FTN COCOA PROCESSORS PLC

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

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FTN COCOA PROCESSORS PLC

CORPORATE INFORMATION

Directors:	High Chief (Sir) Simeon Olusola Oguntimehin, OON - *(Chairman)* Pastor Akin Laoye- *Managing Director* Otunba' Wale Jubril Nathaniel Durant Jr. Titilayo Ayoka Aderonmu
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.ngg
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.comm
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 Limited Zenith Bank Plc United Bank for Africa Plc

FTN COCOA PROCESSORS PLC

RESULTS AT A GLANCE

For the year	2023 ₦'000	2022 ₦'000	Change ₦'000	Percentage Change
Revenue	-	62,194	(62,194)	(100)
Loss before taxation	(10,650,347)	(430,877)	(10,219,470)	(2,372)
Taxation	-	(311)	(311)	(100)
Loss after taxation	(10,650,347)	(431,188)	(10,219,159)	(2370)
Loss per share	(₦2.73k)	(11.06k)		

At year end				
Property, Plant and Equipment	10,880,178	5,804,832	5,075,346	87
Total Assets	13,249,785	7,276,725	5,973,060	82
Total Liabilities	9,966,518	8,831,264	1,135,254	13
Share Capital	1,950,000	1,950,000	-	-
Revaluation Reserve	8,748,602	4,017,369	4,731,233	118
Equity	3,283,267	(1,554,539)	4,8378,806	311

	Number	**Number**		
Number of Employees	38 ===	63 ===		(40)

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, 2023.

2. **Review of Operating Performance**

	₦'000
Loss before taxation	(10,650,347)
Taxation	-
Loss after taxation	(10,650,347)
	=========

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 a public Company and renamed 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 ₦ 10.650 billion compared with a loss after tax of ₦431.1 million in the preceding year. The Company sustained a loss as a result of nil revenue and translation of foreign balances to naira.

6. **Directors**

The names of the Directors of the Company are as stated on page 1 of these Reports and financial statements.

7 **Directors' Interests**

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

	Shareholdings as at	
	31/12/2023	**31/12/2022**
High Chief (Sir) S. O. Oguntimehin, OON	100,000	100,000
Pastor Akin Laoye	165,200,000	165,250,000
Otunba' Wale Jubril - Direct	200,000	200,000
- Indirect	9,000,000	9,000,000
Nathaniel Durant Jr	349,182,953	-
	=========	========

(ii) None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act No 3 of 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, 2023:

Shareholders	Number of shares	Percentage
Estate of Late Mr. A. A. Aderonmu	520,490,000	13.34
O.H Origins Global Commodities, Inc	1,700,000,000	43.59
Nathaniel Durant	349,182,953	8.95

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, 2023

Range			No. of Holders	Holders %	Holders 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	3,900,000,000
			6,230	100.00		3,900,000,000	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 35. 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, 2022 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

There were no donations during the year in review.

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
Nathaniel Durant Jr	2	2
Titilayo Ayoka Aderonmu	2	2

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
Nathaniel Durant

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	2
Pastor Akin Laoye	Member	2	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

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

LAGOS, Nigeria
28 March, 2024

FTN COCOA PROCESSORS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2023

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:

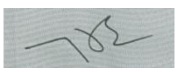
……………………..……..…	……………………………
Pastor Akin Laoye	**Otunba Wale Jubril**
FRC/2021/003/00000023888	**FRC/2014/CISN/00000006703**
28 March, 2024	**28 March, 2024**

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 2020. 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.



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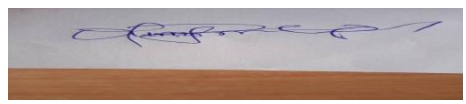
Pastor Akin Laoye
FRC/2021/003/00000023888

28 March, 2024



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

28 March, 2024

FTN COCOA PROCESSORS PLC

STATEMENT OF MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 31 DECEMBER, 2023

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, 2023 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	**Pastor Akin Laoye**
FRC/2022/PRO/ICAN/001/00000024076	**FRC/2021/003/00000023888**
Chief Finance Officer	**Chief Executive Officer**
28 March, 2024	**28 March, 2024**

FTN COCOA PROCESSORS PLC

REPORT OF THE AUDIT COMMITTEE

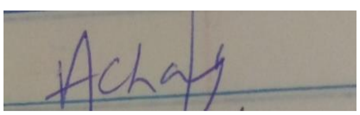
We, the Audit Committee members of FTN Cocoa Processors Plc, in compliance with the provision of Section 404(6) of the Companies and Allied Matters Act have carried out the following functions: -

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, 2023; 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, 2023 were adequate and management's responses to the auditors' findings were satisfactory.



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

Dated this 28 March, 2024

Members of the committee:

Emmanuel Oladosu	Shareholders' representative
Chinwendu Achara	Shareholders' representative
Otunba 'Wale Jubril	Non-executive Directors' representative

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376, Ikorodu Road,
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E-mail: btnlag@bakertillynigeria.com
Website: www.bakertilly.ng

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF FTN COCOA PROCESSORS PLC

Opinion

We have audited the accompanying financial statements of FTN Cocoa Processors PLC ("the Company") which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act (CAMA), 2020. The financial statements give a true and fair view of the financial position of FTN Cocoa Processors PLC as at 31 December 2023 and of its financial performance and its Cash flows for the year then ended in accordance with the International Financial Reporting Standard (IFRS) as adopted by the Financial Reporting Council of Nigeria (FRC).

Basis for 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants (IESBA), the provisions of the Companies and Allied Matters Act (CAMA), 2020, and other independence requirements applicable to performing audits of financial statements of FTN Cocoa Processors PLC. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and CAMA applicable to performing the audits of FTN Cocoa Processors PLC. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to this matter.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures, performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How the matters were addressed in the Audit
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.	In this regard, our audit procedures included: • Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group's key components. • Company had no commercial sales during period under review.

Recoverability of Accounts Receivables We identified the recoverability of accounts receivables as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the significant degree of judgments made by the management in assessing the impairment of accounts receivables and determining the allowance for doubtful debts. As at 31 December 2023, the carrying amounts of accounts receivables was ₦1.132 billion, no allowance for lost and doubtful debts because 99,9 % was in respect amount owed by Federal Government of Nigeria as disclosed in note 7.1 and 7.2 to the financial statements, representing 16 % of the total non -current assets of the Company.	Our procedures concerning the recoverability of accounts receivables included: • Obtaining an understanding of how the allowance for doubtful debts is estimated by the management and assessing the management's process in determining the estimated future cash flows of accounts receivables; • Discussing with the management and obtaining a list of accounts receivables with relevant small amount ofsettlement, during the year or subsequentto the end of the reporting period identified by the management and their assessment on the recoverability ofaccounts receivables; • Checking the aging analysis and subsequent settlement of the accounts receivables, on a sample basis; • Assessing the reasonableness of allowance for doubtful debts for accounts receivables with reference to the credit history including default or delay in payments, settlement records, subsequent settlements, and aging analysis of the accounts receivables on a sample basis; • Evaluating the historical accuracy of the management's assessment of impairment for accounts receivables on a sample basis by examining the actual write-offs, the reversal of previously recorded allowance, and new allowances recorded in the current year in respect of accounts receivables at the end of the previous financial year.
Repayment of liabilities Management's inability to meet its obligation to the Company's Trade and	• Confirming the existence of the transactions and ascertain the authenticity

other payables including statutory payments and taxes is a key audit matter. This amounted to N9.9 billion naira as at 31 December 2023. It is noteworthy however, that the Company now has a major investor in the name of OH Origins Global Commodities, Inc that will inject funds into the Company	and accuracy of the balances outstanding with respect to the debts; • Reviewed the repayment pattern during the year and ascertaining the accuracy of recording of such postings to confirm the outstanding balances; • We circularized the creditors and received responses confirming the debts; • Tracing the history of outstanding debts to confirm the length of time debts have been outstanding.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council Act No.6, 2011, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies and Allied Matters Act (CAMA), 2020 we expressly state 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, so far as appears from our examination of those books;
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

…………………..……………….

Oluwole O. Ogundeji
FRC/2013/ICAN/00000002825
***for:* Baker Tilly Nigeria**
(Chartered Accountants)

Lagos, Nigeria
28 March,2024

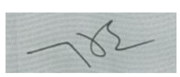
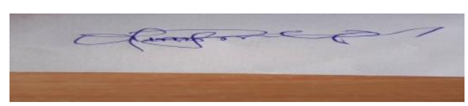
INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
0941951

FTN COCOA PROCESSORS PLC

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER, 2023

		2023	**2022**
Non-Current Assets	**Note**	**₦'000**	**₦'000**
Property, Plant and Equipment	5	10,880,178	5,804,834
Available for sale financial assets	6	300	300
Other Receivables	7.2	1,106,115	1,106,115
Total Non-Current assets		**11,986,593**	**6,911,249**
Current assets			
Trade and other receivables	7.1	52,023	31,806
Inventories	8	336,339	328,724
Cash and cash equivalents	9	874,830	4,946
Total Current Assets		**1,263,192**	**365,476**
Total Assets		**13,249,785**	**7,276,725**
Non-Current Liabilities			
Borrowings	10.1	7,658,077	7,889,843
Total Non-Current Liabilities		**7,658,077**	**7,889,843**
Current Liabilities			
Borrowings	10.2	1,735,887	76,588
Trade and other payables	11	506,626	797,534
Current taxation	12	65,928	67,299
Total current liabilities		**2,308,441**	**941,421**
Total Liabilities		**9,966,518**	**8,831,264**
Equity:			
Share capital	14	1,950,000	1,950,000
Share premium	15	1,045,577	1,413,439
Revaluation reserve	16	8,748,602	4,017,369
Revenue reserve	17	(8,460,912)	(8,935,347)
Total equity		**3,283,267**	**(1,554,539)**
Total Liabilities and Equity		**13,249,785**	**7,276,725**

The financial statements were approved by the Board of Directors on 28 March, 2024 and signed on its behalf by:

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High Chief (Sir) Simeon O. Oguntimehin OON	**Pastor Akin Laoye**	**Olumayowa P Jimoh**
Chairman	**Managing Director**	**Chief Finance Officer**
FRC/2013/ICAN/00000003428	**FRC/2021/003/00000023888**	**FRC/2022/PRO/ICAN/001/00000024076**

The accounting policies and notes on pages 23 to 45 form an integral part of these financial statement

FTN COCOA PROCESSORS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2023

	Note	2023 ₦'000	2022 ₦'000
Revenue	18	-	62,194
Cost of sales	19.1	-	(241,838)
Gross Loss		**-**	**(179,644)**
Selling and distribution cost	19.2	(65)	(360)
Operating expenses	19.3	(486,308)	(124,744)
Allowance for impairment loss	19.5	-	-
Other operating income	20	222,315	6,692
Exchange gain/(loss)		(10,176,549)	13,303
Operating Loss		**(10,440,607)**	**(284,753)**
Finance cost	20.1	(209,740)	(146,124)
Loss before taxation	22	**(10,650,347)**	**(430,877)**
Current taxation		-	(311)
Loss after taxation transferred to revenue reserve	17	(10,650,347)	(431,188)
Other Comprehensive Income			
Net appreciation on revaluation of Property, plant & equipment	16	4,731,233	-
		(5,919,114)	(431,188)
Loss per share		(₦ 2.73k)	(11.06k)

The accounting policies and notes on pages 23 to 45 form an integral part of these financial statements

FTN COCOA PROCESSORS PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2023

	Issued share Capital ₦'000	Share Premium ₦'000	Fair value Reserve ₦'000	Retained Earnings ₦'000	Total Equity ₦'000
Fund as at January 2023	**1,950,000**	**1,413,439**	**4,017,369**	**(8,935,347)**	**(1,554,539)**
Revaluation Surplus	-	-	4,731,233	-	4,731,232
Increase in share capital	-	(367,862)	-	-	(367,862)
Other loan restatement	-	-	-	2,755,914	2,755,914
Equity statement of convertible bond	-	-	-	8,368,868	8,368,868
Total comprehensive income for the year	-	-	-	(10,650,347)	(10,650,347)
Balance as at 31 December 2023	**1,950,000**	**1,045,577**	**8,748,602**	**(8,460,912)**	**3,283,267**
	=======	=======	=======	=========	=========
Fund as at January 2022	1,100,000	1,413,439	4,017,369	(8,504,161)	(1,973,352)
Increase in share capital	850,000	-	-	-	850,000
Total comprehensive income for the year	-	-	-	(431,187)	(431,187)
Balance as at 31 December 2022	**1,950,000**	**1,413,439**	**4,017,369**	**(8,935,347)**	**(1,554,539)**
	=======	=======	=======	========	========
Fund as at January 2021	1,100,000	1,459,282	983,017	(4,884,960)	(1,388,504)
Increase in share capital expenses	-	-	3,034,352	-	3,034,354
Restatement OH Origin	-	-	-	(2,127,728)	(2,127,728)
Commercial paper interest	-	-	-	(12,851)	(12,851)
Total comprehensive income for the year	-	-	-	(1,478,621)	(1,478,621)
Balance as at 31 December, 2021	**1,100,000**	**1,459,282**	**4,017,369**	**(8,504,160)**	**(1,973,350)**
	=======	=======	=======	========	========

The accounting policies and notes on pages 23 to 45 form an integral part of these financial statements

FTN COCOA PROCESSORS PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2023

	Note	2023 ₦'000	2022 ₦'000
Cash flows from Operating Activities			
Operating loss before working capital changes	22	(151,140)	(171,902)
Working capital changes	23	1,290,195	117,000
		1,139,055	(54,902)
Cash flows from Investing Activities			
Purchase of property, plant and equipment		(457,029)	(3,871)
Interest received		(209,739)	(146,124)
Revaluation surplus		-	-
Proceeds from disposal		-	-
Net cash (utilised)/generated Investing Activities		(666,768)	(149,995)
Cash flows from Financing Activities			
Borrowing		(231,766)	(653,580)
Revenue reserve movement		997,225	-
Share increase		(367,862)	850,000
Net cash generated from Financing Activities		397,597	196,420
Net decrease in cash and cash equivalents		869,884	(8,476)
Cash and cash equivalents at beginning of year		4,946	13,422
Cash and cash equivalents at end of year	9	874,830	4,946

The accounting policies and notes on pages 23 to 45 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2023

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 palmkernel 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 incomestatement, 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 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 Export Credit Certificate (ECC).

  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 whichare 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 marts 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., 2023	631,450	2,290,589	5,317,877	16,255	24,900	42,392	8,323,462
Additions	-	51,300	387,934	-	1,300	16,495	457,029
Revaluation	121,973	738,679	3,865,331	-	(85)	5,335	4,731,233
At 31 Dec., 2023	753,423	3,080,568	9,571,142	16,255	26,115	64,222	13,511,725
	======	=======	=======	=====	=====	======	=======
At 1 Jan., 2022	655,150	2,290,590	5,290,420	16,255	24,785	42,392	8,319,592
Additions	-	-	3,757	-	114	-	3,871
Adjustment	(23,700)	-	23,700	-	-	-	-
At 31 Dec., 2022	631,450	2,290,590	5,317,877	16,255	24,899	42,392	8,323,463
	======	=======	=======	=====	=====	=====	=======
Depreciation							
At 1 Jan., 2023	-	399,757	2,042,639	16,255	23,689	36,288	2,518,628
For the year	-	45,811	66,240	-	136	731	112,918
Disposals	-	-	-	-	-	-	-
At 31 Dec., 2023	-	445,568	2,108,879	16,255	23,825	37,019	2,631,546
	=====	=======	=======	======	======	======	=======
At 1 Jan., 2022	-	353,947	1,976,456	16,255	23,563	35,558	2,405,779
For the year	-	45,810	66,184	-	126	730	112,850
Disposals	-	-	-	-	-	-	-
At 31 Dec., 2022	-	399,757	2,042,640	16,255	23,689	36,288	2,518,629
	=====	=======	=======	======	======	======	=======

Cost	Plant & Machinery Under construction ₦'000	Land & building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Furniture & Fittings ₦'000	Office Equipment ₦'000	Total ₦'000
Carrying value							
At 31 Dec., 2023	753,422	2,635,000	7,462,263	-	2,289	27,203	10,880,178
	======	=======	=======	=====	====	=====	========
At 31 Dec., 2022	631,450	1,890,833	3,275,237	-	1,210	6,104	5,804,834
	======	=======	=======	=====	====	=====	=======

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:***

	2023 ₦'000	2022 ₦'000
Cost of sales	-	162,198
Operating expenses	383,077	124,744
	383,077	286,942
	========	========

6. **Available for sale Financial Assets**

Quoted securities (*Sovereign Trust Insurance*)		
Cost	300	300
Appreciation in quoted securities	-	-
	300	300
	====	====

7. **Trade and other Receivables**

Trade receivables	-	-
Allowance for impairment loss	-	-
	-	-
Other Receivables:		
Export expansion grant	1,131,948	1,131,948
Other debtors	-	-
	1,131,948	1,131,948
	=======	=======

7.1 **Current**

Trade Receivables	-	1
Other Receivables:		
Export expansion grant (NDDC)	25,834	25,834
Prepayment	26,099	2,217
Other debtors	90	3,754
	52,023	31,806
	=====	=====

7.2 **Non-current**

Other receivable		
Export expansion grant	1,106,115	1,106,115
	=======	=======

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.

Export Credit Certificate (ECC): 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.

		2023	2022
8.	**Inventories**	**₦'000**	**₦'000**
	Finished goods	107,895	109,139
	Raw materials	411	24,571
	Spare parts	166,251	159,860
	Work in progress	600	24,539
	Consumables	61,182	10,615
		336,339	328,724
		======	======

There are no cost of inventories recognized as expense in cost of sales.

9.	**Cash and Cash Equivalent**		
	Cash	9,388	2,892
	Cash held with Nigerian banks	865,442	2,054
		874,830	4,946
	Impairment loss allowance	-	-
		874,830	4,946
		======	====

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 includedin borrowings in current liabilities.

9.1	***Movement in impairment allowance on cash and cash equivalent***		
	Balance as at 1st January	-	-
	IFRS translation adjustment	-	-
		-	-
		===	====

10. Borrowings

		2023	2022
10.1	***Non-current Borrowings***	**₦'000**	**₦'000**
	Corporate bond (10.4)	2,797,779	2,707,972
	OH Ecosystem LLC	1,185,983	-
	O H Origin Global Commodity Inc.	3,674,315	5,181,871
		7,658,077	7,889,843
		------------	------------
10.2	***Current borrowings***		
	OH Ecosystem LLC	316,297	
	OH Origin Global Commodity Inc.	1,343,002	
	Index Investment Advisor Ltd	76,588	76,588
	Working capital loan/payables	1,735,887	76,588
	Total Borrowings	9,393,964	7,966,431
		========	=======
10.3	***The borrowings are repayable as follows:***		
	Within one year	1,735,887	76,588
	Between one and two years	-	-
	More than three years	7,658,077	7,889,843
		9,393,964	7,966,431
		=======	=======

10.4 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) without any 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.

The bond has a 4.375% yield to maturity. The deep discount bond of JPY 500 million has been booked rightly in the original currency before conversion into Naira at the ruling exchange rate of ₦6.3476/1yen on 31 December, 2023. It is expected to be partly or fully repaid in 2026.

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

	2023	2022
	₦'000	₦'000
Liability element of deep discount bond at 1 January	3,075,834	2,642,326
Opening balance adjustment	(1,686,618)	-
	1,389,216	2,642,326
Interest charge for the year (note 21)	149,026	14,859
	1,538,242	2,657,185
Loss on translating monetary items	1,259,537	50,787
	2,797,779	2,707,972
Equity element of convertible loan (note 15)	-	367,862
	2,797,779	3,075,834
	=========	=========

10.5 The Naira value has been arrived at using the exchange rate of US$1 to N899.393, however, by the terms of agreement between FTN Cocoa Processors Plc and OH Origins Global Commodities, Inc (lender); the convertible loan of US$16,553,902.78 will be converted at the spot rate exchange as defined in the convertible loan agreement. The Company's management and Board with the approval of shareholders of the Company planned to increase its share capital to accommodate foreign investors in its bid to resume operation at the optimum capacity and maximize the available opportunities in Nigeria agricultural sector. The table below shows the components of the convertible bond from OH Origin Commodity Global and OH Ecosystems, LLC :

OH ECOSYSTEMS, LLC	$	₦
Non-Current Liability	1,318,648	1,185,982,863
Current Liability	351,679	316,297,292
Equity	1,554,118	1,397,763,224
Total	3,224,445	2,900,043,379

OH ORIGINS GLOBAL COMMODITIES, Inc	$	₦
Non-Current Liability	4,085,327	3,674,314,835
Current Liability	1,493,230	1,343,000,856
Equity	7,750,900	6,971,105,214
Total	13,329,457.65	11,988,420,905

11. **Trade and other Payables**

Advance against sales	-	-
Trade payable – amount due to suppliers	104,890	185,370
Other payables	196,198	474,414
Accrued expenses	205,538	137,750
	506,626	797,534
	======	======

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

		2023	2022
12.	**Taxation**	**2023**	**2022**
12.1	***Profit and loss account***	**₦'000**	**₦'000**
	Company tax	-	-
	Education tax	-	-
	Minimum tax		311
			311
		====	====
12.2	***Balance Sheet***		
	At 1 January	67,299	66,988
	Charge for the year	(1,371)	311
	At 31 December	65,928	67,299
		======	======
13.	**Deferred Taxation**		
	At 1 January	-	-
	For the year	-	-
	At 31 December	-	-
		=======	======
14.	**Share Capital**		
	Authorized Share Capital		
	5,000,000,000 ordinary shares of 50k	2,500,000	2,500,000
	Increase in share		
	5,000,000,000 ordinary shares of 50k	2,500,000	2,500,000
		=========	=========
	Issued and fully paid share capital		
	3,900,000 ordinary shares of 50k	1,950,000	1,100,000
	Increase in share capital	-	850,000
	3,900,000 ordinary shares of 50k	1,950,000	1,950,000
		=========	=========
15.	**Share Premium**		
	Share premium	1,413,439	1,045,577
	Equity element of bond	(367,862)	367,862
	Increase in share capital expenses	-	-
		1,045,577	1,413,439
		=========	=========
16.	**Revaluation Reserve**		
	At 1 January	4,017,369	4,017,369
	Statement of comprehensive income (revaluation surplus)	4,731,233	-
		8,748,602	4,017,369
		========	=======

		2023	2022
17	**Revenue Reserve**	**₦'000**	**₦'000**
	At 1 January	(8,935,347)	(8,504,160)
	Restatement OH Origins Global Commodities, Inc	6,971,105	-
	OH Ecosystems, LLC	1,397,763	-
	Stock Adjustment	(48,992)	-
	Restatement of Corporate bond	2,804,906	-
	Commercial paper int	-	-
	Statement of comprehensive income	(10,650,347)	(431,187)
	31 December	(8,460,912)	(8,935,347)

18. Revenue

		2023	2022
Export sales:	Cocoa butter	-	57,378
	Cocoa cake	-	-
		-	57,378
Local sales:	Cocoa cake	-	-
	Cocoa butter	-	-
	Cocoa powder	-	4,816
	Cocoa liquor	-	-
		-	4,816
		-	62,194

19. Expenses by Nature

19.1 *Cost of sales*

Included in cost of sales are as follows: -

	2023	2022
Change in inventories of finished goods		
Raw materials	-	50,202
Other prime cost	-	-
Personnel expenses	-	68,075
Industrial training fund expenses	-	-
Depreciation of property, plant and equipment (note 5)	-	111,994
Repairs & maintenance – factory building and plant & machinery	-	287
Stock adjustment	-	-
Other direct costs	-	11,280
	-	241,838

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:

	2023	2022
NESS fee payables	65	360

19.3	***Operating Expenses***	**2023**	**2022**
	Included in operating expenses are as follows: -	**₦'000**	**₦'000**
	Bank and other charges	4,933	609
	Director's remuneration	26,858	26,930
	Employee benefit expenses (note 19.4)	122,446	31,390
	Professional fee	34,218	31,001
	Depreciation (note 5.1)	112,919	856
	Travelling expenses	2,338	1,344
	Office and general expenses	38,181	9,878
	Insurance	3,278	3,416
	AGM expenses	7,618	598
	Fuel and oil	1,267	757
	Telephone, telex and postages	2,442	3,094
	Entertainment	1,694	594
	Subscription & Donations	13,290	-
	Security expenses	2,008	2,291
	Audit fee	7,396	2,000
	Rent and rates and taxes	6,608	3,570
	Repairs and maintenance	5,063	3,449
	Industrial Training Fund	240	260
	Printing stationery	297	340
	Computer expenses/supplies	2,581	1,610
	Penalties	89,941	-
	Electricity power and water	692	755
		486,308	124,742
		=======	=======
19.4	***Employee Benefit Expenses***		
	Staff salaries and allowances	83,871	26,781
	Staff welfare and medical expenses	4,464	989
	Pension employers' contribution	34,110	3,620
		122,445	31,390
		======	======
19.5	**Expected Credit Loss**		
	Cash and cash equivalent	-	-
	Trade receivables	-	-
		-	-
		===	===

19.6 The average number of persons employed by the Company, including Directors, during the year was as follows:

	2023	2022
Management	5	5
Senior	14	19
Junior	11	50
Contract	8	
	38	74
	====	====

		2023 Number	2022 Number
19.7	Employee range of remuneration is as follows: -		
	~~Below~~ – ₦150,000	-	4
	₦150,001 – ₦240,000	-	2
	₦240,001 – ₦480,000	6	15
	₦480,001 – ₦720,000	11	16
	₦720,001 – ₦960,000	5	9
	₦960,001 – ₦1,200,000	7	7
	₦1,200,001 and above	9	10
		38	63
		====	====
20.	**Other Operating Income**		
	Export Expansion Grant	-	-
	Other sundry income:(processing of third-party cocoa beans)	11,469	6,482
	Exchange gain	210,846	-
	Recoverable Transport Expenses	-	210
		222,315	6,692
		======	=====
20.1	**Finance cost**		
	Exchange loss	-	-
	Interest Expenses:		
	Borrowing	60,714	61,354
	Interest on Liability Portion of Corporate Bond	149,026	84,771
		209,740	146,124
		======	======
21.	**Loss before Taxation**		
	This is arrived at after charging/ (crediting):		
	Depreciation on PPE (note 5.1)	383,077	286,941
	Audit fee	7,396	2,000
		======	======
22.	**Reconciliation of profit after taxation to net cash provided by operating activities:**		
	Loss before taxation	(10,650,347)	(430,876)
	Adjustment for non-cash operating items:		
	Depreciation	112,919	112,850
	Interest expense	209,739	146,124
	Exchange loss	10,176,549	-
		(151,140)	(171,902)
		========	=======
22.1	**Revenue Reserve Movement**		
	OH Origin Global Commodity	6,971,105	-
	OH Ecosystems, LLC	1,397,763	
	Corporate Bond	2,804,906	-
	Foreign Exchange Gain/(loss)	(10,176,549)	-
		997,225	
		========	========

23.	Working Capital Changes	2023 ₦'000	2022 ₦'000
	(Increase)/decrease in inventories	(7,616)	44,120
	Decrease/ (Increase) in receivables	(20,217)	3,090
	Increase/(decrease) in trade and other payable	(292,278)	-
	Increase/(decrease) in inventory valuation	(48,992)	-
	Increase/(decrease in short term borrowings)	1,659,298	-
		1,290,195	117,000
		=======	======

24. 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, 2023.

25. Approval of Financial Statements

These financial statements were approved by the Board of Directors of the Company on 28 March, 2024.

OTHER NATIONAL DISCLOSURE

FTN COCOA PROCESSORS PLC

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023 ₦'000	%	2022 ₦'000	%
Gross Earnings	222,315		62,194	
Bought in materials and services:				
- Foreign (Exchange loss)	(10,427,558)		-	
-Local			(28,615)	
Value added/(absorbed)	**(10,205,243)**	**(100)**	**33,579**	**100**
	=========	====	======	===
Applied as follows:				
Employees				
Salaries and other benefits	122,446	1	31,390	93
Finance cost	209,739	2	146,124	435
Government				
Current taxation	-	-	311	1
Retained for expansion of business				
Depreciation	112,919	5	286,941	855
Deferred tax	-	-	-	-
Loss for the year	(10,650,347)	(108)	(431,187)	(1,284)
Value added/(absorbed)	**(10,205,243)**	**(100)**	**33,580**	**100**
	=========	====	======	====

FTN COCOA PROCESSORS PLC

FIVE YEAR FINANCIAL SUMMARY

	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Revenue	**-**	**62,194**	**290,779**	**235,209**	**672,194**
	======	=====	======	======	======
Loss before taxation	(10,650,347)	(430,876)	(1,477,894)	(842,807)	(800,337)
Current taxation		(311)	(727)	(588)	(4,068)
Deferred taxation	-	-	-	-	-
Loss after taxation	**(10,650,347)**	**(431,187)**	**(1,478,621)**	**(843,395)**	**(804,405)**
	=========	========	========	=======	=======
Non-current assets					
Property, plant and equipment	10,880,178	5,804,832	5,913,813	2,968,519	3,174,263
Available for sale financial assets	300	300	300	300	300
Trade and other receivables	1,106,115	1,106,115	1,106,114	1,085,038	1,086,723
Current assets	1,263,191	365,475	421,163	578,827	388,091
Current liabilities	(2,308,439)	(941,418)	(858,467)	(866,822)	(866,009)
	10,941,345	6,335,304	6,582,923	3,765,862	3,783,368
Non-current liabilities					
Deferred taxation	-	-	-	-	-
Borrowings	7,658,077	7,889,843	(7,334,521)	(5,154,366)	(4,282,634)
Total net assets	**3,283,268**	**(1,554,538)**	**(751,598)**	**(1,388,504)**	**(499,266)**
	=======	========	========	========	========
Equity					
Share capital	1,950,000	1,950,000	1,100,000	1,100,000	1,100,000
Share premium	1,045,577	1,413,439	1,413,439	1,413,439	1,459,282
Fair value reserve	8,748,602	4,017,369	4,017,369	983,017	983,017
Revenue reserve	(8,460,912)	(8,935,346)	(7,282,406)	(4,884,960)	(4,041,565)
Shareholder's fund	**3,283,267**	**(1,554,538)**	**(751,598)**	**(1,388,504)**	**(499,266)**
	========	========	========	========	========
Per kobo share data					
Loss (basic)	₦ 2.70k	(11k)	(38k)	(22k)	(21k)
Net assets	(84k)	(40k)	(19k)	(30k)	(13k)
Stock exchange quotations	₦1.48k	₦0.50k	₦0.50k	₦0.50k	₦0.50k
Dividend declared	-	-	-	-	-
	=====	=====	=====	======	======