total equity is as follows:

- Retained earnings decreased by GH¢74,047,000
- Fair value reserve decreased by GH¢2,229,000
- Total equity decreased by GH¢167,537,000

7. Going concern considerations

The Group reported a loss of GH¢1,093,472,000 (2012: GH¢65,558,000) for the year ended 30 September 2013 and at the end of the year had a consolidated negative equity of GH¢1,068,905,000 (2012: positive equity of GH¢15,337,000).

Notwithstanding this, the Directors have prepared these consolidated and separate financial statements on a going concern basis in accordance with the Ghana Cocoa Board Act 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265) which provides under Section 21 as follows:

"Capital and funds of the Board

The Government may provide to the Board as working capital and as moneys required for carrying out the functions of the Board, the sums of money which the Minister, after consultation with the President, agrees are the sums of money requested by the Board from the Government".

In line with the above, the Directors will consult with the Government through the Minister to provide financial support to Ghana Cocoa Board when necessary to enable it to continue to carry out its functions in order to meet its financial obligations arising in the ordinary course of business for a period of not less than twelve months from the date of approval of the financial statements for the year ended 30 September 2013.

8. Significant accounting policies

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

8.1 Business combinations

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

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Acquisitions

The Group measures goodwill at the acquisition date as:

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

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

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

Non-controlling interests

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

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

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of a Company so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

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

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another Company. Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Transactions eliminated on consolidation

Intra-group balances, transactions, income and expenses are eliminated in preparing the consolidated financial statements.

8.2 Foreign currency

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

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

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

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

8.3 Financial instruments

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Non-derivative financial assets and liabilities – recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated.
All other financial assets and financial liabilities are initially recognised on the trade date.

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

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

Non-derivative financial assets and liabilities – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Held-to-maturity financial assets

These are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand as well as short-term deposits and highly liquid investments with a term of three months or less from the date of acquisition that are readily

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

convertible to known amounts of cash and that are subject to insignificant risks of changes in value. For the purpose of the consolidated and separate statements of cash flows, cash and cash equivalents consist also of bank overdrafts that are repayable on demand as forming an integral part of the Group's and Company's cash management.

Available-for-sale financial assets

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

Interest-bearing borrowings

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

Trade and other payables

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

Investments in equity securities

Other investments in equity securities held by the Group are classified as available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Investments in associates and subsidiaries are carried at fair value in the separate financial statements.

Non-derivative financial liabilities – measurement and derecognition

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

8.4 Impairment

Non-derivative financial assets

Financial assets not classified at fair value through profit or loss, including interests in equity-accounted investees, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Objective evidence that financial assets are impaired includes:

i. default or delinquency by a debtor;
ii. restructuring of an amount due to the Group on terms that the Group would not otherwise consider;
iii. indications that a debtor or issuer will enter bankruptcy;
iv. adverse changes in the payment status of borrowers or issuers;
v. the disappearance of an active market for a security; or
vi. observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For investments in equity securities, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

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

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

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by re-classifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss recognised in profit or loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non- financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets of Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

8.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

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

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are accounted for as described below.

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

- buildings 50 years
- produce sheds 10 years
- plant and equipment 5 years
- furniture and equipment 5 years
- motor vehicles 4 years

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

8.6 Intangible assets and goodwill

Goodwill

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

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the profit or loss as incurred.

Amortisation

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

8.7 Inventories

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

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

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.

8.8 Employee benefits

Defined contribution plans

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets and any unrecognised past service costs are deducted.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Group recognises actuarial gains and losses in the period they occur and directly into equity through other comprehensive income.

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

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

Short-term benefits

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

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

8.9 Provisions

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

8.10 Revenue

Sales of goods

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

8.11 Expenses

Operating lease payments

Payments 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 in profit or loss as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and a reduction of the outstanding liability. The finance charge 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.

Finance income and expenses

Finance expenses comprise interest payable, and finance lease charges recognised in profit or loss using the effective interest method, unwinding of discounts on provisions, and net foreign exchange losses that are recognised in profit or loss (see foreign currency accounting policy in note 8.2).

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.

Finance income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

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 payments is established.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

8.12 Taxation

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

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

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

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

8.13 Non-current assets held for sale and discontinued operations

A non-current asset or group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and its sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of the previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or a subsidiary that is acquired exclusively with a view to resell. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit or loss is restated as if the operation has been discontinued from the start of the comparative period.

8.14 New standards and interpretations not yet adopted

The following IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

a. Amendments to IAS 19 'Employee Benefits'

The amendments eliminate certain accounting options available in recognising defined benefit pension liabilities and amend the basis on which amounts are recognised in profit or loss and in the statement of comprehensive income. The amendments also require additional disclosures to be made in respect of defined benefit pension liabilities. The amendments are effective for accounting periods beginning on or after 1 January 2013. Although early adoption is permitted, the amendment has not been applied in these financial statements. The adoption of this standard is not expected to have a material effect on the results of the Group and Company.

b. IFRS 9 Financial Instruments

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The effective date of IFRS 9 was 1 January 2015. The effective date has been postponed and a new date is yet to be specified. The Company will adopt the standard in the first annual period beginning on or after the mandatory effective date (once specified). The impact of the adoption of IFRS 9 has not yet been estimated as the standard is still being revised and impairment and macro-hedge accounting guidance is still outstanding. The impact of the adoption of this standard on the results of the Group and Company is not currently known and will be assessed once the standard has been finalised and the effective date is known.

c. IFRS 10 ("Consolidated Financial Statements"), IFRS 11 ("Joint Arrangements") and IFRS 12 ("Disclosure of Interest in Other Entities") were issued in May 2011, and are effective for accounting periods beginning on or after 1 January 2013.

Notes to the Financial Statements for the Year Ended 30 September 2013 Cont'd

d. IFRIC 21 Levies

Levies have become more common in recent years, with governments in a number of jurisdictions introducing levies to raise additional income. Current practice on how to account for these levies is mixed. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37 Provisions, Contingent Liabilities and Assets. The Interpretation is effective for annual periods commencing on or after 1 January 2014 with retrospective application. The impact of the adoption of this standard on the results of the Group and Company is not currently known.

e. Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The amendments clarify that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investment activities. The consolidation exemption is mandatory and not optional. This amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted. The impact of the adoption of this amendment on the results of the Group and Company is not currently known.

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

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

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

The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2014 with early adoption permitted. The impact of the adoption of this amendment on the results of the Group and Company is not currently known.

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

		Group		Company	
		2013	2012 (Restated)	2013	2012 (Restated)
		GH¢000	GH¢000	GH¢000	GH¢000
9.	**Revenue**				
	Sale of cocoa beans	**3,638,096**	4,450,922	**3,710,565**	4,529,686
	Processed cocoa products	**115,760**	95,968	**-**	-
		3,753,856	4,546,890	**3,710,565**	4,529,686
10	**Other operating income**				
	Rental income	**2,994**	1,669	**2,993**	1,669
	Sundry income	**34,181**	37,395	**26,266**	30,259
	Profit/(loss) on 'deemed' disposal of interest in associate	**1,306**	-	**(9,774)**	-
		38,481	39,064	**19,485**	31,928
11	**Loss before tax**				
	is stated after charging:				
	Auditor's remuneration	**198**	-	**198**	180
	Cost of inventory included in direct costs	**2,885,159**	2,788,162	**2,787,423**	2,710,296
	Depreciation	**32,161**	28,020	**23,226**	21,238
	Directors' remuneration	**1,020**	738	**1,020**	738
	Impairment loss	**50,926**	-	**50,916**	-
	Staff costs	**248,730**	316,863	**213,223**	272,623
12	**Finance income and costs**				
	Finance income				
	Interest earned on other financial assets	**40,628**	41,618	**31,292**	41,618
	Interest on loans and advances	**46,974**	46,553	**46,156**	40,405
	Bank interest earned	**16,295**	22,231	**16,295**	22,231
	Interest earned on related party balances	**-**	3,044	**-**	3,044
	Dividend income on available for sale financial assets	**690**	513	**690**	513
	Total finance income	**104,587**	113,959	**94,433**	107,811
	Finance costs				
	Interest on loans and borrowings	**429,000**	187,857	**426,581**	185,219
	Interest on defined benefit pension plan obligation	**4,103**	4,106	**3,760**	3,670
	Total finance costs	**433,103**	191,963	**430,341**	188,889

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

13. Taxation

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

Of the Group entities, only Cocoa Marketing Company (Ghana) Limited and Ghana Cocoa Marketing Company (UK) Limited are subject to tax.

Group
Recognised in profit or loss

	2013 GH¢000	2012 GH¢000
Current tax expense		
Current year	**1,881**	1,688
Income tax recognised in other comprehensive income		
Actuarial gains and losses on defined benefit pension plans	-	-
	-	-
Reconciliation of effective tax rate		
Loss before tax	**(1,091,591)**	(63,870)
Tax using the Ghana corporation tax rate of 25% (2012: 25%)	**(272,898)**	(15,968)
Non-deductible expenses	**8,059**	7,005
Effect of tax exempt status of group entities*	**266,923**	10,833
Tax incentives	**(203)**	(182)
Total tax expense	**1,881**	1,688
Effective tax rate	**(0.17%)**	(2.6%)

*: This relates to details that are currently tax exempt.

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

14. Property, plant and equipment – Group

	Land and buildings GH¢000	Produce sheds GH¢000	Fixtures & equipment GH¢000	Motor vehicles GH¢000	Plant & machinery GH¢000	Under construction GH¢000	Total GH¢000
Balance at 1 October 2011 (Restated)	354,967	5,326	29,156	26,782	144,806	17,136	578,173
Other acquisitions	13,741	48	4,973	1,153	355	636	20,906
Transfer to between categories	5,015	381	85	-	857	(6,338)	-
Disposals	-	-	(65)	(277)	-	-	(342)
Effect of movements in foreign exchange	12,271	-	267	209	26,245	441	39,433
Balance at 30 September 2012 (Restated)	**(385,994)**	**5,755**	**34,416**	**27,867**	**172,263**	**11,875**	**638,170**
Depreciation							
Balance at 1 October 2011 (Restated)	23,266	2,027	19,688	16,927	26,988	-	88,896
Charge for the year	8,880	681	3,774	4,189	10,496	-	28,020
Disposals	-	-	(22)	(129)	-	-	(151)
Effect of movements in foreign exchange	1,156	-	110	134	3,707	-	5,107
Balance at 30 September 2012 (Restated)	33,302	2,708	23,550	21,121	41,191	-	121,872
Net book value							
At 1 October 2011 (Restated)	331,701	3,299	9,468	9,855	117,818	17,136	489,277
At 30 September 2012 (Restated)	**352,692**	**3,047**	**10,866**	**6,746**	**131,072**	**11,875**	**516,298**

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

14. Property, plant and equipment – Group (continued)

	Land and buildings GH¢000	Produce sheds GH¢000	Fixtures & equipment GH¢000	Motor vehicles GH¢000	Plant & machinery GH¢000	Under construction GH¢000	Total GH¢000
Cost							
Balance at 1 October 2012 (Restated)	385,994	5,755	34,416	27,867	172,263	11,875	638,170
Other acquisitions	74,872	-	9,376	4,039	1,809	2,943	93,039
Transfer to between categories	5,916	-			283	(6,199)	-
Effect of movements in foreign exchange	3,259	-	106	55	7,029	127	10,576
Balance at 30 September 2013	**470,041**	**5,755**	**43,898**	**31,961**	**181,384**	**8,746**	**741,785**
Depreciation and impairment							
Balance at 1 October 2012 (Restated)	33,302	2,708	23,550	21,121	41,191	-	121,872
Charge for the year	10,724	643	4,768	4,449	11,577	-	32,161
Effect of movements in foreign exchange	430	-	61	35	1,353	-	1,879
Balance at 30 September 2013	44,456	3,351	28,379	25,605	54,121	-	155,912
Net book value							
At 1 October 2012 (Restated)	352,692	3,047	10,866	6,746	131,072	11,875	516,298
At 30 September 2013	**425,585**	**2,404**	**15,519**	**6,356**	**127,263**	**8,746**	**585,873**

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

14. Property, plant and equipment – Company

	Land and buildings GH¢000	Produce sheds GH¢000	Fixtures & equipment GH¢000	Motor vehicles GH¢000	Plant & machinery GH¢000	Under construction GH¢000	Total GH¢000
Cost							
Balance at 1 October 2011 (Restated)	303,378	5,326	24,833	23,656	34,789	15,326	407,308
Other acquisitions	13,508	48	4,133	1,145	187	569	19,590
Transfer to between categories	5,015	381	85	-	857	(6,338)	-
Disposals	-	-	(55)	(81)	-	-	(136)
Balance at 30 September 2012 (Restated)	**321,901**	**5,755**	**28,996**	**24,720**	**35,833**	**9,557**	**426,762**
Depreciation							
Balance at 1 October 2011 (Restated)	19,014	2,027	17,295	14,661	13,101	-	66,098
Charge for the year	7,294	681	3,250	4,019	5,994	-	21,238
Disposals	-	-	(12)	-	-	-	(12)
Balance at 30 September 2012 (Restated)	**26,308**	**2,708**	**20,533**	**18,680**	**19,095**	**-**	**87,324**
Net book value							
At 1 October 2011 (Restated)	284,364	3,299	7,538	8,995	21,688	15,326	341,210
At 30 September 2012	**295,593**	**3,047**	**8,463**	**6,040**	**16,738**	**9,557**	**339,438**

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

14. Property, plant and equipment – Company (continued)

	Land and buildings GH¢000	Produce sheds GH¢000	Fixtures & equipment GH¢000	Motor vehicles GH¢000	Plant & machinery GH¢000	Under construction GH¢000	Total GH¢000
Cost							
Balance at 1 October 2012 (Restated)	321,901	5,755	28,996	24,720	35,833	9,557	426,762
Other acquisitions	74,812	-	8,923	3,357	419	2,742	90,253
Transfer to between categories	5,916	-	-	-	283	(6,199)	-
Balance at 30 September 2013	**402,629**	**5,755**	**37,919**	**28,077**	**36,535**	**6,100**	**517,015**
Depreciation and impairment							
Balance at 1 October 2012 (Restated)	26,308	2,708	20,533	18,680	19,095	-	87,324
Charge for the year	8,847	643	4,192	3,834	5,710	-	23,226
Balance at 30 September 2013	**35,155**	**3,351**	**24,725**	**22,514**	**24,805**	**-**	**110,550**
Net book value							
At 1 October 2012 (Restated)	295,593	3,047	8,463	6,040	16,738	9,557	339,438
At 30 September 2013	**367,474**	**2,404**	**13,194**	**5,563**	**11,730**	**6,100**	**406,465**

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

15. Intangible assets – Group

	Goodwill GH¢000
Cost	
Balance at 30 September 2012 (Restated) and 30 September 2013	18,680
Impairment	
Balance at 30 September 2012 (Restated) and 30 September 2013	18,680
Net book value	
Balance at 30 September 2012 (Restated) and 30 September 2013	-

16. (a) Equity-accounted investees

Group	2013 GH¢000	2012 (Restated) GH¢000
Interest in associates	-	927
Carrying amount of interests in associates	-	927
Share of loss from continuing operations	-	1,258
	-	1,258

In March 2013 the Group's interest in its associates, Aluworks Limited, decreased from 48.56% to 18.88%. The Group recognised a gain on 'deemed' disposal of GH¢1,306,000 and subsequently re-designated the interest in Aluworks as 'other financial assets classified as available-for-sale'. The information presented in the above table does not include the Group's share of the loss of GH¢26,000 made in the period from January to March 2013 as this is immaterial to the results of the Group.

Summary aggregated financial information of this associates at the end of 2012 was as follows:

	2012 (Restated) GH¢000
Assets	54,226
Liabilities	(52,314)
Revenues	49,681
Loss	2,590

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

16. (b) Investment in subsidiaries and associates Company

The Group and Company had the following investments in subsidiaries and associates:

	Country of incorporation	2013	2012	2013 GH¢000	2012 (Restated) GH¢000
Investment in listed entities (A)					
Cocoa Processing Company Limited	Ghana	57.73%	57.73%	23,532	11,765
Aluworks Limited	Ghana	-	48.56%	-	2,235
				23,532	14,000
Investment in unlisted entities					
Cocoa Marketing Company (Ghana) Limited	Ghana	100%	100%	-	-
Ghana Cocoa Marketing Company (UK) Limilted (B)	United Kingdom	100%	100%	-	-
				-	-
				23,532	14,000

A: The equity securities held by the Company are classified as available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity (in the fair value re serve), except for impairment losses. The movement in the year of GH¢9,532,000 represents a gain of GH¢11,767,000 (2012: loss of GH¢27,554,000) which is the change in fair values at the end of financial year and the 'deemed' disposal of a portion of its interest in Aluworks Limited at a fair value of GH¢2,235,000 due to the dilution of the Company's interest following the rights is sue of shares by the investee.

B: Ghana Cocoa Marketing Company (UK) Limited is wholly owned by Cocoa Marketing Company (Ghana)Limited.

17. Other investments

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Non-current				
Equity securities – available-for-sale	**22,291**	10,943	**22,291**	10,943

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Equity securities held by the Group and Company are classified as available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity (in the fair value reserve), except for impairment losses. The movement in the year of GH¢11,348,000 represents a gain of GH¢9,113,000 (2012: GH¢669,000) which is the change in fair values at the end of financial year and the reclassication of the carrying value of GH¢2,235,000 which represents the remaining interest in Aluworks Limited due to the dilution of the Company's interest following the rights issue of shares by the investee.

18. Other financial assets

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Current				
Held to maturity financial assets	**162,584**	275,653	**119,683**	275,653

Other financial assets represent short-term investments with maturity greater than three months with fixed or determinable payments that management has the positive intention and ability to hold to maturity.

19. Inventories

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Cocoa beans	339,332	423,261	338,667	420,059
Other consumables and inputs	88,790	55,187	79,304	47,683
Processed cocoa products	27,999	42,458	-	-
	456,121	520,906	**417,971**	467,742

20. Trade and other receivables

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Current				
Trade receivables	**363,261**	315,326	**346,252**	298,959
Amounts due from related parties	**-**	-	**262,617**	254,822
Other receivables	**776,412**	1,043,175	**764,055**	1,032,113
Prepayments	**23,939**	24,315	**12,074**	9,248
Interest receivable	**7,968**	15,761	**5,638**	15,761
Loans receivables	**15,323**	16,134	**15,325**	16,134
	1,186,903	1,414,711	**1,405,961**	1,627,037
Non-current				
Other receivables	**10,510**	6,740	**10,510**	6,740

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

21. Cash and cash equivalents/ bank overdrafts

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Cash and cash equivalents per statement of financial position	262,285	388,663	222,040	308,363
Bank overdrafts	(5,734)	(4,106)	-	-
Cash and cash equivalents per cash flow statements	**256,551**	384,557	**222,040**	308,363

22. Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group and Company's exposure to interest rate and foreign currency risk, see note 27.

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Non-current liabilities				
Secured bank loans	**2,335,172**	377,740	**2,299,224**	377,740
Current liabilities				
Current portion of secured bank loans	**11,538**	55,474	**-**	-
Unsecured bank facility	**3,561**	3,561	**3,561**	3,561
Unsecured bond issues	**695,443**	1,808,407	**695,443**	1,808,407
	710,542	1,867,442	**699,004**	1,811,968

Group

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2013	Carrying Amount 2013	Face value 2012 (Restated)	Carrying Amount 2012 (Restated)
				GH¢000	GH¢000	GH¢000	GH¢000
Secured bank loan	GH¢	6.00%	2023	**1,999,403**	**1,999,403**	-	-
Secured bank loan	USD	LIBOR +2%	2013	**299,821**	**299,821**	377,740	377,740
Secured bank loan	USD	LIBOR+9.19%	2019	**47,486**	**47,486**	55,474	55,474
Secured bank loan	GH¢	12.5%	2013	**-**	**-**	-	-
Unsecured bank facility	GH¢	12.5%	2014	**3,561**	**3,561**	3,561	3,561
Unsecured bond issues	GH¢	27.5%	2014	**695,443**	**695,443**	1,808,407	1,808,407
				3,045,714	**3,045,714**	2,245,182	2,245,182

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Company

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2013	Carrying Amount 2013	Face value 2012 (Restated)	Carrying Amount 2012 (Restated)
				GH¢000	GH¢000	GH¢000	GH¢000
Secured bank loan	GH¢	6.00%	2023	**1,999,403**	**1,999,403**	-	-
Secured bank loan	USD	LIBOR +2%	2013	**299,821**	**299,821**	377,740	377,740
Unsecured bank facility	GH¢	12.5%	2014	**3,561**	**3,561**	3,561	3,561
Unsecured bond issues	GH¢	27.5%	2014	**695,443**	**695,443**	1,808,407	1,808,407
				2,998,228	**2,998,228**	2,189,708	2,189,708

(a) Ghana Cocoa Board's secured loan of GH¢1,999,403,000 from the Bank of Ghana is secured over bank accounts held with Bank of Ghana and any other bank accounts, both local and foreign, held by Ghana Cocoa Board.

(b) The outstanding balance of Ghana Cocoa Board's secured loan of GH¢299,821,000 (US$150,000,000) from a syndicate of banks is secured over future cash flows from trade receivables for the 2012/13 crop year sales contracts.

(c) Cocoa Processing Company Limited's secured loan of GH¢25,734,000 (US$12,875,000) from a syndicate of banks led by Barclays Bank of Ghana Limited is secured by fixed and floating charges over the assets of the company.

(d) Cocoa Processing Company Limited's secured loan of GH¢21,752,000 (US$10,883,000) is secured by an assignment of export contracts and receivables amounting to a maximum of eighty percent (80%) of all receivables, and fixed and floating charges over the assets of the company stamped to cover the overall exposure as well as debentures over the debt service reserve account of the company.

23. Trade and opayables

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Current				
Trade payables	**4,818**	10,052	**3,073**	8,517
Amounts due to related parties	**-**	-	**52**	29
Other taxes and social security	**6,684**	5,535	**6,670**	5,523
Other payables	**30,825**	28,100	**9,449**	13,297
Accruals	**49,616**	444,717	**48,278**	443,465
	91,943	488,404	**67,522**	470,831

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

24. Employee benefits

Pension plans

The Group operates the following defined benefit schemes:

(a) Ghana Cocoa Board Pension scheme

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

(b) Long-service awards

This defined benefit scheme entitles employees to a benefit package at the end of their service to the company. This benefit package is paid at the point of exit on a graduated scale based on the length of service ranging from 10 to 40 years.

(c) 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 (and 22 years and 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 (and 22 years and still in school).

(d) End of service benefit

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

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Present value of funded defined benefit obligations	**(22,930)**	(21,715)	**(20,234)**	(20,129)
Fair value of plan assets	**-**	-	**-**	-
Total employee benefits	**(22,930)**	(21,715)	**(20,234)**	(20,129)

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Movements in present value of defined benefit obligation

	Group		Company	
	2013	2012	2013	2012
		(Restated)		(Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
At 1 October	**(21,715)**	(23,212)	**(20,129)**	(19,465)
Current service cost	**(855)**	(1,151)	**(582)**	(569)
Interest cost	**(4,103)**	(4,106)	**(3,760)**	(3,670)
Actuarial gains	**891**	4,749	**1,366**	1,021
Benefits paid	**2,972**	2,644	**2,871**	2,554
Exchange adjustments	**(120)**	(639)	**-**	-
At 30 September	**(22,930)**	(21,715)	**(20,234)**	(20,129)

Expense recognised in profit or loss

	Group		Company	
	2013	2012	2013	2012
		(Restated)		(Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Current service cost	**855**	1,151	**582**	569
Interest on defined benefit pension plan obligations	**4,103**	4,106	**3,760**	3,670
At 30 September	**4,958**	5,257	**4,342**	4,239

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

	Group		Company	
	2013	2012	2013	2012
		(Restated)		(Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Administrative expenses	**855**	1,151	**582**	569
Finance costs	**4,103**	4,106	**3,760**	3,670
	4,958	5,257	**4,342**	4,239

Actuarial gains recognised directly in equity in the statement of comprehensive income since the transition-date to Adopted IFRSs:

	Group		Company	
	2013	2012	2013	2012
		(Restated)		(Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Cumulative amount at 1 October	**4,749**	-	**1,021**	-
Recognised in the year	**891**	4,749	**1,366**	1021
Cumulative amount at 30 September	**5640**	4,749	**2,387**	1,021

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	%	%	%	%
Discount rate	**20**	20	**20**	20
Future salary increases	**10**	10	**10**	10

History of plans

The history of the plans for the current and prior periods is as follows:

Group

Statement of financial position

	2013	2012 (Restated)	2011 (Restated)
	GH¢000	GH¢000	GH¢000
Present value of funded defined benefit obligations	**(22,930)**	(21,715)	(23,212)
Fair value of plan assets	**-**	-	-
Deficit	**(22,930)**	(21,715)	(23,212)

Experience adjustments

	2013	2012 (Restated)
	GH¢000	GH¢000
Experience adjustments on plan liabilities	**891**	4,749

Company

Statement of financial position

	2013	2012 (Restated)	2011 (Restated)
	GH¢000	GH¢000	GH¢000
Present value of funded defined benefit obligations	**(20,234)**	(20,129)	(19,465)
Fair value of plan assets	**-**	-	-
Deficit	**(20,234)**	(20,129)	(19,465)

Experience adjustments

	2013	2012 (Restated)
	GH¢000	GH¢000
Experience adjustments on plan liabilities	**1,366**	1,021

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Defined contribution plans
Group and Company

The Group and Company operate the following defined contribution pension plans.

(i) Social Security

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

(ii) Provident Fund

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

(iii) End of Service Benefit

The Company operates a contributory 'End-of-Service benefit' scheme for staff under which the Company contributes12.5% of each staff's basic salary. Obligations under the plan are limited to the relevant contribution which are settled on due dates to the fund manager.

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

	Group		Company	
	2013	2012 (Restated)	2013	2012 (Restated)
	GH¢000	GH¢000	GH¢000	GH¢000
Defined contribution expense recognised in the year	**52,310**	38,840	**45,971**	35,326

25. PROVISIONS
Group and Company

	Stabilization Fund	Farmers' Social security Fund	Farmers' Welfare Fund	Other Provisions	Total
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Balance at 1 October 2012	106,777	26,452	3	-	**133,232**
Provisions made during the year	-	-	(3)	582	**579**
Provisions used during the year	(98,439)	-	-	-	**(98,439)**
Balance at 30 September 2013	8,338	26,452	-	582	**35,372**
Current	8,338	26,452	-	582	**35,372**

Notes to the Financial Statements for the Year Ended 30th September, 2013 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 funds are set aside from profit at the directive of the PPRC. The outstanding balance relates to the utilised portion of the balance at the end of the year. This provision is expected to be utilised within 12 months.

Farmers' social security fund

Ghana Cocoa Board is required under section 26 of the Ghana Cocoa Board Act 1984 (PNDCL Law 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265) to establish a contributory insurance scheme for cocoa, coffee and sheanuts farmers within the framework of the Social Security Fund. The balance at the year-end represents funds set aside from profit in prior periods to meet the requirement of section 26 of the establishing Act.

This provision is expected to be utilised in 12 months.

Farmers' welfare fund

Ghana Cocoa Board is required under section 27 of the Ghana Cocoa Board Act 1984 (PNDL Law 81) as amended by Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265) to establish 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 sheanuts producing area; and

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

The fund is expected to be utilised within 12 months.

26. 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.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and the other financial items presented in foreign currency.

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.

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Other comprehensive income- Group 2012

	Translation reserve GH¢000	Fair value reserve GH¢000	Retained earning GH¢000	Total parent equity GH¢000	Non controlling interest GH¢000	Total other comp. Income GH¢000
Other comprehensive income						
Foreign exchange translation diff.– foreign operations	(1,180)		-	(1,180)	(786)	(1,966)
Change in fair value of assets classified as available-for-sale	-	(669)	-	(669)	-	(669)
Actuarial gains and losses on defined benefit pension plans	-	-	(3,174)	(3,174)	(1,575)	(4,749)
Total other comprehensive income	**(1,180)**	**(669)**	**(3,174)**	**(5,023)**	**(2,361)**	**(7,384)**

Other comprehensive income- Group 2013

	Translation reserve GH¢000	Fair value reserve GH¢000	Retained earning GH¢000	Total parent equity GH¢000	Non controlling interest GH¢000	Total other comp. Income GH¢000
Other comprehensive income						
Foreign exchange translation diff.– foreign operations	415	-	-	415	363	778
Change in fair value of assets classified as available-for-sale	-	(9,115)	-	(9,115)	-	(9,115)
Actuarial gains and losses on defined benefit pension plans	-	-	(1,092)	(1,092)	201	(891)
Total other comprehensive income	**415**	**(9,115)**	**(1,092)**	**(9,792)**	**564**	**(9,228)**

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Other comprehensive income- Company 2012

	Translation reserve GH¢000	Fair value reserve GH¢000	Retained earning GH¢000	Total other comp. Income GH¢000
Other comprehensive income				
Change in fair value of assets classified as available-for-sale	-	26,885	-	26,885
Actuarial gains and losses on defined benefit pension plans	-	-	(1,021)	(1,021)
Total other comprehensive income	**-**	**26,885**	**(1,021)**	**25,864**

Other comprehensive income- Company 2013

	Translation reserve GH¢000	Fair value reserve GH¢000	Retained earning GH¢000	Total other comp. Income GH¢000
Other comprehensive income				
Change in fair value of assets classified as available-for-sale	-	(20,880)	-	(20,880)
Net change in fair value of available-for-sale financial assets recycled to profit or loss	-	(9,774)	-	(9,774)
Actuarial gains and losses on defined benefit pension plans	-	-	(1,366)	(1,366)
Total other comprehensive income	**-**	**(30,654)**	**(1,366)**	**(32,020)**

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

27. Financial instruments

(a) Fair values of financial instruments

Investments in equity securities

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

Trade and other receivables

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

Trade and other payables

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

Cash and cash equivalents

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

Interest-bearing borrowings

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

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

Notes to the Financial Statements for the Year Ended 30th September, 2013 Cont'd

Group

	Carrying amount 2013 GH¢000	Fair value 2013 GH¢000	Carrying amount 2012 (Restated) GH¢000	Fair value 2012 (Restated) GH¢000
IAS 39 categories of financial instruments				
Available for sale financial assets				
Other investments (note 17)	**22,291**	**22,291**	10,943	10,943
Held to maturity financial assets				
Other financial assets (note 18)	**162,584**	162,584	275,653	275,653
Loans and receivables				
Cash and cash equivalents (note 21)	**262,285**	**262,285**	388,663	388,663
Trade and other receivables (note 20)	**1,173,474**	**1,173,474**	1,397,136	1,397,136
Total loans and receivables	**1,435,759**	**1,435,759**	1,785,79	1,785,79
Total financial assets	**1,620,634**	**1,620,634**	**2,072,395**	**2,072,395**

Notes

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Design & Printed By : Buck Press Ltd.