



FTN COCOA PROCESSORS PLC

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

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FTN COCOA PROCESSORS PLC

CORPORATE INFORMATION

Directors:	High Chief (Sir) Simeon Olusola Oguntimehin, OON - (<i>Chairman</i>) Mr. A.A Aderounmu -Died on 25 th July, 2021. Pastor Akin Laoye - <i>Managing Director</i> Otunba' Wale Jubril
Company Secretaries:	Alpha-Genasec Limited, Kresta Laurel Complex, 376, Ikorodu Road, Maryland, Lagos. Tel. 234-7035051231 E-mail: alphagenasec@bakertillynigeria.com
Registered Office:	21, Emmanuel Keshi Street, Oladipo Sessi Close, Magodo, GRA, Lagos. Tel. 234-1-7409651 Website: www.ftncocoa.com.ng E-mail: info@ftncocoa.com.ng
Registration Number:	RC 172292
Factory Address:	Km 9, Monatan- Iwo Road, Opposite Arcedem, Wofun Olodo, Ibadan, Oyo State. Tel. 234-2-7404744
Independent Auditors:	Bakertilly Nigeria, (Chartered Accountants), Kresta Laurel Complex (4th Floor), 376, Ikorodu Road, Maryland, Lagos. Tel. 234-9031613983 E-mail: btnlag@bakertillynigeria.com
Registrars:	Meristem Registrars, 213, Herbert Macaulay Street, Yaba, Lagos. Tel.: 234-1-8920491, 234-1-8920492 E-mail: info@meristemregistrars.com
Bankers:	Ecobank Nigeria Limited Guaranty Trust Bank Plc United Bank for Africa Plc

FTN COCOA PROCESSORS PLC

RESULTS AT A GLANCE

For the year	2021 ₦'000	2020 ₦'000	Change ₦'000	Percentage Change
Revenue	290,779	235,209	55,570	24
Loss before taxation	(1,477,894)	(842,807)	(635,087)	75
Taxation	(727)	(588)	(139)	24
Loss after taxation	(1,478,621)	(843,395)	(635,226)	75
Loss per share	(67k)	(38k)	(29k)	76

At year end

Property, plant and equipment	5,913,813	2,968,519	2,945,294	99
Total assets	7,441,390	4,632,684	2,808,705	61
Total liabilities	8,192,988	6,021,188	2,171,800	36
Share capital	1,100,000	1,100,000	-	-
Revaluation reserve	4,017,369	983,017	3,034,352	309
Equity	(751,598)	(1,388,504)	637,633	(46)

	Number	Number
Number of employees	74	83
	===	===

FTN COCOA PROCESSORS PLC

REPORT OF THE DIRECTORS

1. The directors hereby submit their report and the financial statements of the company for the year ended 31 December, 2021

2.	Review of operating performance	₦'000
	Loss before taxation	(1,477,894)
	Taxation	<u>(727)</u>
	Loss after taxation	<u>(1,478,621)</u>
		=====

3. **Legal form**

FTN Cocoa Processors Plc started as Fantastic Abiola Nigeria Limited, a private Company limited by shares which was incorporated on 26 August, 1991. The name Fantastic Abiola Nigeria Limited was changed to Fantastic Traders Nigeria Limited on 26 August, 1998 and further changed to FTN Cocoa Processors Limited on 3 December, 2007. The status of the company was changed to FTN Cocoa Processors Plc on 29 February, 2009 and the shares of the company were listed on the Nigerian Stock Exchange on 24 July, 2009.

4. **Principal activities**

The principal activities of the company are the processing of cocoa beans and palm kernel into Cocoa Cake, Liquor, Butter, Powder, Palm Kernel oil and Palm Kernel cake. Cocoa Cake, Liquor and butter are exported while Cocoa powder, Palm Kernel oil and Palm Kernel cakes are marketed locally to manufacturing companies.

5. **Review of operational performance**

The company sustained a loss after tax of ₦1,478.621 million compared with a loss after tax of ₦843.395 million in the preceding year. The Company sustained a loss as a result of lack of adequate working capital in order to produce at optimal level coupled with heavy finance cost.

6. **Directors**

The names of the directors of the company are as stated on page 1 of these Reports and financial statements. Meanwhile, the Board regrets the sudden death of Mr. Ademola Aderounmu on 25th July, 2021. He was the founder/promoter and the first Managing Director of this company. Mr. Aderounmu served the company diligently from the beginning to his end and strove hard to ensure the Company was brought out of the woods, this however was unfortunately still to materialize before he passed away. We pray that his soul continues to rest in perfect peace with his maker.

7. Directors' interests

- (i) The interest of the directors in the issued share capital of the company are as follows: -

Shareholdings as at		
	31/12/2021	31/12/2020
High Chief (Sir) S. O. Oguntimehin, OON	100,000	100,000
Estate of Late Mr. A. A. Aderonmu	520,490,000	520,490,000
Pastor Akin Laoye	165,250,000	165,250,000
Otunba' Wale Jubril - Direct	200,000	200,000
- Indirect	9,000,000	9,000,000
	=====	=====

- (ii) None of the directors has notified the company for the purpose of Section 277 of the Companies and Allied Matters Act 2020 to the effect that he had interest in any contract with which the company was involved during the year under review.

8. Substantial interest in shares

According to the Register of Members, the following persons held more than 5% of the issued share capital of the company on 31 December, 2021:

Shareholders	Number of shares	Percentage
Estate of Late Mr. A. A. Aderonmu	520,490,000	23.6
Pastor Akin Laoye	165,250,000	7.5

9. Directors' responsibility

In accordance with the provisions of Sections 374 and 377 of the Companies and Allied Matters Act 2020, the directors of the company are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year, and of the profit or loss for that year, and comply with the provisions of the Companies and Allied Matters Act 2020. In doing so, they ensure that: -

- proper accounting records are maintained;
- applicable accounting standards are followed;
- suitable accounting policies are adopted and consistently applied;
- the going concern basis is used, unless it is inappropriate to presume that the company will continue in business; and
- adequate internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities.

10. Analysis of shareholding as at 31 December, 2021

Range	No. of Holders	Holder's %	Holder's Comm	Units	Unit %	Units Comm.
1 - 1,000	668	10.65	628	374,011	0.02	374,011
1,001 - 10,000	2,206	35.18	2,874	11,786,108	0.54	12,160,119
10,001 - 50,000	1,692	26.99	4,566	42,794,954	1.95	54,955,073
50,001 - 100,000	520	8.29	5,086	42,169,545	1.92	97,124,618
100,001 - 500,000	820	13.72	5,946	178,594,397	8.12	275,719,015
500,001 - 1,000,000	148	2.36	6,094	110,108,234	5.00	385,827,249
1,000,001 - 10,000,000	155	2.47	6,249	395,960,956	18.00	781,788,205
10,000,001 - Above	21	0.33	6,270	1,418,211,795	64.46	2,200,000,000
	6,230	100.00		2,200,000,000	100.00	
	=====	=====		=====	=====	

11. Property, plant and equipment

Movements in property, plant and equipment during the year are shown in Note 5 to the financial statements on page 37. In the opinion of the directors, the market value of the company's property, plant and equipment is not lower than the value shown in the financial statements.

12. Dividend

The directors do not recommend the payment of any dividend in view of the loss sustained.

13. Personnel

(i) *Employment of disabled persons:*

The company does not discriminate in considering applications for employment including those from disabled persons. All employees are given equal opportunities to develop their knowledge and skills within the organization. As at 31 December, 2021 there were, however, there is one disabled person in the company's employment.

(ii) *Employee's involvement and training:*

The company is committed to keeping employees fully informed as far as possible regarding its performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees. The company provides a range of training from time to time with potential broadening opportunities for employees' career development within the organization.

(iii) *Staff welfare and safety at work:*

The company places high premium on its human resources and there is existing provision for lunch, rent and transport allowances. The company conducts its activities in a way to take foremost account of the safety of its employees and other persons.

14. Donations

No donation was made by the company during the year.

15. **Compliance with the code of corporate governance**

The Directors confirm that the affairs of the company are managed in accordance with the provisions of the code of corporate governance in Nigeria with regards to matters stated concerning the Board of Directors, the Shareholders and the Audit Committee.

Board of Directors meeting

Board meetings are scheduled well in advance. Also, the agenda of Board meetings and reports on full business review, full report from the various Board Committees and reports from the Audit Committee are circularized to all Directors.

The Board met during the year under review: -

Names	Meetings held	Number of meetings attended
High Chief (Sir) Simeon Olusola Oguntimehin, OON	2	2
Pastor Akin Laoye	2	2
Otunba 'Wale Jubril	2	2
Late Ademola A. Aderounmu	2	1

16. **Audit Committee**

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, the Audit Committee members of the company elected at the last Annual General Meeting are as follows: -

Emmanuel Oladosu
Chinwendu Achara
Otunba 'Wale Jubril

The functions of the audit committee are as stated in Section 404(7) of the Companies and Allied Matters Act 2020.

Committee meetings

i. **Audit Committee meetings**

The audit committee met twice during the year under review. Membership and attendance at meetings during the year were as follows: -

Names	Designation	Number of Meetings held	Number of Meetings Attended
Emmanuel Oladosu	Chairman	2	2
Chinwendu Achara	Member	2	2
Otunba 'Wale Jubril	Member	2	2

ii. **Finance and Control committee**

Names	Designation	Number of meetings held	Number of meetings attended
Pastor Akin Laoye	Chairman	2	2
Otunba ‘Wale Jubril	Member	2	2

iii. **Corporate Governance**

Names	Designation	Number of meetings held	Number of meetings attended
Otunba ‘Wale Jubril	Chairman	2	
Pastor Akin Laoye	Member	2	

Management team

The day-to-day management of the business is the responsibility of the Managing Director and the Executive Director who are assisted by a management team made up of heads of all the departments in the company. The management team holds scheduled meetings weekly to deliberate on critical issues affecting the day to day running of the company.

17. **Risk management policy**

FTN Cocoa Processors Plc recognizes the need for fast and efficient service delivery. At the same time, necessary attention is given to risk management. The company’s approach is to minimize risk complexity whilst improving efficiency in the workplace.

Financial risks

FTN Cocoa Processors Plc is an active player in the economy. In the course of its operations, the company uses various financial instruments including cash and its equivalents, bonds, equities and trade debtors. FTN Cocoa Processors Plc is exposed to likely losses arising from market risk. Such risks comprise fluctuations in interest rates, equity prices and rate of exchange of foreign currencies and default in collection of receivables.

FTN Cocoa Processors Plc has developed a comprehensive financial management policy taking into account the relevant regulatory investment guidelines. Appropriate manuals are provided detailing administrative and accounting procedures. These manuals set out the framework for the investing function and specify the conditions and benchmarks for the acceptable levels of exposure to credit, currency and interest rate risks, etc.

Liquidity and credit risks

Liquidity or cash flow risk relate to the possibility that the company may encounter some difficulty to mobilize funds to discharge its obligation to clients as and when the need arises.

FTN Cocoa Processors Plc’s investment guidelines are formulated such that minimum levels of financial assets are held in cash and cash equivalents with short maturity periods and easily convertible to cash at short notice.

Credit risk refers to the likelihood that one party to a financial transaction may fail to fulfill its obligation as and when due thereby causing the other party to a transaction to suffer financial loss. Our company is exposed to credit risks through its investment in financial

assets such as short-term deposits, fixed interest securities and receivables.

FTN Cocoa Processors Plc's approach is to ensure that short-term deposits are placed with financial institutions with high credit rating. Moreover, deposits are spread amongst high quality institutions to avoid undue concentration on any one organization.

Credit risks associated with receivables are managed through a deliberate assessment of present and potential customers to ensure their ratings meet with our set criteria for granting credit and making necessary provision for doubtful and irrecoverable debts.

18. **Independent Auditors**

Messrs. Bakertilly Nigeria, (Chartered Accountants), have indicated their willingness to continue as auditors in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed to authorize the directors to fix their remuneration.

By order of the Board



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Joshua Oludayo Adeoye
Alpha-Genasec Limited
Company Secretaries
FRC/2014/ICSAN/00000008037

LAGOS
30 March, 2022

FTN COCOA PROCESSORS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the statement of financial position of the Company at the end of the year and of its comprehensive income in the manner required by the Companies and Allied Matters Act of Nigeria. The responsibilities include ensuring that the Company:

- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company to comply with the requirements of the Companies and Allied Matters Act 2020.
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

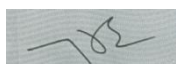
The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in compliance with:

International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company and of the loss for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

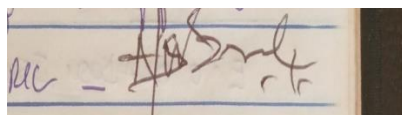
The directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

Signed on behalf of the Board of Directors by:



.....
Pastor Akin Laoye
FRC/2021/003/00000023888

30 March, 2022



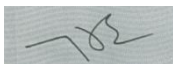
.....
Otunba Wale Jubril
FRC/2014/CISN/0000006703

30 March, 2022

FTN COCOA PROCESSORS PLC**Certification of 'no misstatements and adequate internal control system'**

The Managing Director and the Chief Financial Officer accept the responsibilities for the preparation of these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in compliance with International Financial Reporting Standards, and with the requirements of the Companies and Allied Matters Act. These responsibilities include designing, implementing and maintaining adequate internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and preparing its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates which are consistently applied.

The Managing Director and the Chief Financial Officer further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate internal control system.



.....
Pastor Akin Laoye
FRC/2021/003/00000023888

30 March, 2022



.....
Mr. Mayowa Jimoh
FRC/2022/PRO/ICAN/001/00000024076

30 March, 2022

FTN COCOA PROCESSORS PLC**STATEMENT OF MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

The Management's Discussion and Analysis was prepared on 30 March, 2022.

Forward-Looking Statements

This Management's Discussion and Analysis may contain statements relating to strategies used by FTN Cocoa Processors Plc or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may,” “could,” “should,” “would,” “suspect,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” and “continue” (or the negative thereof), as well as words such as “objective” or “goal” or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of Securities laws. Forward-looking statements include, but are not limited to, information concerning the Company’s possible or assumed future operating results. These statements are not historical facts; they represent only the Company’s expectations, estimates and projections regarding future events.

Documents Related To the Financial Results

All documents related to the financial results of FTN Cocoa Processors Plc are available in the Company's website at www.ftncocoa.com.ng, in the section under *Financial Reports*.

Description of FTN Cocoa Processors Plc

FTN Cocoa Processors Plc is an agro allied company. The principal activities of the company are the processing of Cocoa Beans and Palm Kernel into Cocoa Cake, Liquor, Butter, Powder, Palm Kernel Oil and Palm Kernel cake. Cocoa Cake, Liquor and butter are exported while Cocoa powder, Palm Kernel Oil and Palm Kernel Cakes are marketed locally to manufacturing companies.

Legal constitution

FTN Cocoa Processors Plc started as Fantastic Abiola Nigeria Limited, a Private Company Limited by shares which was incorporated on 26 August, 1991. The name Fantastic Abiola Nigeria Limited was changed to Fantastic Traders Nigeria Limited on 26 August, 1998 and further changed to FTN Cocoa Processors Limited on 3 December, 2007. The status of the Company was changed to FTN Cocoa Processors Plc on 29 February, 2009 and the shares of the Company were listed on the Nigerian Stock Exchange on 24 July, 2009.

Business strategy of the company and overall performance

The Company is registered and incorporated in Nigeria and is primarily engaged in the processing of Cocoa Beans and Palm Kernel into Cocoa Cake, Liquor, Butter, Powder, Palm Kernel Oil and Palm Kernel Cake.

Over the years, various strategies have been put in place to achieve the objectives such as networking by expanding its distribution channels, products offering reappraisal, refocusing and managing the existing talents to create value.

Operating result, cash flow and financial condition

The entity’s critical performance measurement and indicators to evaluate the entity’s performance against stated objectives includes budgeting, ratio analysis and bench marking with industry average.

FTN COCOA PROCESSORS PLC
CERTIFICATION PURSUANT TO SECTION 60(2) OF
INVESTMENT AND SECURITIES ACT NO.29 OF 2007


We the undersigned hereby certify the following with regards to our audited reports and financial statements for the year ended 31 December, 2021 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
 - (i) any untrue statement of a material fact, or
 - (ii) omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in the report;
- (d) We:
 - (i) are responsible for establishing and maintaining internal controls;
 - (ii) have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - (iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 - (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the company and audit committee:
 - (i) all significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls; and
 - (ii) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



.....
Mr. Mayowa Jimoh
FRC/2022/PRO/ICAN/001/00000024076
Chief Finance Officer

30 March, 2022



.....
Pastor Akin Laoye
FRC/2021/003/00000023888
Chief Executive Officer

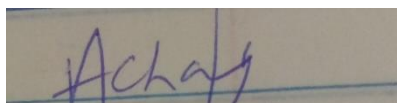
30 March, 2022

FTN COCOA PROCESSORS PLC
REPORT OF THE AUDIT COMMITTEE

We, the Audit Committee members of FTN Cocoa Processors Plc, in compliance with the provision of Section 404(6) of the Companies and Allied Matters Act have carried out the following functions:-

- 1) Confirmed that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- 2) Reviewed the scope and plan for the audit for the year ended 31 December, 2021; and
- 3) Reviewed the external and internal auditors' recommendations on accounting procedures and internal controls and management's responses to the Auditors' findings were satisfactory.

In our opinion, the scope and planning of the audit for the year ended 31 December, 2021 were adequate and management's responses to the auditors' findings were satisfactory.



Chinwendu Achara
Member, Audit Committee
FRC/2013/IODN/00000002851

Dated this 30 March, 2022

Members of the committee:

Emmanuel Oladosu
Chinwendu Achara
Otunba 'Wale Jubril

Shareholders' representative
Shareholders' representative
Non-executive directors' representative



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF FTN COCOA PROCESSORS PLC

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position FTN Cocoa Processors Plc as at 31 December, 2021, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements.

Based on our audit of the financial statements, we also have not identified such a material uncertainty.

Emphasis of matter

We wish to draw particular attention of the shareholders to note 25 of the financial statements which

shows that the company incurred accumulated loss of ₦7,282.406 million as at the year ended 31 December, 2021. At that date, the company had a negative shareholders' fund of ₦751.598 million.

This condition indicates the existence of material uncertainty which may cast doubt on the company's ability to continue as a going concern if strategies are not put in place to immediately ensure that the earnings capacity of the company improve significantly to cover the operating costs and ensure profitability in the nearest future.

There is a new investor in the name of O. H origin that has injected a net amount in the sum of N4,692,193,911 till date and promise to assist further by providing working capital.

The financial statements are prepared on the basis of accounting policies applicable to going concern. This basis presumes that funds will be available to finance future operations.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements which are in compliance with the requirements of both Financial Reporting Council of Nigeria Act, No. 6 of 2011, and the Companies and Allied Matters Act 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report

to you on the following matters. We confirm that: -

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) Proper books of account have been kept by the Company; and
- iii) The Company's statement of financial position and profit or loss and other comprehensive income are in agreement with the books of account.



.....
Oluwale O. Ogundeji
FRC/2013/ICAN/00000002825
For: Bakertilly Nigeria
(Chartered Accountants)

Lagos, Nigeria
31 March, 2022



FTN COCOA PROCESSORS PLC

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER, 2021

		2021	2020
	Note	N'000	N'000
Non-current assets			
Property and equipment	5	5,913,813	2,968,519
Available for sale financial assets	6	300	300
Other receivables	7.2	<u>1,106,114</u>	<u>1,085,038</u>
Total non-current assets		<u>7,020,227</u>	<u>4,053,857</u>

Current assets			
Inventories	8	372,844	500,348
Trade and other receivables	7.1	34,897	30,045
Cash and cash equivalents	9	<u>13,422</u>	<u>48,434</u>
Total current assets		<u>421,163</u>	<u>578,827</u>

Total assets		<u>7,441,390</u>	<u>4,632,684</u>
=====			
Current liabilities			
Trade and other payables	10	714,891	723,973
Borrowings	11.1	76,588	76,588
Current taxation	12.2	<u>66,988</u>	<u>66,261</u>
Total current liabilities		<u>858,467</u>	<u>866,822</u>

Non-current liabilities			
Borrowings	11.2	<u>7,334,521</u>	<u>5,154,366</u>
Total non-current liabilities		<u>7,334,521</u>	<u>5,154,366</u>

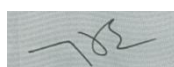
Total liabilities		<u>8,192,988</u>	<u>6,021,188</u>
=====			
Equity:			
Share capital	14	1,100,000	1,100,000
Share premium	15	1,413,439	1,413,439
Revaluation reserve	16	4,017,369	983,017
Revenue reserve	17	<u>(7,282,406)</u>	<u>(4,884,960)</u>
Total equity		<u>(751,598)</u>	<u>(1,388,504)</u>

Total liabilities and equity		<u>7,441,390</u>	<u>4,632,684</u>
=====			

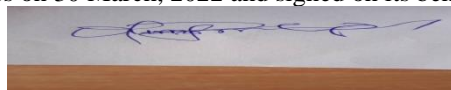
The financial statements were approved by the Board of Directors on 30 March, 2022 and signed on its behalf by:



.....
High Chief (Sir) Simeon O. Oguntimehin OON
Chairman
FRC/2013/ICAN/00000003428



.....
Pastor Akin Laoye
Managing Director
FRC/2021/003/00000023888



.....
Olumayowa P Jimoh
Chief Finance Officer
FRC/2022/PRO/ICAN/001/00000024076

The accounting policies and notes on pages 21 to 43 form an integral part of these financial statements

FTN COCOA PROCESSORS PLC
STATEMENT OF PROFIT & LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER, 2021

	Note	2021 ₦'000	2020 ₦'000
Revenue	18	290,779	235,209
Cost of sales	19.1	<u>(503,137)</u>	<u>(532,381)</u>
Gross loss		(212,358)	(297,172)
Selling and distribution cost	19.2	(9,761)	(12,133)
Operating expenses	19.3	(142,263)	(164,714)
Allowance for impairment loss	19.5	-	-
Other operating income	20	<u>115,854</u>	<u>28,323</u>
Operating loss		(248,528)	(445,696)
		-----	-----
Finance cost	21	(1,229,366)	(397,111)
		=====	=====
Loss before taxation		(1,477,894)	(842,807)
Current taxation	12.1	<u>(727)</u>	<u>(588)</u>
Loss after taxation transferred to revenue reserve	17	(1,478,621)	(843,395)
<i>Other comprehensive income</i>			
Net appreciation on revaluation of Property, plant & equipment	16	<u>3,034,352</u>	<u>-</u>
		<u>1,555,731</u>	<u>(843,395)</u>
		=====	=====
Loss per share		(67k)	(38k)

The accounting policies and notes on pages 21 to 43 form an integral part of these financial statements

FTN COCOA PROCESSORS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2021

	Issued share Capital ₦'000	Share Premium ₦'000	Fair value Reserve ₦'000	Retained Earnings ₦'000	Total Equity ₦'000
Fund as at January 2021	1,100,000	1,413,439	983,017	(4,884,960)	(1,388,504)
Revaluation surplus	-	-	3,034,352	-	3,034,352
Restatement	-	-	-	(918,825)	(918,825)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,478,621)</u>	<u>(1,478,621)</u>
Balance as at 31 December 2021	<u>1,100,000</u>	<u>1,413,439</u>	<u>4,017,369</u>	<u>(7,282,406)</u>	<u>(751,598)</u>
Fund as at January 2020	1,100,000	1,459,282	983,017	(4,041,565)	(499,266)
Increase in share capital expenses	-	(45,843)	-	-	(45,843)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(843,395)</u>	<u>(843,395)</u>
Balance as at 31 December, 2020	<u>1,100,000</u>	<u>1,413,439</u>	<u>983,017</u>	<u>(4,884,960)</u>	<u>(1,388,504)</u>

The accounting policies and notes on pages 21 to 43 form an integral part of these financial statements

FTN COCOA PROCESSORS PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2021

	Note	2021 ₦'000	2020 ₦'000
Cash flows from operating activities			
Operating loss before working capital changes	23	(135,964)	(635,362)
Working capital changes	24	<u>92,495</u>	<u>(147,367)</u>
		(43,469)	(782,729)
		-----	-----
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,703)	(1,701)
Proceeds from disposal		<u>-</u>	<u>-</u>
Net cash (utilised)/generated investing activities		(6,703)	(1,701)
		-----	-----
Cash flows from financing activities			
Borrowing		15,160	871,732
Share premium		<u>-</u>	<u>(45,843)</u>
Net cash generated from financing activities		15,160	825,889
		-----	-----
Net (decrease)/increase in cash and cash equivalents		(35,012)	41,459
Cash and cash equivalents at beginning of year		<u>48,434</u>	<u>6,975</u>
Cash and cash equivalents at end of year	9	13,422	48,434
		=====	=====

The accounting policies and notes on pages 21 to 43 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021

1. **General Information**

FTN Cocoa Processors Plc was incorporated on 26 August 1991 in Nigeria as a private company limited by shares under the name Fantastic Abiola Nigeria Limited which later became Fantastic Traders Nigeria Limited on 26 August, 1998. The company became a public limited liability company on 29 February, 2008 and got listed on the Nigeria Stock Exchange. The principal activities of the company is the processing of cocoa beans and palm kernel into cocoa cake, liquor, butter, palm kernel oil and palm kernel cake for export and sales to local manufacturing companies.

2. **Statement of Compliance**

The financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) with the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

3. **Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the company's financial statements are set out below.

3.1 **Basis of preparation of the financial statements**

i. ***Basis of Measurement***

The accounts have been prepared on an accrual basis and under the historical cost convention except for available for certain financial instruments which are measured at fair value.

These financial statements are presented in Nigerian Naira (N), which is the company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless otherwise stated.

ii. ***Use of estimates and judgements***

The preparation of financial statements requires management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimate is revised if the

revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.2 *Foreign Currency*

i. *Foreign Currency Translation*

The Company's transactions in foreign currency are translated to its functional currency for inclusion in the financial statements. Functional currency is the currency of the primary economic environment in which the entity operates. For FTN Cocoa Processors Plc the functional currency is the Nigerian Naira which is also its presentation currency.

ii. *Foreign Currency Transactions*

- Foreign currency transactions are recorded on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

iii. *Exchange differences*

- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss within 'finance income or cost' except where translation reserve is required it is then recognized in other comprehensive income.

3.3 *Property, plant and equipment*

The company uses the cost model for property, plant and equipment. All property, plant and equipment are stated at cost less accumulated depreciation and impairments.

Cost includes

- The purchase price, including import duties, and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including costs associated with site preparation.

Subsequent costs

- The costs of replacing part of an item of property, plant and equipment are recognized in the asset's carrying amount, only when it is probable that future economic benefits

associated with the item will flow to the company and the cost of the item can be measured reliably.

- All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

ii. *Depreciation*

Depreciation on property, plant and equipment is calculated on the straight line basis to write-off the costs of components that have homogenous useful lives to their residual values over their estimated useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.

Buildings	2%	50 years
Office Equipment	10%	10 years
Plant and machinery	5%	20 years
Motor vehicles	20%	5 years
Furniture and fittings	10%	10 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

iii. *De-recognition*

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefit is expected to flow to the company from its continuing use. Any gain or loss arising from de-recognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognized in the income statement, in the year the asset is de-recognized.

3.4 **Intangible Assets**

i. *Acquired Computer Software*

Software acquired by the Company is stated at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over the estimated useful life of the computer software, the estimated useful life and Amortization is reviewed at the end of each reporting period, with the effect of any changes being accounted

for on a prospective basis. Acquired computer software is amortized over a three (3) year period.

Acquired computer software is de-recognized when no future economic benefit is expected from its use.

3.5 **Inventories**

These are measured at the lower of cost and net realizable value. The net realizable value is the amount the inventories are expected to realize less the estimated costs of completion and selling expenses. The estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize.

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined using the weighted average cost formula. Any write down or reversals are recognized in the profit or loss account.

i. ***Raw materials***

These are measured using the weighted average cost formula. It comprises of the purchase price and all other cost incurred that are necessary to bring it to its present location and condition. Raw materials are sourced locally and internationally.

ii. ***Spare parts***

These are stated at their purchase price and are generally expensed. However, where they are used specifically for the enhancement of an equipment or machinery it is capitalized.

iii. ***Finished Goods and Work-in-progress***

These are measured at production cost based on weighted average cost taking into account the stage of production. It includes an apportionment of the factory production overheads incurred based on the normal operating capacity.

3.6 **Revenue**

Revenue represents amounts received and receivable from third parties for goods supplied to customers. It is recognized in the profit and loss account when the amount of revenue can be measured reliably, the significant risk and rewards are transferred to the buyer, recovery of the consideration is probable and the associated cost and possible return of products can be reliably estimated and there is no management involvement in the product. Revenue is derived from export and local sales of cocoa cake, liquor, cocoa powder, palm kernel oil, butter and palm kernel cake.

i. ***Export Sales***

Revenue is recognized on exported goods in the income statement when the significant risk and rewards of ownership of the goods has been transferred to the buyer and this is mainly

upon shipment. This is also when the final invoice and bill of lading is raised. Export sales are measured at the agreed price based on current market situation.

ii. ***Local Sales***

Revenue on local sales is recognized in the income statement upon delivery of the goods to the buyer's warehouse. This is when the significant risk and rewards of ownership on the goods are transferred to the buyer. It is measured at the fair value of consideration received or receivable net of VAT, excise duties, returns, customer discounts and other sales related discounts.

iii. ***Other Income***

Other income comprises grants on export (Export expansion grant receivable from the Federal Government as a rebate on export costs), interest income, dividend received, bad debt recovered, exchange gain and others.

- ***Export Expansion Grant***

Export expansion grants are grants receivable from the Federal Government of Nigeria through the Nigerian Export Promotion Council. The grant is backed by the Export (incentives and miscellaneous provisions) Act Cap 118 LFN 1990 act cap E19 LFN 2020 to encourage companies engaged in exportation of locally manufactured products by reducing the cost borne by local producers/non-oil exporters through giving a rebate of 30% on goods exported. It is recognized as an income in the period in which the export is made. The export grant is not given in monetary value but as certificate known as the Negotiable Duty Credit Certificate (NDCC).

A company is entitled to receive the export expansion grant only if it has fulfilled the relevant conditions and has made necessary application to the Nigerian Export Promotion Council. The certificate on the average is issued on submission of necessary export documents.

Export expansion grants are initially recognized at fair value and subsequently discounted at the point of sale.

- ***Dividend and Interest Income***

Dividend income from investments is recognized only when shareholders right to receive payment has been established and the amount of income can be reliably measured. Interest income from a financial asset is recognized when it is probable that economic benefits will flow to the company and the amount of income can be reliably measured. Interest income is accrued on a time basis with reference to the principal outstanding and the effective interest rates applicable.

3.7 **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Other borrowing costs are recognized as an expense. Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

3.8 **Income tax expense**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized where the carrying amount differs from the tax base of the assets. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets and liability). The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.9 **Provisions, Contingent Liabilities and Contingent Assets**

i. ***Provisions***

Provisions are recognized when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The company reviews provisions existing at the end of each reporting period and makes appropriate adjustment to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

ii. ***Contingent liability***

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where the company is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognizes a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

iii. ***Contingent assets***

Contingent assets arising from unplanned or other unexpected events giving rise to the possibility of an inflow of economic benefits are disclosed in the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

3.10 **Financial Assets**

Financial assets and liabilities

Recognition

Financial assets are initially recognized at their fair value plus, in the case of financial asset not carried at fair value through profit or loss, directly attributable costs to their acquisition.

All other financial assets and liabilities are initially recognized on the trade date at which the company becomes a party to the contractual provisions of the instrument.

Classification and Measurement

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Financial assets are classified into one of the following measurement categories:

- Amortized cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL) for trading related assets
- Equity Instruments

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

a) **Financial assets measured at amortized cost**

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated considering any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Statement of Income. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. Loans measured at amortized cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

b) **Financial assets measured at FVOCI**

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI). Upon de-recognition, realized gains and losses are reclassified from OCI and recorded in Other Income in the Statement of Income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to Interest income in the Statement of Income using the effective interest rate method. Impairment on financial assets measured at FVOCI is calculated using the expected credit loss approach.

c) **Financial assets measured at FVTPL**

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely for business transaction. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Statement of Income as part of Other Income. Realized and unrealized gains and losses are recognized as part of Other Income in the Statement of Income.

d) **Equity Instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, any contract that evidences a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Other Income in the Statement of Income.

The Company can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer-term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis

and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Statement of Income. Dividends received are recorded in other income in the Statement of Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Income on sale of the security. Transaction cost on disposal of equity instruments is recognized as an expense in the income statement.

Financial liabilities are classified into one of the following measurement categories:

- Amortized cost
- Fair Value through Profit or Loss (FVTPL)

e) **Financial Liabilities at Amortized cost**

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at Amortized cost using the effective interest rate method. Financial liabilities measured at Amortized cost are loans and other borrowed funds

f) **Financial Liabilities at fair value through profit or loss**

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'. Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise, or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Other Income in the Statement of Income, except for changes in fair value arising from changes in the company's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the company's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Statement of Income upon de-recognition/extinguishment of the liabilities.

3.11 **Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. A change in the Bank's business model will occur only when the company either begins or ceases to perform an activity that is significant to its operations such as significant internal restructuring and any other reason that might warrant a change in the company's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.

- A transfer of financial assets between parts of the company with different business models. When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the company decides to shut down the corporate mortgage business segment, the reclassification date is the first day of the next reporting period.

3.12 Impairment of Financial Assets

In line with IFRS 9, the company assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets;
- Debt securities classified as at FVOCI;

Equity instruments and financial assets measured at FVTL are not subjected to impairment under the standard.

Expected Credit Loss Impairment Model

The Company's allowance for credit losses calculations are outputs of models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. The Company adopts a three-stage approach for impairment assessment.

Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months.

Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

Stage 3 – Financial instruments that are considered to be in default are included in this stage. Like Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of these statistical parameters/inputs are as follows:

Probability of Default – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

- **12-month PDs** – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The company obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.
- **Lifetime PDs** – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’ and ‘stage 3’ exposures. PDs are limited to the maximum period of exposure required by IFRS 9. Variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

Exposure at Default – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

Loss Given Default – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time.

Forward-looking information

IFRS 9 specifies that ECLs should include a forward-looking element which translates into an allowance for changes in macro-economic conditions and forecasts when estimating lifetime ECLs. It is important to understand the effect of forecasted changes in the macro-economic environment on ECLs, so that an appropriate level of provisions can be raised. The most acceptable way of allowing for macro-economic conditions is to build a regression model that aims to explain and predict the impact of macro-economic indicators on default rates. Such regression models are usually built on a history of default rates and macro-economic variables covering at least one economic cycle, but preferable more. Information gathering is based on historical Nigerian macro-economic indicators from a host of reliable sources, including the International Monetary Fund. The following steps were followed in quantifying the impact of macro-economic scenarios on ECLs.

Step 1

Using the statistical methodology of multiple Regression, estimate the relationship between collected historical non-performing loans and on a list of macro-economic indicators.

Step 2

Identify variables that are statistically significant (that is variables that have the most significant predictive power)

Step 3

Forecast macroeconomic forward-looking information for periods over which lifetime PD will be determined

Step 4

Using the equation derived in step one as, significant coefficient obtained in step 2 as well as forecast macroeconomic forward-looking information in step 3, predict the default probability for relevant periods

Step 5

Determine Scalars for relevant period. In order to remove the impact of any historical trends included in the data, the scalar denominator is adjusted based on the estimation period used to derive the PDs.

Step 6

Apply the scalars calculated in Step 5 to the lifetime PDs as derived. A scalar factor of one means that the probability of default for the forecast year is expected to be in line with historical average probability of default. A scalar factor less than one means that the probability of default for the forecast year is expected to be less than the historical average probability of default. A scalar factor greater than one means that the probability of default for the forecast year is expected to be greater than the historical average probability of default.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Write-off

The company writes off an impaired financial asset (and the related impairment allowance), either partially or in full, where there is no reasonable expectation of recovery as set out in IFRS 9, paragraph 5.4.4. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;

- Where all possible avenues for recoveries have been explored and it is evident that the financial capacity of the borrower makes it impossible to recover part or the whole amount of indebtedness.

All impaired financial asset write-offs shall require endorsement at the appropriate level, as stated in the company Policy. write-off approval shall be documented in writing and properly initialed by the approving authority. A write-off constitutes a de-recognition event.

3.13. **Offsetting financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.14. **Prepayments**

Prepayments and accrued income comprise payments made in advance relating to the following year.

3.15. ***Cash and Cash Equivalent***

Cash and cash equivalents comprise balances with not more than three months' maturity from the reporting date, including cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

3.16. ***Earnings per share***

The Company presents its basic earnings per share (EPS) and diluted earnings on the statement of comprehensive income. Basic EPS is calculated by dividing profit or loss attributable to ordinary equity holders of the entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

3.17. ***Dividend Distribution***

Dividend distribution to the company's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the company's shareholders. Dividends for the year that are declared after the date of the financial position are dealt with in the subsequent events note.

3.18. Retirement Benefit Scheme

Defined Contribution Scheme

In line with the provisions of the Nigerian Pension Reform Act 2004, FTN Cocoa Processors Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the company at the rate of 8% by employees and 10% by the company of basic salary, transport and housing allowances invested outside the company through Pension Fund Administrators (PFAs) preferred by employees.

The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by the company to the relevant PFAs are recognized as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. The contributions are recognized as employee benefit expense when they become due.

3.19. Share Capital and Reserves

Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are shown in equity as a deduction.

4. *Fair value estimation*

The investments are carried at fair value by valuation method, the different levels have been defined as follow:

Level 1 – Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical liabilities using the last bid price;

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly i.e. derived from prices; and

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
Sovereign Insurance	300	-	-	300
	=====	=====	=====	=====

5. Property, plant and equipment

Cost	Plant & Machinery Under construction ₦'000	Land & building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Furniture & Fittings ₦'000	Office Equipment ₦'000	Total ₦'000
At 1 Jan., 2021	293,701	1,420,312	3,485,078	16,255	23,984	39,207	5,278,537
Additions	-	-	-	-	268	6,435	6,703
Revaluation	<u>361,449</u>	<u>870,278</u>	<u>1,805,342</u>	<u>-</u>	<u>533</u>	<u>(3,250)</u>	<u>3,034,352</u>
At 31 Dec., 2021	<u>655,150</u>	<u>2,290,590</u>	<u>5,290,420</u>	<u>16,255</u>	<u>24,785</u>	<u>42,392</u>	<u>8,319,592</u>
	=====	=====	=====	=====	=====	=====	=====
At 1 Jan., 2020	293,701	1,420,312	3,484,783	16,255	23,452	38,333	5,276,836
Additions	-	-	295	-	532	874	1,701
Classification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 Dec., 2020	<u>293,701</u>	<u>1,420,312</u>	<u>3,485,078</u>	<u>16,255</u>	<u>23,984</u>	<u>39,207</u>	<u>5,278,537</u>
	=====	=====	=====	=====	=====	=====	=====
Depreciation							
At 1 Jan., 2021	-	315,387	1,919,717	16,255	23,461	35,198	2,310,018
For the year	-	38,560	56,739	-	102	360	95,761
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 Dec., 2021	<u>-</u>	<u>353,947</u>	<u>1,976,456</u>	<u>16,255</u>	<u>23,563</u>	<u>35,558</u>	<u>2,405,779</u>
	=====	=====	=====	=====	=====	=====	=====
At 1 Jan., 2020	-	286,980	1,745,477	16,255	22,539	31,322	2,102,573
Charge for the year	-	28,407	174,240	-	922	3,876	207,445
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 Dec., 2020	<u>-</u>	<u>315,387</u>	<u>1,919,717</u>	<u>16,255</u>	<u>23,461</u>	<u>35,198</u>	<u>2,310,018</u>
	=====	=====	=====	=====	=====	=====	=====
Carrying value							
At 31 Dec., 2021	<u>655,150</u>	<u>1,936,643</u>	<u>3,313,964</u>	<u>-</u>	<u>1,222</u>	<u>6,834</u>	<u>5,913,813</u>
	=====	=====	=====	=====	=====	=====	=====
At 31 Dec., 2020	<u>293,701</u>	<u>1,104,925</u>	<u>1,565,361</u>	<u>-</u>	<u>523</u>	<u>4,009</u>	<u>2,968,519</u>
	=====	=====	=====	=====	=====	=====	=====

Note:

*The Board engaged the service of Ubosi Elehi Company (a registered valuer) to determine the Market value of the company's assets in preparation for the onboarding of new investors on 9 June, 2021. The Market value was estimated to be ₦5,903,796,000 while the Forced Sale value was ₦4,309,771,080. The company's management elected to use the Market value resulting in revaluation surplus of ₦3,034,351,825.

Depreciation charge on Plant and Machinery was recognized at 25% of the annual charge as a result of low utilization of production capacity.

5.1 *Depreciation has been charged to profit and loss as follows:*

	2021	2020
	₦'000	₦'000
Cost of sales	94,738	196,383
Operating expenses	<u>1,023</u>	<u>11,062</u>
	<u>95,761</u>	<u>207,445</u>
	=====	=====
6. Available for sale financial assets		
Quoted securities (<i>Sovereign Trust Insurance</i>)		
Cost	300	300
Appreciation in quoted securities	<u>-</u>	<u>-</u>
	<u>300</u>	<u>300</u>
	=====	=====
7. Trade and other receivables		
Trade receivables	-	-
Allowance for impairment loss	<u>-</u>	<u>-</u>
	-	-
Other receivables:		
Export expansion grant	1,131,948	1,110,872
Other debtors	<u>9,063</u>	<u>4,211</u>
	<u>1,141,011</u>	<u>1,115,083</u>
	=====	=====
7.1 Current		
Trade receivables	-	-
Other receivables:		
Export expansion grant (NDDC)	25,834	25,834
Other debtors	<u>9,063</u>	<u>4,211</u>
	<u>34,897</u>	<u>30,045</u>
	=====	=====
7.2 Non-current		
Other receivable		
Export expansion grant	<u>1,106,114</u>	<u>1,085,038</u>
	=====	=====

Export expansion grant

The export expansion grant (EEG) is a policy tool used by the Federal republic of Nigeria to facilitate export-oriented activities that will stimulate the growth of the non-oil export sector of the economy. The grant is being backed by the Export (Incentive and Miscellaneous Provision) Act Cap 118 LFN1990 Cap Act Cap E19 LFN 2020. Application for grants by companies is assessed through the weighted eligibility criteria using the documents supplied by individual companies as baseline for calculation of the export expansion grant. It is calculated at 30% of total exported goods.

Negotiable Duty Credit Certificate (NDCC): This is instrument of the government for settling of the EEG receivable. The NDCC is used for the payment of import and excise duties in lieu

of cash. In the last two years, the Company and other industry players have not been able to use the certificates in settlement of customs duties.

	2021	2020
	₦'000	₦'000
8. Inventories		
Finished goods	132,253	194,364
Raw materials	56,510	48,694
Spare parts	161,562	168,340
Work in progress	12,253	78,623
Consumables	<u>10,266</u>	<u>10,327</u>
	<u>372,844</u>	<u>500,348</u>
	=====	=====

The cost of inventories recognized as expense and included in 'cost of sales' amounted to ₦262.723 million (2020: ₦253,063 million).

9. Cash and cash equivalent		
Cash	2,667	2,703
Cash held with Nigerian banks	<u>10,755</u>	<u>45,731</u>
	13,422	48,434
Impairment loss allowance	<u>-</u>	<u>-</u>
	<u>13,422</u>	<u>48,434</u>
	=====	=====

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, cash at bank and net of bank overdraft. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

9.1 Movement in impairment allowance on cash and cash equivalent		
Balance as at 1 st January	-	99
IFRS translation adjustment	<u>-</u>	<u>(99)</u>
	-	-
	===	=====

10. Trade and other payables		
Advance against sales	-	-
Trade payable – amount due to suppliers (note 10a)	168,027	323,914
Other payables	463,228	288,568
Accrued expenses	<u>83,636</u>	<u>111,491</u>
	<u>714,891</u>	<u>723,973</u>
	=====	=====

10a. Trade and other payables principally comprise amounts outstanding for trade purchases and advance against future sales.

11. Borrowings

11.1 Current borrowings		
Working capital loan/payables	76,588	76,588
	-----	-----

	2021	2020
	₦'000	₦'000
11.2 Non-current borrowings		
Cocoa Origin current account	-	-
Amerra Cocoa LLC	-	-
Corporate bond (11.4)	2,642,327	2,005,741
O H Origin global commodity Inc.	4,692,194	3,148,625
	<u>7,334,521</u>	<u>5,154,366</u>
	=====	=====
Total borrowings	7,411,109	5,230,954
	=====	=====
11.3 The borrowings are repayable as follows:		
Within one year	76,588	76,588
Between one and two years	-	-
More than three years	7,334,521	5,154,366
	<u>7,411,109</u>	<u>5,230,954</u>
	=====	=====

11.4 **Corporate bond**

FTN Cocoa Processors Plc issued an 18-year JPY 500 million 0% coupon Bond in 2008 due in 2026 to Daewoo Securities (Europe) with an option to convert the bond into ordinary shares of FTN Cocoa Processors Plc at maturity.

The proceed from the bond issue received in 2009 was used for the initial expansion of the company. The bond is a direct, unsubordinated and unsecured obligation of the company. However, FTN has pledged that as long as any of the bonds remains outstanding, neither FTN nor any of its subsidiary will procure, create, incur, issue, assume or permit to be outstanding any mortgage, charge, pledge, lien or other security interest upon the whole or any part of its property, assets or revenue present or future in order to secure the bondholders.

The bond has a 4.375% yield to maturity. The convertible bond of JPY 500 million has been converted into Naira at the ruling exchange rate of ₦3.5872/1yen on 31 December, 2021. It is expected to be partly or fully repaid in 2026. However, there is the option of converting the bond into ordinary shares at a floor rate of ₦0.50 per share.

Details of the company's obligation on the corporate bond as at year end is as follows: -

	2021	2020
	₦'000	₦'000
Liability element of convertible bond at 1 January	2,005,741	1,785,735
Interest charge for the year (note 21)	14,498	5,533
	<u>2,020,239</u>	<u>1,791,268</u>
Loss on translating monetary items	622,088	214,473
	<u>2,642,327</u>	<u>2,005,741</u>
Equity element of convertible loan (note 15)	367,862	367,862
	<u>3,010,189</u>	<u>2,373,603</u>
	=====	=====

	2021	2020
	₹'000	₹'000
12. Taxation		
12.1 Profit and loss account		
Company tax	-	-
Education tax	-	-
Minimum tax	<u>727</u>	<u>588</u>
	727	588
	=====	=====
12.2 Balance sheet		
At 1 January	66,261	65,673
Charge for the year	<u>727</u>	<u>588</u>
At 31 December	66,988	66,261
	=====	=====
13. Deferred taxation		
At 1 January	-	-
For the year	<u>-</u>	<u>-</u>
At 31 December	-	-
	=====	=====
14. Share capital		
Authorized share capital		
5,000,000,000 ordinary shares of 50k	2,500,000	1,100,000
Increase in shares	<u>-</u>	<u>1,400,000</u>
5,000,000,000 ordinary shares of 50k	2,500,000	2,500,000
	=====	=====
Issued and fully paid share capital		
2,200,000,000 ordinary shares of 50k	1,100,000	1,100,000
	=====	=====
15. Share premium		
Share premium	1,045,577	1,091,420
Equity element of convertible bond	367,862	367,862
Increase in share capital expenses	<u>-</u>	<u>(45,843)</u>
	1,413,439	1,413,439
	=====	=====
16. Revaluation reserve		
At 1 January	983,017	983,017
Statement of comprehensive income (revaluation surplus)	<u>3,034,352</u>	<u>-</u>
	4,017,369	983,017
	=====	=====
17. Revenue reserve		
At 1 January	(4,884,960)	(4,041,565)
Prior year adjustment	(918,825)	-
Statement of comprehensive income	<u>(1,478,621)</u>	<u>(843,395)</u>
31 December	(7,282,406)	(4,884,960)
	=====	=====

		2021	2020
		₦'000	₦'000
18.	Revenue		
	Export sales:		
	Cocoa butter	75,511	165,264
	Cocoa cake	-	-
		<u>75,511</u>	<u>165,264</u>
		-----	-----
	Local sales:		
	Cocoa cake	3,502	-
	Cocoa butter	58,466	-
	Cocoa powder	151,410	69,771
	Cocoa liquor	<u>1,890</u>	<u>174</u>
		215,268	69,945
		-----	-----
		<u>290,779</u>	<u>235,209</u>
		=====	=====
19.	Expenses by nature		
19.1	Cost of sales		
	Included in cost of sales are as follows: -		
	Change in inventories of finished goods		
	Raw materials	262,723	253,063
	Other prime cost	4,832	4,443
	Personnel expenses	71,939	67,332
	Industrial training fund expenses	-	497
	Depreciation of property, plant and equipment (note 5)	94,738	196,383
	Repairs & maintenance – factory building and plant & machinery	3,470	2,454
	Other direct costs	<u>65,435</u>	<u>8,209</u>
		503,137	532,381
		-----	-----
		=====	=====
	The company has been producing below capacity of 5% due to lingering working capital inadequacy. This impacted on the gross margin as a result of huge fixed cost that has to be borne.		
19.2	Selling and distribution cost		
	Included in selling and distribution costs are as follows:		
	NESS fee payables	9,761	12,133
		-----	-----

19.3	Operating expenses	2021	2020
	Included in operating expenses are as follows: -	₦'000	₦'000
	Bank and other charges	845	1,291
	Director's remuneration	48,617	58,863
	Employee benefit expenses (note 19.4)	44,667	48,207
	Professional fee	5,715	9,479
	Depreciation (note 5.1)	1,022	11,062
	Travelling expenses	1,726	2,415
	Office and general expenses	15,994	10,562
	Insurance	4,748	1,763
	AGM expenses	992	3,870
	Fuel and oil	1,379	1,551
	Telephone, telex and postages	3,819	3,820
	Entertainment	701	1,045
	Security expenses	2,209	1,891
	Directors' fee	418	-
	Audit fee	2,000	2,000
	Rent and rates and taxes	3,905	3,327
	Nigeria Social Insurance Trust Fund	777	1,419
	Repairs and maintenance	1,014	1,136
	Industrial Training Fund	310	338
	Printing stationery	608	130
	Computer expenses	176	-
	Electricity power and water	621	465
	Vehicle fuel	-	80
		<u>142,263</u>	<u>164,714</u>
		=====	=====
19.4	Employee benefit expenses		
	Staff salaries and allowances	32,673	34,235
	Staff welfare and medical expenses	6,696	7,524
	Pension employers contribution	<u>5,298</u>	<u>6,448</u>
		<u>44,667</u>	<u>48,207</u>
		=====	=====
19.5	Expected Credit Loss		
	Cash and cash equivalent	-	-
	Trade receivables	<u>-</u>	<u>-</u>
		-	-
		====	====
19.6	The average number of persons employed by the company, including directors, during the year was as follows:		
	Management	5	7
	Senior	19	21
	Junior	<u>50</u>	<u>55</u>
		74	83
		=====	=====

	2021	2020
19.7 Employee range of remuneration is as follows: -	Number	Number
₦150,001 – ₦240,000	22	7
₦240,001 – ₦480,000	25	18
₦480,001 – ₦720,000	10	22
₦720,001 – ₦960,000	3	15
₦960,001 – ₦1,200,000	7	7
₦1,200,001 and above	<u>7</u>	<u>14</u>
	74	83
	=====	=====
	2021	2020
	₦'000	₦'000
20. Other operating income		
Export expansion grant	22,653	25,759
Other sundry income: (processing of third party cocoa beans)	92,453	1,514
Recoverable Transport expenses	<u>748</u>	<u>1,050</u>
	115,854	28,323
	=====	=====
21. Finance costs		
Exchange loss	924,363	134,954
Interest expenses:		
Borrowing	290,505	256,624
Interest on liability portion of corporate bond	<u>14,498</u>	<u>5,533</u>
	1,229,366	397,111
	=====	=====
22. Loss before taxation		
<i>This is arrived at after charging/ (crediting):</i>		
Depreciation on PPE (note 5.1)	95,761	207,445
Audit fee	<u>2,000</u>	<u>2,000</u>
	=====	=====
23. Reconciliation of profit after taxation to net cash provided by operating activities:		
Loss before taxation	(1,477,894)	(842,807)
Adjustment for non-cash operating items:		
Depreciation	95,761	207,445
Interest expense	300,204	-
Exchange loss	<u>945,965</u>	<u>-</u>
	(135,964)	(635,362)
	=====	=====
24. Working capital changes		
(Increase)/decrease in inventories	127,505	(188,098)
Decrease/ (Increase) in receivables	(25,929)	40,506
Increase/ (decrease) in trade and other payables	<u>(9,081)</u>	<u>225</u>
	92,495	(147,367)
	=====	=====

25. **Going concern**

The company incurred an accumulated loss of ₦7,282.406 million as at the year ended 31 December, 2021. At that date, the company had a negative shareholders fund of ₦751.598 million.

This condition gives rise to a material uncertainty which may cast doubt on the company's ability to continue as a going concern.

26. **Event after financial position date**

No material transactions have occurred after the reporting period requiring disclosure in or adjustment to the financial statements for the year ended 31 December, 2021.

27. **Approval of Financial Statements**

These financial statements were approved by the Board of Directors of the company on 30 March, 2022.

OTHER NATIONAL DISCLOSURE

FTN COCOA PROCESSORS PLC
STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021		2020	
	₦'000	%	₦'000	%
Revenue	406,633		235,209	
Bought in materials and services:				
- Imported	-		-	
-Local	<u>(394,177)</u>		<u>(425,253)</u>	
Value absorbed	<u>12,456</u>	<u>(100)</u>	<u>(190,044)</u>	<u>(100)</u>
 Applied as follows:				
Employees				
Salaries and other benefits	165,223	1,327	48,207	18
Finance cost	1,229,366	9,871	397,111	109
Government				
Current taxation	727	6	588	2
 Retained for expansion of business				
Depreciation	95,761	769	207,445	76
Deferred tax	-	-	-	-
Loss for the year	<u>(1,478,621)</u>	<u>(11,873)</u>	<u>(843,395)</u>	<u>(305)</u>
Value absorbed	<u>12,456</u>	<u>(100)</u>	<u>(190,044)</u>	<u>(100)</u>

FTN COCOA PROCESSORS PLC

FIVE YEAR FINANCIAL SUMMARY

	2021 IFRS N'000	2020 IFRS N'000	2018 IFRS N'000	2017 IFRS N'000	2016 IFRS N'000
Revenue	290,779	235,209	672,194	602,106	81,824
Loss before taxation	(1,477,894)	(842,807)	(800,337)	(569,369)	(762,421)
Current taxation	(727)	(588)	(4,068)	(3,502)	(3,287)
Deferred taxation	-	-	-	-	-
Loss after taxation	(1,478,621)	(843,395)	(804,405)	(572,871)	(765,708)
<i>Non-current assets</i>					
Property, plant and equipment	5,913,813	2,968,519	3,174,263	3,372,385	3,577,380
Available for sale financial assets	300	300	300	300	300
Trade and other receivables	1,106,114	1,085,038	1,086,723	959,344	788,882
Current assets	421,163	578,827	388,091	484,771	448,794
Current liabilities	(858,467)	(866,822)	(866,009)	(1,144,732)	(2,078,465)
	6,582,923	3,765,862	3,783,368	3,672,068	2,736,891
<i>Non-current liabilities</i>					
Deferred taxation	-	-	-	-	-
Borrowings	(7,334,521)	(5,154,366)	(4,282,634)	(3,635,598)	(2,350,967)
Total net assets	(751,598)	(1,388,504)	(499,266)	36,470	385,924
Equity					
Share capital	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Share premium	1,413,439	1,413,439	1,459,282	1,459,282	1,459,282
Fair value reserve	4,017,369	983,017	983,017	983,017	983,017
Revenue reserve	(7,282,406)	(4,884,960)	(4,041,565)	(3,505,829)	(3,156,375)
Shareholder's fund	(751,598)	(1,388,504)	(499,266)	36,470	385,924
Per kobo share data					
Loss (basic)	(67k)	(38k)	(36k)	(26k)	(35k)
Net assets	(30k)	(50k)	(23k)	2k	18k
Stock exchange quotations	₦0.50k	₦0.50k	₦0.50k	₦0.50k	₦0.50k
Dividend declared	-	-	-	-	-