



FTN COCOA PROCESSORS PLC



# ANNUAL REPORT AND FINANCIAL STATEMENTS

For The Year Ended 31 December, 2024

# contents

3	BOARD OF DIRECTORS' PROFILE
5	CHAIRMAN'S STATEMENT
7	CEO'S STATEMENT
9	NOTICE OF ANNUAL GENERAL MEETINGS
11	CORPORATE INFORMATION
12	COMPANY PROFILE
14	RESULTS AT A GLANCE
15	REPORT OF THE DIRECTORS
20	CORPORATE GOVERNANCE REPORT
25	SUSTAINABILITY/ESG REPORT
28	COMPLAINTS MANAGEMENT POLICY
32	STATEMENT OF DIRECTORS' RESPONSIBILITY
33	CERTIFICATION OF NO MISSTATEMENTS AND ADEQUATE INTERNAL CONTROL SYSTEM
34	STATEMENT OF MANAGEMENT DISCUSSION AND ANALYSIS
35	CERTIFICATION PURSUANT TO SECTION 60
36	REPORT OF THE AUDIT COMMITTEE
37	CERTIFICATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING
38	MANAGEMENT ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
39	INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
42	INDEPENDENT AUDITORS' REPORT
47	STATEMENT OF FINANCIAL POSITION
48	STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
49	STATEMENT OF CHANGES IN EQUITY
50	STATEMENT OF CASH FLOWS
51	NOTES TO THE FINANCIAL STATEMENTS
70	OTHER NATIONAL DISCLOSURE
71	STATEMENT OF VALUE ADDED
72	FIVE-YEAR FINANCIAL SUMMARY
73	SHAREHOLDING STRUCTURE/FREE FLOAT STATUS
75-90	REPORTS 2023
91	PROXY FORM
92	E-DIVIDEND MANDATE FORM



## Board of Directors' Profile

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High Chief (Sir) Simeon O. Oguntimehin, OON

High Chief Simeon Oguntimehin is a fellow of the Institute of Chartered Accountants of Nigeria (FCA) and a former president of the Institute of Chartered Accountants of Nigeria (ICAN). He has over 50 years' experience in the financial services sector. He sat on the boards of many companies, both private and public. He is the LISA of Ondo Kingdom. High Chief Oguntimehin is also the current chairman of our company.



Otunba Adewale Jubril

Otunba Adewale Jubril holds a bachelor's degree in industrial relations, a master's degree in economics, a master's degree in international law and diplomacy, and a master of science in marketing, all from the University of Lagos. He is a fellow of the Chartered Institute of Stockbrokers (CIS) and a fellow of the Institute of Chartered Economists of Nigeria (ICEN). Otunba Adewale Jubril is a versatile, multi-talented, and seasoned professional in the finance and banking sector, boasting over 40 years of experience across various financial services firms, manufacturing firms, and other profit-oriented firms, where he has enhanced stakeholders' value in corporate finance and management strategy. He has completed several advancement programs in finance, investment management, and the capital market, and he has presented numerous scholarly papers and research works at various seminars, training programs, and workshops across multiple industries.



Titilayo Aderonmu

Mrs. Titilayo Aderonmu is a distinguished professional with a Bachelor of Science degree in Business Administration from the University of Lagos and a Diploma in Catering & Hotel Management from the DOF Institute of Catering and Hotel Management. Her professional experience and strategic expertise in hospitality management and strategic leadership across several companies have equipped her with a unique perspective on organizational leadership, strategic planning, and service delivery. Over the years, she has demonstrated strong competence in administration, governance, and operational oversight, making her an invaluable contributor to board-level decision-making and corporate growth.





Pastor Akin Laoye

Pastor Akin Laoye holds a second-class upper honors bachelor's degree in political science, which he obtained from the University of Ibadan in 1988. He holds a master's degree in business administration from the Lagos Business School/Pan African University. He has attended international business seminars, among which is Competing in a Global Environment at IESE Business School, University of Navarra, Barcelona, Spain. He has been on the Board of Smart Products Nigeria Plc since the year 2000. Pastor Laoye's experiences started with Persuaders Nigeria Limited from 1989 to 1990, from where he left to join UAC until 1997 (across various divisions—tractor and equipment, UAC foods, and treasury). He has experience working in the capital market. He is a member of the Chartered Institute of Directors Nigeria (CIoD). He is also a board member in several companies. Akin is a board member of the African Institute of Science Policy and Innovation at Obafemi Awolowo University, Ile-Ife.

Nathaniel Durant Jr.

Nathaniel is a senior executive with 30+ years of operational and financial leadership, including 15 years specializing in West Africa's cocoa-chocolate value chain. As COO and CFO of multiple large-scale West African cocoa processing facilities, he has driven operational excellence across the region. He has also led a joint venture that structured and financed over \$500M in cocoa transactions. Nathaniel holds an MBA from Stanford University and a BA in International Relations from Brown University.



**D**istinguished shareholders, esteemed colleagues, ladies and gentlemen, it is with great pleasure and delight that I welcome you to the 15th and 16th Annual General Meeting of FTN COCOA PROCESSORS PLC. Today, we gather to reflect on the performance of our institution over the past years, celebrate our achievements, and outline our vision for the near future. On the 26th of August 2024, our company marked 33 years. Attaining this milestone is only possible with each of your unwavering support and commitment to our shared objectives and values.

## BUSINESS ENVIRONMENT:

As we review 2023 and 2024, the global economy faced mixed outcomes due to various geopolitical tensions and economic disruptions. Growth was slower than expected, mainly due to the ongoing Russia-Ukraine war and persistently high monetary economic indices. The Israeli-Hamas conflict and Houthi attacks in the Red Sea disrupted major shipping routes, particularly the Suez Canal. These disruptions increased global shipping costs and contributed to inflation, while Egypt reportedly lost over \$7 billion in revenue due to the diverted maritime traffic.

In 2023, Africa's economy grew at about 3.0% to 3.2% overall, with Sub-Saharan Africa at roughly 3.4%. A few countries, such as Libya and Senegal, recorded much higher growth, but many nations struggled with high inflation and heavy debt burdens. By 2024, growth improved slightly to around 3.2% to 3.8%, driven by strong performances in Eastern Africa, while inflation eased to about 4.5%. However, debt servicing pressures worsened, taking up over a quarter of government revenues. Overall, the continent showed gradual recovery with moderate growth and lower inflation, but persistent challenges like debt, fiscal constraints, and external shocks continued to weigh on its economic prospects. Nigeria's economy slowed to about 2.9% growth as major reforms such as fuel subsidy removal and naira devaluation influenced supply-push inflation and widespread hardship in 2023. However, in 2024, growth improved by 3.4% for the full year. Quarterly figures pointed to strengthening momentum, with services, agriculture, and industry all contributing more robustly than in 2023, while oil production began to rebound. Fiscal conditions also improved as the budget deficit narrowed from over 5% of GDP in 2023 to closer to 3%, thanks to higher non-oil revenues from subsidy removals and tax reforms. Foreign reserves climbed, reflecting improved investor confidence, and local industries increasingly adapted by sourcing materials domestically. But despite the stronger growth, inflation remained painfully high, keeping household living standards under pressure and fueling social unrest. Strikes, wage disputes, and nationwide protests underscored the tension between the government's reform agenda and the public's demand for immediate relief.

Overall, Nigeria's economic trajectory between 2023 and 2024 was marked by short-term hardship but gradual stabilization. The society only began to adjust to the fiscal and economic reforms towards the fall of 2024, which contributed to higher results than predicted from most forecasts from several institutions. Yet the persistence of high inflation and public discontent highlighted that recovery was still fragile and dependent on how effectively the government could balance structural reforms with social protection. In the cocoa market worldwide, cocoa production declined by 14% in the 2023-24 season as output from Ghana and the Ivory Coast deeped due to severe weather conditions issues, which increased diseases in the plants. Cocoa prices moved from an average of \$3,000 per metric ton up to \$10,000 per metric ton in 2024 and are gradually adjusting to a lower mean level in 2025 as demand slows due to a non-corresponding increase in the final product made from cocoa. However, the cocoa market is likely to remain uncertain and relatively volatile in the year 2025, upon achieving a desired average, stability will only set in over the medium-to-long term, as cocoa is currently being sourced majorly from West Africa. The alternative cocoa



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markets' contribution, despite growing rapidly, has not attained a status that will pose a threat to West Africa's contribution.

#### MAJOR ACTIVITIES:

The company's performance in 2023 and 2024 is driven by strategic actions taken to restore the factory back to operations and to increase our product entry into the global market. Some of the major projects we carried out in the company are not restricted to safety, compliance, or energy, such as engaging Ibadan Electricity Distribution Company (IBEDC) to relocate a 2 MVA transformer and 33 KV switchgear and re-routing a 33 KV power supply line to the factory and linking to a reliable new feeder (Lapo, Ibadan) from the New Asejire Feeder to improve service hours. The implementation of FSSC 22000 for our factory is in progress. However, we have completed 60% of the requirements, including basic training for different categories of employees and the necessary documentation.

#### OUTLOOK:

Distinguished Shareholders, ladies and gentlemen, our outlook for 2025 is revitalization of production infrastructure, innovation, and enhancement of supply chain capabilities, including advancing existing core environmental and social management systems to boost our ESG initiatives. Our expectation is that the demand for cocoa and cocoa-related derivatives is sustained locally and globally. Our commitment to the Environmental and Social Action Plan (ESAP) is very firm, deepening our partnership with local farmers across various settlements to inculcate sustainable cocoa farming principles structured to increase yields and ensure quicker access to high-quality cocoa. We will continually contribute to the growth and development of the industrial arm of Nigeria.

#### APPRECIATION:

My sincere appreciation is extended to all shareholders, employees, other stakeholders, ladies and gentlemen, for your persistent support, trust, belief, and resilience amidst all the tough times over the last few years. A special appreciation also goes out to our statutory partners: the company secretary, registrars, and independent external auditors.

Thank you, and God bless.

High Chief (Sir) S. O. Oguntimehin, OON  
*LISA of Ondo Kingdom*  
*Chairman FTN Cocoa Processors Plc*

September, 2025



**D**ear shareholders, stakeholders, ladies and gentlemen, I am delighted to present the Managing Director's statement for FTN COCOA PROCESSORS, PLC Annual Report 2023 and Annual Report 2024, highlighting our resilience and consistent growth despite the challenging operating environment. Our strategic initiatives have delivered strong outcomes, positioning us for long-term success in the years ahead.

## BUSINESS REVIEW

The global food industry faced a difficult environment in prior years characterized by rising food prices, supply chain adjustments, climate-related pressures, and changing consumer preferences. Global economic growth held steady at 3.3% (IMF), but the sector continued to feel the lingering effects of earlier disruptions, such as supply chain constraints and shifting trade regulations. Across the world, greater emphasis on food security, sustainability, and technological adoption influenced the direction of industry trends.

In 2023, the global cocoa sector was hit by severe supply shortages caused by unfavorable weather conditions and disease outbreaks in major producing countries like Côte d'Ivoire and Ghana. These disruptions triggered a surge in cocoa prices, which nearly quadrupled compared to previous years, reaching record highs of over \$10,000 per MT in both London and New York commodity markets. The year 2023 was marked by a production shortfall of more than 370,000 MT, creating a global deficit and forcing cocoa-importing regions such as Europe, North America, and Asia to take proactive steps by reducing imports sharply. While high prices dominated the market, farmers in West Africa saw limited benefits due to government price controls, smuggling, and structural weaknesses within the value chain. However, in the year 2024, the sector began to show signs of recovery as production rebounded by nearly 8% to about 4.84 million MT. However, global demand weakened, with grindings falling by almost 5%, which shifted the market from a deficit into a projected surplus of over 140,000 MT. Although prices remained high, the pressure on supply chains began to ease, and global cocoa stocks rose significantly. Nonetheless, smuggling continued to distort revenues, and broader challenges such as farmer poverty, sustainability concerns, and shifting trade dynamics kept the sector under strain.

For example, during the 2023–2024 cocoa crisis, extreme shortages and record-high cocoa prices pushed chocolate prices up worldwide, making chocolate bars, candies, and confectionery products more expensive for consumers. The price spike effect not only reduced affordability but also weakened demand in some markets, as consumers shifted to cheaper cocoa alternatives or cut back on non-essential purchases. At the same time, companies struggled to balance profitability with consumer expectations, as subsistence farmers struggled despite high global prices making them to experience limited gains due to fixed farmgate prices and structural challenges in producing countries.

In 2024, our company was able to export cocoa butter to Germany, as it remains one of the largest processors and consumers of cocoa derivatives in Europe, with its chocolate industry ranking among the largest globally. Germany imports significant volumes of cocoa beans, mainly from West Africa, and processes them into cocoa butter, powder, and liquor for both domestic consumption and export across Europe. Despite fluctuations in raw cocoa beans consumption, demand for cocoa butter and chocolate products which has remained strong, driven by Germany's well-established confectionery industry and high consumer preference for chocolate. This makes Germany not only a leading market for chocolate consumption but also a central hub in the global cocoa value chain. In the year 2023, the country's per capita consumption of cocoa butter, fat, and oil was estimated at 1.83 kg, and per capita consumption of chocolate is 9.0 kg, underscoring Germany's strong demand for cocoa-based products, particularly in chocolate manufacturing. We also introduced our premium cocoa cake to the United States of America market, which is the leading consumer of cocoa and produce in the North American market driven by a population of over 340 million people, high disposable income, celebration of festivals, cultures, and traditions, innovative and reputable food and beverage firms, and key ingredients across several food products. The United States of America's annual chocolate per capita consumption is 4.5 kg, followed closely by Canada, whose per capita consumption is 3.9 kg. The American confectionery industry is responding to consumers' health-inclined consumption, higher demand for high-quality chocolate, preferred chocolate brands of different flavors, concerns on cocoa sustainability and fair trade, digital marketing, and competition from other snack varieties.



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In the 2023/2024 cocoa year, a report from ICCO stated that Nigeria produced approximately 300,000 MT of cocoa beans, recording the same output as Cameroon, positioning it among the world's top five producers behind Cote d'Ivoire, Ghana, and Ecuador. Looking ahead to the 2024–2025 season, the Nigerian government set an ambitious target of 500,000 MT, aiming to elevate its standing behind the heavyweights. Independent forecasts expect a more moderate 10% increase in 2024, reaching an estimated 330,000 MT. According to World Integrated Trade Solutions, Nigeria imported approximately 10,791 MT of cocoa powder that includes added sugar or other sweetening ingredients, majorly from Ghana (\$32.19M). In the same year, 2023, Nigeria was the 83rd global largest importer of cocoa and cocoa preparations, which also accounted for the 68th most imported commodity in Nigeria, with a value of \$56.2M, primarily from Ghana (\$30.4M), Turkey (\$5.46M), the Netherlands (\$5.05M), China (\$4.51M), and India (\$2.45M).

However, broader regional data from 2024 indicates that Nigeria remained the largest chocolate consumer in Africa by volume, with total consumption at approximately 770,000 MT, representing 36% of the continent's total chocolate consumption. Despite this dominant share, Nigeria's per capita chocolate consumption remains remarkably low, estimated at just 0.03 kg per person annually. Recently in 2025, Nigeria's cocoa market, which includes purchases of cocoa-based hot drinks, powders, and similar products in supermarkets and convenience stores, is projected to generate approximately 42,100 MT in volume, translating to an average consumption of about 0.2 kilograms per person. When it comes to chocolate products, Nigeria leads Africa in total consumption volume. We have a robust strategy in place to advance the Nigeria first policy through reducing the widening gap that exists between imported cocoa produce and local production.

#### **FACTORY OPERATIONS AND PERFORMANCE**

The performance of our company over 2023 and 2024 has been very significant, as our topline increased by 100% from nil revenue in 2023 to ₦1.376 billion in 2024. This presents an opportunity for us to achieve a similar level of growth over the medium term and steady growth over the long term. In addition, the factory undertook several improvements to enhance efficiency, safety, and operational reliability. In power supply, a 2 MVA transformer and 33 KV switchgear were relocated, and improvement of several electrical appliances to ensure safer and more efficient energy use. Factory services were strengthened through the servicing of all power generators, overhaul of forklifts, pallet trucks, and steam boilers, and servicing of air compressors to improve goods transfer and operations. Also, fire safety was reinforced with the installation of new systems, and an addressable fire system with smoke detection across all rooms and enclosures to mitigate risks of unforeseen incidents. In plants and machinery, upgrades included servicing and replacing spare parts, reconfiguring machine layouts for safety and compliance, reconstructing an in-house bean intake system, installing vacuum mixer weighing systems, enlarging delivery pipeline sizes among others.

#### **STRATEGIC OUTLOOK**

As the future evolves, our commitment is firmly anchored on our guiding objective to advance value enrichment for Nigeria from raw agricultural produce and deliver sustainable value to all our stakeholders. Our priorities continue to focus on growth and operational excellence, while our strategic programs and transformation initiatives are aimed at improving internal efficiency and fostering meaningful value creation. We are engaging the Nigerian local market players to offtake cocoa cake from our factory, which is a key ingredient in the production of cocoa-infused confectionaries, snacks, pastries, and other suitable uses.

#### **CONCLUSION**

In conclusion, I would like to appreciate the Board, the Executive Management Team, and our employees for their untiring efforts to ensure that we remain focused on delivering our business objectives. I would also like to thank you, our esteemed shareholders, for your belief in our company, despite the challenging business environment.

Akin Laoye  
*Managing Director*  
September 2025



# Notice of 15<sup>th</sup> & 16<sup>th</sup> Annual General Meeting

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NOTICE IS HEREBY GIVEN that the 15th and 16th Annual General Meetings of FTN COCOA PROCESSORS Plc. will be held VIRTUALLY on Thursday, 25th September, 2025 at 12.00 Noon to transact the following business:

## AGENDA

1. To lay before the members, the Financial Statements for the years ended 31st December, 2023 and 31st December, 2024 together with Reports of the Directors, Auditors, and the Audit Committee thereon;
2. To re-elect Directors:
  - High Chief (Sir) Simeon O. Oguntimehin
  - Otunba Adewale Jubril
3. To authorize the Directors to appoint and fix the Auditors' Remuneration;
4. To elect members of the Board Audit Committee.
5. To disclose the remuneration of Managers of the Company in compliance with Section 257 of CAMA 2020

## SPECIAL BUSINESS:

6. To approve the remuneration of Non-Executive Directors.

## Notes:

### (a) Proxy Form

A member of the Company entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and vote in his/her stead, and a proxy need not be a member of the Company.

Also, anyone of the following could be appointed a proxy:

- High Chief Sir. S. O. Oguntimehin - (Chairman)
- Pastor Akin Laoye - (the Managing Director)
- Mr. Emmanuel Oladosu
- Mr. Chinwendu. Achara

For the appointment to be valid, a proxy form duly stamped must be deposited at the Office of the Registrar, Meristem Registrars Probate Services Limited, 213, Herbert Macaulay Street, Adekunle-Yaba, Lagos, not later than forty-eight (48) hours before the time for holding the meeting.

### (b) Stamping of Proxy Forms

The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

### (c) Rights of the Security holders to ask questions:

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting. Such questions must be submitted to the Company ahead of the AGM in line with Rule 19.12(c) of the Listing Rules of the Nigerian Exchange Limited. The questions may be submitted electronically to the company designates [pafolabi@ftncocoa.com.ng](mailto:pafolabi@ftncocoa.com.ng), [ccinfo@meristemregistrars.com](mailto:ccinfo@meristemregistrars.com); [ooladetan@ftncocoa.com.ng](mailto:ooladetan@ftncocoa.com.ng) on or before 4th September, 2025.

### (c) E-Dividend/Bonus:

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to all shareholders to open accounts, stock broking accounts and CSCS accounts for the purpose of e-dividend/bonus. A form is inserted available in this notice and the Annual Report for completion by



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all shareholders to furnish the particulars of the accounts to the Registrar (Meristem Registrars & Probate Services Limited) as soon as possible.

(d) *Closure of Register and Transfer Books:*

The Register of Members and Transfer Books will be closed from Monday, 15th September to Friday 19th September 2025 (both days inclusive) for the purpose of updating the Register.

(e) *Audit Committee:*

In consonance with Section 404 (6) of the Companies and Allied Matters Act, 2020, a nomination in writing by any member of a shareholder for election to the Audit Committee should reach the Company Secretary at least 21 days before the Annual General Meeting. The Nigerian Code of Corporate Governance 2018 stipulates that members of the Audit Committee should have basic financial literacy and should be able to read and understand financial statements. Thus, a detailed Curriculum Vitae and copies of relevant credentials should be submitted with each nomination.

(f) *Viewing of the Meeting Proceedings:*

The meeting will be streamed live on <https://www.youtube.com/@FTNCOCOAPROCESSORSPLC> the company official YouTube page to allow shareholder and stakeholders to follow the proceedings. The link for the live streaming of the meeting will be made available through official communication and on the company's website at least 48 hours before the meeting.

Dated the 30th day of July, 2025

BY ORDER OF THE BOARD



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Joshua Oludayo Adeoye, FCIS  
FRC/2014/ICSAN/000000008037 .  
ALPHA-GENASEC LIMITD  
(Company Secretaries)



## CORPORATE INFORMATION

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Directors:	High Chief (Sir) Simeon Olusola Oguntimehin, <sup>ON</sup> - (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: <a href="mailto:alphagenasec@bakertillynigeria.com">alphagenasec@bakertillynigeria.com</a>
Registered office:	21, Emmanuel Keshi Street, Oladipo Sessi Close, Magodo, GRA, Lagos. Tel. 234-1-7409651 Website: <a href="http://www.ftncocoa.com.ng">www.ftncocoa.com.ng</a> E-mail: <a href="mailto:info@ftncocoa.com.ngg">info@ftncocoa.com.ngg</a>
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: <a href="mailto:btnlag@bakertillynigeria.com">btnlag@bakertillynigeria.com</a>
Registrars:	Meristem Registrars, 213, Herbert Macaulay Street, Yaba, Lagos. Tel.: 234-1-8920491, 234-1-8920492 E-mail: <a href="mailto:info@meristemregistrars.com">info@meristemregistrars.com</a>
Bankers:	Ecobank Nigeria Limited Guaranty Trust Bank Limited Zenith Bank Plc United Bank for Africa Plc



## CORPORATE STRATEGY

**VISION STATEMENT:** To be the preferred world-class producer of value-added agricultural commodities.

**MISSION STATEMENT:** To produce and supply hygienic quality products efficiently to our customers through the teamwork of highly skilled and motivated staff. We aim to be good corporate citizens known for high ethical standards.

### OUR CORE VALUES:

**SAFETY:** The health and safety of our employees is paramount. We are dedicated to maintaining a safe and secure workplace, ensuring that everyone goes home safely every day. We are also committed to health standards for all our products.

**INTEGRITY:** In all our dealings with everyone, customers, service providers, staff, and all stakeholders, we uphold moral excellence, honesty, wholesomeness, and sincerity. We accept responsibility and hold ourselves accountable.

**TEAMWORK:** we believe in the power of collaboration. By working together, sharing knowledge, and supporting each other, we achieve our goals and drive success for the entire organization.

**EXCELLENCE:** we strive for excellence in everything we do. This means continuously refining our processes, fostering innovation, and setting high benchmarks for performance and productivity.

**SUSTAINABILITY:** We are committed to practices that ensure business continuity, long-term environmental health, and economic viability.

## BUSINESS OVERVIEW

**COCOA PROCESSING:** The principal activity of the company is the processing of cocoa beans into cocoa cake, cocoa liquor, cocoa butter, and cocoa powder for international export and sales to local manufacturing companies.

**RAW MATERIAL SOURCING:** Cocoa beans, our main raw materials, are sourced locally in Nigeria, particularly from our catchment areas of Oyo, Osun, Ondo, and Ogun States.

**EQUIPMENT & CAPACITY:** Our processing equipment was manufactured in Germany. Because of recent enhancements, our factory now has a total installed capacity of 20,000 metric tons.

**PRODUCT SALES:** We serve both local and export markets. Cocoa liquor, cocoa butter, and cocoa cake are primarily sold to export markets, while cocoa powder is marketed domestically.

## COMPANY HISTORY

FTN Cocoa Processors Plc was incorporated on August 26, 1991, in Nigeria as a private limited liability company initially named Fantastic Abiola Nigeria Limited. On August 26, 1998, it was renamed Fantastic Traders Nigeria Limited. The company became a public limited liability entity on February 29, 2008, and was subsequently listed on the Nigerian Stock Exchange.

The company commenced its cocoa processing activities in 1995 through Third-Party Arrangements (Toll Processing) with Stanmark Cocoa Processing Company Limited, converting cocoa beans into cocoa butter and cocoa cake/powder.

FTN later expanded its third-party processing arrangements to additional partners, including partners in Ile-Oluji, Cocoa Cooperative in Akure, and Cocoa Products in Ede, Osun State.

Within a span of 13 years, FTN Cocoa Processors Plc successfully established strong relationships with prominent international buyers of cocoa products such as Theobroma BV (Netherlands), Euromar (Berlin),



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Trading and Services (France), Union Chocolate (Poland), Delfi Cocoa (France/Netherlands), Indcresa (Spain), and All Trade International (France).

In addition, FTN has maintained solid partnerships with key domestic customers, notably Nestlé Nigeria Plc and Promasidor Nigeria Ltd., makers of Cowbell Milk and various cocoa-based products.

Over a period of 16 years, FTN Cocoa Processors Plc processed approximately 64,000 MT of cocoa beans. Leveraging our extensive experience in cocoa processing, the company strategically leased the Cocoa Products Company Ltd. in Ile-Oluji, Ondo State, in 2003, when the facility was moribund. FTN's successful turnaround of this company paved the way for its privatization in 2006.

In 2005, FTN made the strategic decision to transition into full-scale independent production, beginning operations at its own processing facility in March 2006. This factory occupies approximately four acres and initially had a processing capacity of 10,000 MT of cocoa beans annually. It is a fully integrated facility, featuring dedicated packaging lines for cocoa liquor, cocoa butter, cocoa cake, and a cocoa powder plant. The facility was officially commissioned in November 2007, and an additional production line with a capacity of 10,000 MT per annum was commissioned in September 2011.

#### OPERATIONAL BUSINESS LOCATIONS

FTN Cocoa Processors carries out her business across strategic locations in the southwestern region of Nigeria carefully situated to translate the strategic objective of creating value, fostering partnership, leveraging systems and interconnectivity of distribution networks, and actively collaborating to ensure the prompt delivery of value-added commodities to the global society at large through:

HEAD OFFICE: 21, Emmanuel Keshi Street, Oladipo Sessi Close, Magodo-GRA, Kosofe L.G.A. Lagos.

FACTORY: Km 9, Monatan- Iwo Road, Opposite Arcedem, Gelato Bus Stop, Wofun Olodo, Ibadan, Oyo State.

WAREHOUSE: Plot 1 – 5, Tiamiyu Adigun Bello Layout, Oniponrin Area, along Lagos – Ibadan Expressway, Sanyo, Ibadan, Oyo State



## RESULTS AT A GLANCE

For the year	2024 ? '000	2023 ? '000	Change ? '000	Percentage Change
Revenue	1,375,813	-	1,375,813	100
Loss before taxation	(10,620,023)	(10,650,347)	(30,325)	(1)
Current taxation	(58,421)	-	(58,421)	(100)
Deferred taxation	1,148,353	-	1,148,353	100
Loss after taxation	(9,530,090)	(10,650,347)	(1,120,257)	11
Loss per share	(? 2.44k)	(? 2.70k)		
<hr/>				
At year end				
Property, Plant and Equipment	16,255,664	10,880,178	5,375,486	49
Total Assets	21,094,314	13,249,785	7,844,529	59
Total Liabilities	17,649,416	9,966,518	7,682,898	77
Share Capital	1,950,000	1,950,000	-	-
Revaluation Reserve	14,266,309	8,748,602	5,517,607	63
Equity	3,444,898	3,283,267	(929,286)	5
<hr/>				
Number of Employees	Number <u>39</u>	Number <u>38</u>		



# REPORT OF THE DIRECTORS

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1. The Directors hereby submit their report and the financial statements of the Company for the year ended 31 December, 2024.

2. Review of Operating Performance	? '000
Loss before taxation	(10,620,022)
Current taxation	(58,421)
Deferred taxation	1,148,353
Loss after taxation	<u>(9,530,090)</u>
	=====

3. Legal Form  
FTN Cocoa Processors Plc started as Fantastic Abiola Nigeria Limited, a private Company Limited by shares which was incorporated on 26 August, 1991. The name Fantastic Abiola Nigeria Limited was changed to Fantastic Traders Nigeria Limited on 26 August, 1998 and further changed to FTN Cocoa Processors Limited on 3 December, 2007. The status of the Company was changed to 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 ?9.530 billion compared with a loss after tax of ?10.650 billion in the preceding year. The Company sustained a loss as a result of translation of foreign currencies 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	
	31/12/2024	31/12/2023
High Chief (Sir) S. O. Oguntimehin, <small>CON</small>	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	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, 2024:



Shareholders	Number of shares	Percentage
Estate of Late Mr. A. A. Aderonmu	520,490,000	13.34
OH Origins Global Commodities. Inc	1,700,000,000	43.59
Nathaniel Durant Jr	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, 2024

Range	No. of Holders	Holder %	Holder 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, 2024 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:

<b>Names</b>	<b>Meetings held</b>	<b>Number of meetings attended</b>
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 Jr

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



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## 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
Nathaniel Durant Jr	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.



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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. Baker Tilly 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, FCIS

Alpha-Genasec Limited

FRC/2014/PRO/ICSAN/002/000000008037

Company Secretaries

Ibadan, Oyo, Nigeria

27 March, 2025



# CORPORATE GOVERNANCE REPORT

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The Directors of FTN Cocoa Processors Plc have reviewed everything that happened in the financial years 2023 and 2024, and they confidently believe that the Directors' Report accurately shows what the business has done and achieved.

## Legal Structure

FTN Cocoa Processors Plc was incorporated on August 26, 1991, in Nigeria as a private limited liability company initially named Fantastic Abiola Nigeria Limited. On August 26, 1998, it was renamed Fantastic Traders Nigeria Limited. The company became a public limited liability entity on February 29, 2008, and was subsequently listed on the Nigerian Stock Exchange. FTN Cocoa Processors Plc has a market capitalisation of ₦5.343 billion as of 31 December 2023 and ₦7.098 billion as of 31 December 2024.

## Principal Activities

FTN Cocoa Processors Plc is an agro-allied company. The principal activities of the company are the processing of cocoa beans and palm kernels 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 cake are marketed locally to manufacturing companies.

## Board Committees and Diversity

FTN COCOA PROCESSORS PLC recognises that diversity fosters greater innovation and improved performance. The firm's structure their leadership around the full board, board committees, and executive management. Clear responsibilities for each arm of leadership interrelate with the leadership structure. The board consists of non-executive directors as well as executive directors. The Board Committees consist of shareholders' representatives, non-executive directors, and executive directors to ensure there is appropriate balance and diversity. The executive management consists of executive directors and senior management, who are also invited to attend board committee meetings when required. The full board and board committee leadership also engage the executive management on strategic initiatives. In appointing members to the board or hiring employees, the company prioritises achieving a balance of gender, values, experience, and academic backgrounds throughout its operations to ensure appropriate office use. The company secretary also serves as the secretary to each board committee.

## Board and Board Committee Meetings

The FTN Cocoa Processors Plc Board of Directors holds meetings regularly to review management performance to ensure all decisions for or on behalf of the firm are made in good faith, ethically inclined, and advance the best interest of the company at all times. If there are emergency issues, an emergency board or board committee meeting could be scheduled with the right notice for all stakeholders who should be in attendance. Adequate time and attention are given by the board and board committee members to deliberate on issues specified in the agenda and any other business if required and to interact with the management team if need be. All board members and board committee members are privy to receiving appropriate notices, agendas, and meeting briefing notes in advance for effective deliberation during meetings. In the absence of a stakeholder who should be present at the meeting, they are allowed to communicate their opinion with the board or board committee chairman, and they are also privy to deliberations and resolutions at the meetings they were in absentia.



## Full Board Committee

Attendance of Members of the Board Committee for the year 31 December 2024 and 31 December 2023				
Name of Directors	Meeting Dates and Attendance			
	May 6, 2024	June 11, 2024	March 30, 2023	July 17, 2023
High Chief (Sir) Simeon Olusola Oguntimehin, OON (Chairman)	YES	YES	YES	YES
Pastor Akin Laoye	YES	YES	YES	YES
Otunba Adewale Jubril	YES	YES	YES	YES
Nathaniel Durant Jr	YES	YES	YES	YES
Titilayo Ayoka Aderonmu	YES	YES	YES	YES

## Board Audit Committee

Attendance of Members of the Board Audit Committee for the year 31 December 2024 and 31 December 2023				
Name of Audit Committee Members	Meeting Dates and Attendance			
	March 27, 2024	October 24, 2024	March 28, 2023	July 13, 2023
Emmanuel Oladosu (Chairman)	YES	YES	YES	YES
Chinwendu Achara	YES	YES	YES	YES
Otunba Adewale Jubril	YES	YES	YES	YES
Nathaniel Durant Jr	YES	YES	YES	YES

## Board Finance and Control Committee

Attendance of Members of the Board Finance and Control Committee for the year 31 December 2024 and 31 December 2023				
Name of Finance and Control Committee Members	Meeting Dates and Attendance			
	March 21, 2024	July 25, 2024	March 23, 2023	July 17, 2023
Pastor Akin Laoye (Chairman)	YES	YES	YES	YES
Otunba Adewale Jubril	YES	YES	YES	YES

## Board Corporate Governance Committee

Attendance of Members of the Board Corporate Governance Committee for the year 31 December 2024				
Name of Corporate Governance Committee Members	Meeting Dates and Attendance			
	July 8, 2024	October 28, 2024	April 4, 2023	August 2, 2023
Otunba Adewale Jubril (Chairman)	YES	YES	YES	YES
Pastor Akin Laoye	YES	YES	YES	YES

## Director's Conflict of Interest

FTN Cocoa Processor Plc adequately and periodically reviews the register of Directors' Interest in line with the Companies and Allied Matters Act (CAMA) 2020, the Nigerian Code of Corporate Governance (NCCG) 2018, and the Investment and Securities Act (ISA) 2007 guidelines and frameworks.



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### Internal Information Policy

FTN COCOA PROCESSORS PLC maintains a strict policy on insider information and dealings in line with regulatory requirements. The purpose of this policy is to ensure that board members, employees, and stakeholders who have access to confidential or potentially market-sensitive information understand the legal restrictions against using, sharing, or influencing securities transactions with such information, except when required in the normal performance of their duties. Regarding the legal responsibilities, FTN Cocoa Processors PLC also takes extra measures to ensure that board members, employees, and external stakeholders uphold the confidentiality of any information received.

### Access to Independent Advice

To ensure that FTN COCOA PROCESSORS PLC is in compliance with the best global business practices, the board and management consult seasoned professionals for independent advice at a reasonable expense to guide the management with performing their responsibilities effectively.

### Whistleblowing Policy

Our company is committed to maintaining its business in a fair, ethical, and transparent manner while maintaining the highest standards of integrity. Therefore, FTN Cocoa Processors PLC has set up a whistleblowing policy that allows employees, contractors, agents, partners, bankers, service providers, suppliers, shareholders, local communities, and the public to officially report any suspected illegal, unethical, harmful, or inappropriate actions. We receive and handle all reports with strict confidentiality to protect the whistleblower's identity.

### Complaints Management Policy

FTN Cocoa Processors Plc is dedicated to providing high-quality goods and services to its stakeholders as it continues to ensure that all stakeholders, including the investing community, have access to top-notch and premium experiences. FTN Cocoa Processors PLC demonstrates its commitment to delivering quality services to its shareholders by offering a platform that efficiently handles their complaints and enquiries. This website manages the shareholder-related issues, which are promptly and efficiently addressed, while also granting them convenient access to relevant information, ensuring fairness, transparency, and a commitment to continuous improvement.

The company has designed its policy to manage any complaints and enquiries from shareholders in a fair, impartial, efficient, and timely manner. Additionally, this policy recognises and aids the importance of effective engagement in promoting shareholder and investor confidence in the company.

This policy is in compliance with the SEC rule on the Complaints Management Framework of the Nigerian Capital Market instituted in 2015 and available in FTN Cocoa Processors Plc archives. It allows FTN Cocoa Processors Plc and its registrar to address any concerns or challenges raised by shareholders while also giving them the chance to share feedback on issues that directly affect them. Note that this policy only applies to shareholders, not to customers, suppliers, or other stakeholders.

### Financial Reporting Controls Structure

To enhance the reliability of its financial reporting and reinforce internal controls, the firm engaged Bakertilly Nigeria (Chartered Accountants) as an external consultant to review its Internal Control over Financial Reporting (ICFR) framework. This completed framework is structured to ensure compliance with Securities



and Exchange Commission (SEC) regulations and the provisions of the Investment and Securities Act while also protecting the interests of stakeholders by minimising the risk of financial crimes, fraud, or misstatements arising from inaccurate reports.

#### Substantial Shareholder and Interests in FTN Cocoa Processors Plc Capital

The share capital of FTN Cocoa Processors Plc consists of 3,900,000 ordinary shares of 50 kobo each. As of the end of the period under review, the issued and fully paid-up share capital of the firm is 3,900,000 ordinary shares of 50 kobo each. The Register of Members shows that the following shareholders hold a 5% interest in shares or above of the total issued capital:

Substantial Shareholdings and Interests in FTN Cocoa Processors Plc Capital (5% and above)				
Interests	Units (2024)	% (2024)	Units (2023)	% (2023)
OH Origins Global Commodities Inc	1,700,000,000	43.59%	1,700,000,000	43.59%
The Estate of Aderonmu Abiola Ademola	480,000,000	12.31%	520,240,000	13.34%
Nathaniel Durant Jr	348,182,953	8.93%	348,182,953	8.93%
<b>Total Substantial Shareholdings</b>	<b>2,529,182,953</b>	<b>64.85%</b>	<b>2,568,422,953</b>	<b>65.86%</b>

As of 31st December 2023, 31st December 2024, and 3rd September 2025, OH Origins Global Commodities Inc., Aderonmu Abiola Ademola, and Nathaniel Durant Jr held more than 5% of FTN Cocoa Processors Plc's issued share capital, as seen above. There is no other individual(s) or entity(s) who holds 5% and above of the firm's shares for the period under review.

#### Stakeholders Engagement Plan

The Stakeholders Policy of FTN Cocoa Processors Plc defines the company's approach to engaging with parties connected to its operations. The company's activities, products, or overall performance may influence or affect individuals, groups, and organisations known as stakeholders. FTN Cocoa Processors plc prioritises cultivating and maintaining strong relationships with these stakeholders, with the aim of minimising potential negative impacts while maximising opportunities for positive contributions to the company, its customers, and its shareholders.

The Board ensured active engagement with all key stakeholders throughout the 2023 and 2024 financial years. This covered shareholders, regulators, vendors, employees, host communities, and strategic partners, fostering open communication, promoting business integrity, and upholding ethical standards. All necessary disclosures, notifications, and documentation were duly carried out as required.

#### Health, Safety at Work and Welfare of Employees

FTN Cocoa Processors PLC recognises the importance of the health, safety, and well-being of its employees. We continue to enhance the safety culture at the workplace by organising toolbox talks and various HSE trainings to further improve awareness and competency. The company conducts visible leadership rounds, inspections, and interdepartmental health and safety audits. To combat fire emergencies, heat and smoke detectors are strategically installed. Firefighting equipment is available at strategic locations, and employees are trained regularly, and mock drills are conducted. Workshops on job safety analysis, hazard identification and risk control, healthy lifestyles for healthy living, visible leadership, etc. are conducted. Employees are encouraged to report unsafe acts and conditions to stop any unsafe act.



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### Training and development.

The company is committed to fostering the growth of all its employees by supporting both personal and professional development, helping them reach their full potential in the workplace. Through a comprehensive learning management system, employees have continuous access to a wide range of learning resources, anytime and anywhere, to enhance their skills and competencies.

### Annual General Meeting (AGM)

FTN Cocoa Processors Plc conducts its general meetings in a fair and transparent manner. These meetings serve as the highest decision-making body of the company. During the meetings, shareholders express their opinions on the company's financial results, all agenda matters, and general matters related to the business. Representatives of shareholders' associations and regulatory bodies such as the Securities and Exchange Commission (SEC) and the Nigerian Exchange Limited (NGX) are also invited to attend the Annual General Meetings.

FTN Cocoa Processors Plc is committed to addressing shareholders' enquiries and ensures that their views are conveyed to the Board and Management. The Board protects the statutory and general rights of shareholders, especially the right to vote at general meetings. Regardless of the volume of shareholding or social status, all shareholders are treated equally.

### Compliance Statement

FTN Cocoa Processors aims to abide by the Securities and Exchange Commission's (SEC) guidelines. These corporate governance strategies and initiatives aim to ensure regulatory compliance and enhance transparency and accountability in all aspects of the company's operations.

By order of the Board



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Joshua Oludayo Adeoye, FCIS  
Alpha-Genasec Limited  
FRC/2014/PRO/ICSAN/002/00000008037  
Company Secretaries  
LAGOS, Nigeria  
04 September, 2025



# SUSTAINABILITY / ESG REPORT

*For the Years Ended December 31, 2023 and 2024*

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## Executive Summary

FTN Cocoa Processors Plc remains committed to embedding sustainability principles at the core of its operations. Our focus is on creating long-term value through responsible sourcing, efficient resource management, environmental stewardship, community engagement, and strong governance. This report highlights our progress in 2023 and 2024 in advancing Environmental, Social, and Governance (ESG) goals, aligned with the United Nations Sustainable Development Goals (SDGs) and Nigeria's evolving sustainability disclosure requirements.

## Our Sustainability Strategy

FTN Cocoa's ESG approach is guided by 5 UN SDGs (1, 2, 3, 5, and 8), the UN Global Compact Principles, and national regulatory frameworks. Our strategy is built around the pillars of People, Planet, Prosperity, Peace, and Partnership, ensuring that we balance economic growth with social responsibility and environmental protection.

Innovation, inclusiveness, and accountability remain central to our growth model, enabling us to strengthen stakeholder trust, enhance operational resilience, and contribute positively to local communities.

## Key Sustainability Impacts (2023–2024)

- 1. Agro-Community Relationship Management**
  - We established a formal structure for relating with farming communities and evolving a stakeholder engagement plan that will incorporate digital and traceability platforms and extension programmes.
  - We hosted five structured engagement sessions with farmers, agro-traders, and partners.
  - Maintained a grievance mechanism; no grievances were recorded in 2023 or 2024.
- 2. Regulatory & Government Engagement**
  - Hosted statutory inspections by the Oyo State Fire Service, Federal Fire Service, Federal Ministry of Labour & Employment, and NESREA.
  - Achieved compliance with environmental, health, and safety requirements during all visits.
- 3. Supply Chain Traceability**
  - Onboarded over 140 local farmers onto a digital payment platform, enhancing transparency and financial inclusion.
  - Initiated polygon mapping of farms to support traceability and deforestation-free sourcing.
- 4. Employee Training & Development**
  - Implemented structured internal and external training programmes for both skilled and unskilled employees.
  - Focus on safety, compliance, and technical upskilling to improve workforce productivity and resilience.



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## Regulation & Compliance

FTN Cocoa operates in strict compliance with Nigerian and international standards. Oversight is provided by regulatory institutions including:

- Securities and Exchange Commission (SEC)
- Nigerian Exchange Group (NGX)
- National Environment Standards and Regulations Enforcement Agency (NESREA)
- Federal Ministry of Labour and Employment
- Oyo State Fire Service
- Financial Reporting Council of Nigeria (FRCN)
- National Pension Commission (PENCOM)
- Nigeria Social Insurance Trust Fund (NSITF)
- Industrial Training Fund (ITF)
- National Insurance Commission (NAICOM)
- And other relevant state and federal agencies.

We also align with global initiatives such as the UN Global Compact (UNGC) and sustainability reporting frameworks.

## Sustainability Governance

The Board of Directors provides oversight of sustainability issues through the Environmental & Social Management System (ESMS) Team. The ESMS integrates the ISO 14001 Environmental Management System (EMS) and ISO 45001 Occupational Health & Safety Management System (OHSMS), ensuring compliance, risk management, and continuous improvement.

Reports are periodically reviewed at board level, covering:

- Operational efficiency
- Employee well-being
- Emissions, energy, and water management
- Waste minimisation
- Sustainability initiatives

## Environmental Performance

- Energy Use & Efficiency (Carbon footprint reduction): we invested in the Labo line (with guaranteed power from the national grid), which drastically reduced our dependence on diesel-powered generators; the current national grid to diesel generation is 60:40 and is expected to keep improving in the coming months.
- Pollution control –air and noise pollution reduced from use of electricity supplies from national grid.
- Waste & Circularity:
  - o Cocoa shells are sold as (animal feed/biomass).
  - o Air Emissions: particulate matter reduction measures, dust extraction systems in key locations
  - o Climate Change GHG inventory (Scope 1 & 2): this has been initiated with an external consultant that will produce the monthly Environmental Management Report (EMR) to be submitted to NESREA and Oyo State Ministry of Environment
  - o Biodiversity & Land Use: sourcing cocoa with deforestation-free principles.



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### Social Performance:

- Workforce profile (number of employees, gender balance, local hiring).
- Health & Safety: TRIR, LTIR statistics, safety training hours delivered, fire drills & emergency preparedness.
- Full installation of a Fire Safety Management and Compliance System
- Implementation of OHS Management System, Water Management Plan, and Waste Management & Disposal System.
- Community Engagement: Local sourcing initiatives, local hiring initiatives and community development (security, access road repairs).
- Human Rights & Labour: no child labour in supply chain, supplier monitoring.

### Governance and Ethics

- Board diversity, independence, and oversight of ESG issues.
- Ethical business practices – code of conduct and anti-corruption policies in place
- Whistleblowing policy in place – none was reported for the period.
- Compliance with NGX/SEC sustainability disclosure requirements.

### Future Outlook

Looking ahead, FTN Cocoa aims to:

- Expand renewable energy adoption to further reduce carbon footprint.
- Scale farmer traceability and support programmes.
- Deepen community investments in education and healthcare.
- Strengthen external assurance of sustainability data in alignment with NGX and SEC reporting frameworks.

### Conclusion

FTN Cocoa remains devoted to advancing sustainability in Nigeria's cocoa sector. By upholding the highest standards of quality, safety, and transparency, we continue to deliver value to our shareholders, employees, communities, and global partners.

Signed,  
Fred Onyebigwa  
ESMS Manager  
FTN Cocoa Processors Plc



# COMPLAINTS MANAGEMENT POLICY

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## Introduction:

FTN Cocoa Processing Plc (“FTN” or “the Company”) is committed to providing excellent service to all our shareholders. We aim to improve our service continuously to ensure we are meeting their needs and expectations and encouraging feedback on our performance. This policy provides comprehensive guidelines for the management of shareholders' issues and complaints by the company and our registrar.

We recognize that complaints and compliments provide unique information about the quality services our shareholders receive. The management of a complaint provides the opportunity for complainants to have their issues resolved promptly and efficiently and ensures that any identified risks are managed appropriately and that action is taken to minimize or eliminate those risks. FTN has therefore issued this Complaint Management Policy (“the Policy”) in line with the requirements of the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market (“SEC Rules”) issued on 16th February, 2015 and the Nigerian Exchange Group Plc (NGX)'s Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies (“the NSE Directive”) issued on 22nd April, 2015.

## Objectives

The objectives of this Complaints Management Policy are to:

- Assist the company with the timely and effective management of complaints.
- Establish a standard approach to complaints handling, including the establishment of performance indicators to monitor compliance.
- Ensure that the relevant employees of the Company and our Registrar are aware of their responsibilities and are empowered to manage complaints.
- Ensure that complaints and enquiries from the company's shareholders are managed in a fair, impartial and efficient timely manner.

## Principles

This Complaints Management Policy is underpinned by the following guiding principles:

- All our shareholders receive quality service from the management of FTN and our registrar.
- Shareholders are encouraged and enabled to provide feedback about the service they receive from the Company and the Registrar.
- All complaints are acknowledged and responded to promptly.
- All complaints are dealt with in a manner that is effective, complete, fair to all parties and provides just outcomes.
- Complaint information is openly communicated while protecting confidentiality and personal privacy.
- All complaints are recorded to enable review of individual cases and reporting on aggregated complaints information.
- Our Complaint Management Policy and practices are regularly evaluated, and the information is used to improve services.



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## Principles

This policy shall apply to issues, enquiries, or complaints from shareholders to the company or the registrar regarding shareholders' rights, interests, or privileges that require a formal or informal response. The policy shall not apply to complaints on matters that are sub judice or do not relate to shareholders' rights, interests or privileges.

## Roles and Responsibilities

The Company Secretary is saddled with the ultimate responsibility for ensuring that shareholders' complaints are received and attended to in a timely and efficient manner and shall ensure that the Registrar and all employees of the Company charged with the implementation of this Policy discharge their responsibilities efficiently and in a timely manner.

**The Registrar:** The Registrar shall be the first point of call for all shareholders' issues and complaints and shall ensure that these are attended to courteously, promptly and efficiently.

## Steps in the Complaints Management Process

Shareholders have the following options for submitting complaints and enquiries:

**Contact the Registrar:** Shareholders who wish to make a complaint/enquiry shall, in the first instance, contact the Registrar. The registrar manages all the registered information relating to all shareholdings, including shareholder name(s), shareholder addresses, and dividend payment instructions, among others.

**Registrar Complaint Administration:** Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide the relevant details of such complaint or enquiry to Guinness Nigeria Plc for monitoring, record-keeping and reporting purposes. In resolving complaints or enquiries, the Registrar shall be guided by the timelines stipulated in this policy.

**Contact FTN Cocoa Processors Plc's Company Secretary:** If the Registrar is unable to satisfactorily address and resolve a complaint, issue or enquiry by a shareholder within ten (10) working days, the shareholder may contact the office of the Company Secretary.

Where a complaint or an enquiry is sent to FTN Cocoa Processors Plc directly, the company, upon receipt of the complaint or enquiry, shall use its best endeavours to ensure that:

- a) The company immediately records the relevant details of the complaint or enquiry.
- b) A response is provided by the Company or the Registrar within the time frame set out in sub-clauses c-f below.
- c) Complaints or enquiries received by e-mail are acknowledged within two (2) working days of receipt.
- d) Complaints or enquiries received by post are responded to within five (5) working days of receipt.



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- e) All other complaints or enquiries are resolved within ten (10) working days of receipt.
  - f) The Nigerian Exchange Group Plc (NGX) is notified, within two (2) working days, of the resolution of a complaint or enquiry.
  - g) Where a complaint/enquiry cannot be resolved within the stipulated timeframe set out above, the shareholder shall be notified that the matter is being investigated. Note that certain situations, such as retrieving documents from storage, may cause delays.
  - h) The same or similar medium that was used for the initial enquiry is used in providing a response (whether by email, phone, post or fax), unless otherwise notified to or agreed with the shareholder.

#### Electronic Complaints Register

The Company shall maintain electronic complaints register. The electronic complaints register shall include the following information:

- The date that the enquiry or complaint was received.
- Complainant's information (including name, address, telephone number, and e-mail address).
- Nature and details of the enquiry or complaint.
- Action taken/status.
- Date of the resolution of the complaint.

The Company shall also provide information on the details and status of complaints to the Securities and Exchange Commission and The Nigerian Exchange Group Plc (NGX) on a quarterly basis.

#### Registrar Liaison

During the course of investigating a shareholder's enquiry, complaint or feedback, the Company may liaise with the Registrar to:

- Establish the facts;
- Determine whether the Registrar has taken any action; and
- Coordinate a response with the assistance of the Registrar.

#### Registrar Contact Details

The Registrar may be contacted as follows:

Meristem Registrars & Probate Services Limited

213, Herbert Macaulay Street, Yaba, Lagos.

Tel.: 0700MERISTEM, 234-1-8920491, 234-1-8920492

E-mail: [info@meristemregistrars.com](mailto:info@meristemregistrars.com)



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### Company Secretary Contact Details

If shareholders want to escalate unresolved complaints; they can reach out to the Company Secretary at the following address:

Alpha-Genasec Limited,  
Kresta Laurel Complex, 376, Ikorodu Road, Maryland, Lagos.  
Tel. 234-7035051231  
E-mail: alphagenasec@bakertillynigeria.com

### Policy Communication

This policy shall be communicated as follows:

- The policy will be available in the FTN archives for public viewing.
- A shareholder may request a copy of this by contacting the Office of the Company Secretary.
- The Policy shall be made available for perusal at General Meetings of the Company.

### Cost

Wherever possible and subject to statutory requirements, the company will not charge shareholders for making enquiries, providing feedback, providing a response, or for any aspect of resolving a shareholder matter. However, in some circumstances, the Registrar may charge shareholders a fee (for example, to resend previous dividend statements upon request from the shareholder).

### Policy Review

This policy may be reviewed from time to time by management, and all changes, amendments, or subsequent versions of it will be made available in the FTN Cocoa Processors Plc archives for public view.

By order of the Board



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Joshua Oludayo Adeoye, FCIS  
Alpha-Genasec Limited  
FRC/2014/PRO/ICSAN/002/00000008037  
Company Secretaries



# Statement Of Directors' Responsibilities In Relation To The Financial Statements For The Year Ended 31 December, 2024

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

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

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

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

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

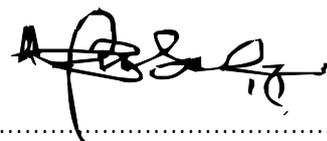
The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

Signed on behalf of the Board of Directors by:



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

27 March, 2025



.....  
Otunba Wale Jubril  
FRC/2014/CISN/00000006703

27 March, 2025



# Certification of 'No Misstatements and Adequate Internal Control System'

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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.



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

27 March, 2025



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

27 March, 2025



# Statement Of Management Discussion And Analysis For The Year Ended 31 December, 2024

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## 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](http://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.



# Certification Pursuant To Section 60(2) Of Investment And Securities Act No.29 Of 2007

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We the undersigned hereby certify the following with regards to our audited reports and financial statements for the year ended 31 December, 2024 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;
- © To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in the report;
- (d) We:
  - (i) Are responsible for establishing and maintaining internal controls;
  - (ii) Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
  - (iii) Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
  - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the Company and Audit Committee:
  - (i) All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls; and
  - (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



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

27 March, 2025



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

27 March, 2025



## REPORT OF THE AUDIT COMMITTEE

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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, 2024; 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, 2024 were adequate and management's responses to the auditors' findings were satisfactory.



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

Dated this 26 March, 2025

Members of the committee:

Emmanuel Oladosu  
Chinwendu Achara  
Otunba 'Wale Jubril  
Nathaniel Durant Jr.

Shareholders' representative  
Shareholders' representative  
Non-executive Directors' representative  
Executive Director representative



# CERTIFICATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING

*For the year ended 31 December 2024*

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Management of FTN Cocoa Processors Plc ("the Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to Management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control system is supported by written policies and procedures, incorporates self-monitoring mechanisms, and is subject to internal audit reviews. When deficiencies are identified, Management takes appropriate corrective actions. However, like all internal control systems, inherent limitations exist, including the potential for circumvention or overriding of controls.

As of 31 December 2024, Management conducted an assessment of the effectiveness of internal control over financial reporting using the COSO 2013 Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, Management ascertain that, as of 31 December 2024, the Company's internal control over financial reporting was properly designed and effectively operating. Furthermore, no material weaknesses were identified in the Company's internal control over financial reporting.

The effectiveness of the Company's internal control over financial reporting as of 31 December 2024, has been audited by an independent registered accounting firm.



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

27 March, 2025



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

27 March, 2025



## MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

We, Akin Laoye (Chief Executive Officer) and Mayowa Jimoh (Chief Financial Officer) of FTN Cocoa Processors Plc, certify that: We have reviewed the Management Report on the Assessment of Internal Control Over Financial Reporting of FTN Cocoa Processors Plc;

Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to ensure that the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

We

- (i) are responsible for establishing and maintaining internal controls;
- (ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others, particularly during the period in which this report is being prepared;
- (iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
- (iv) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to this report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

Based on our most recent evaluation of internal control system, we have disclosed to the Company's auditor and the audit committee of the board of directors (or persons performing the equivalent functions):

- (i) that there are no significant deficiencies or material weaknesses in the design or operation of the internal control system that could reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial information.
- (ii) that no fraud, whether material or not, involving management or employees with a significant role in the internal control system has been identified.

*We have also disclosed in this report whether there have been any significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.*



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

27 March, 2025



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

27 March, 2025



## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Independent Auditor's Limited Assurance Report  
To: The Management of FTN Cocoa Processors Plc

### Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

#### Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of FTN Cocoa Processors Plc ("the Company") as of 31 December, 2024 is effective in accordance with the provisions of Section 1.3 of Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal controls of FTN Cocoa Processors Plc for the year ended 31 December, 2024.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

#### Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

#### ADVISORY - ASSURANCE - TAX

Baker Tilly Nigeria trading as Bakertilly is a member of the global network of Baker Tilly International Ltd; the members of which are separate and independent legal entities

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Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

### **Other matter**

We have audited the financial statements of FTN Cocoa Processors Plc in accordance with the International Standards on Auditing, and our report dated March 27, 2024 expressed an unmodified opinion of those financial statements. Our conclusion is not modified in respect of this matter.

### **Responsibilities for Internal Control over Financial reporting**

The Board of Directors of FTN Cocoa Processors Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report. Our responsibility is to express a conclusion on the Company's internal control over financial reporting based on our assurance engagement.

### **Our responsibilities**

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement.

### **Summary of the work we performed as the basis for our conclusion.**

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### **Definition and Limitations of Internal Control Over Financial reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements



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for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



.....  
**Oluwole O. Ogundeji**  
**FRC/2017/PRO/ICAN/004/00000002825**  
**for: Baker Tilly Nigeria**  
**( Chartered Accountants)**  
**FRC/2024/COY/096262**



**Lagos, Nigeria**  
**27 March, 2025**





BAKER TILLY NIGERIA  
4<sup>th</sup> Floor- Kresta Laurel Complex,  
376, Ikorodu Road,  
Maryland,  
Lagos.  
Tel: +234 (0)903-161-3983 and 08023378194  
E-mail: [btnlag@bakertillynigeria.com](mailto:btnlag@bakertillynigeria.com)  
Website: [www.bakertilly.ng](http://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 2024, 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 2020. The financial statements give a true and fair view of the financial position of FTN Cocoa Processors PLC as at 31 December 2024 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 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.

#### **ADVISORY - ASSURANCE - TAX**

**Baker Tilly Nigeria trading as Bakertilly is a member of the global network of Baker Tilly International Ltd; the members of which are separate and independent legal entities**



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### 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
<p><b>Revenue</b></p> <p>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.</p>	<p>In this regard, our audit procedures included:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• Company had commercial sales of N1,375,813 majorly driven by sales of butter during period under review.</li></ul>



<p><b>Recoverability of Accounts Receivables</b></p> <p>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.</p> <p>As at 31 December 2024, the carrying amounts of accounts receivables was ₦1.126 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 6% of the total non-current assets of the Company.</p>	<p>Our procedures concerning the recoverability of accounts receivables included:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Discussing with the management and obtaining a list of accounts receivables with relevant small amount of settlement, during the year or subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of accounts receivables;</li> <li>• Checking the aging analysis and subsequent settlement of the accounts receivables, on a sample basis;</li> <li>• 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;</li> <li>• 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.</li> </ul>
<p><b>Repayment of liabilities</b></p> <p>Management’s inability to meet its obligation to the Company’s Trade and</p>	<ul style="list-style-type: none"> <li>• Confirming the existence of the transactions and ascertain the authenticity</li> </ul>



<p>other payables including statutory payments and taxes is a key audit matter. This amounted to N17.1 billion naira as at 31 December 2024. 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</p>	<p>and accuracy of the balances outstanding with respect to the debts;</p> <ul style="list-style-type: none"> <li>• Reviewed the repayment pattern during the year and ascertaining the accuracy of recording of such postings to confirm the outstanding balances;</li> <li>• We circularized the creditors and received responses confirming the debts;</li> <li>• Tracing the history of outstanding debts to confirm the length of time debts have been outstanding.</li> </ul>
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### **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 2020, the Financial Reporting Council Act No.6, 2011 (Amended), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 fraud is 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 accounting records 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 proper accounting records.



.....  
**Oluwole O. Ogundeji**  
**FRC/2017/PRO/ICAN/004/00000002825**  
**for: Baker Tilly Nigeria**  
**( Chartered Accountants)**  
**FRC/2024/COY/096262**  
**Lagos, Nigeria**  
**27 March, 2025**



# STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER, 2024

		2024	2023
	Note	₦'000	₦'000
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	16,255,664	10,880,178
Available for sale financial assets	6	300	300
Other Receivables	7.2	<u>1,106,115</u>	<u>1,106,115</u>
<b>Total Non-Current assets</b>		<u>17,362,079</u>	<u>11,986,593</u>
<b>Current assets</b>			
Trade and other receivables	7.1	2,178,377	52,023
Deferred tax	13	1,148,353	-
Inventories	8	329,114	336,339
Cash and cash equivalents	9	<u>76,391</u>	<u>874,830</u>
<b>Total Current Assets</b>		<u>3,732,235</u>	<u>1,263,192</u>
<b>Total Assets</b>		<u>21,094,314</u>	<u>13,249,785</u>
<b>Non-Current Liabilities</b>			
Borrowings	10.1	<u>17,152,770</u>	<u>7,658,077</u>
<b>Total Non-Current Liabilities</b>		<u>17,152,770</u>	<u>7,658,077</u>
<b>Current Liabilities</b>			
Borrowings	10.2	-	1,735,887
Trade and other payables	11	393,264	506,626
Current taxation	12	<u>103,382</u>	<u>65,928</u>
<b>Total current liabilities</b>		<u>496,646</u>	<u>2,308,441</u>
<b>Total Liabilities</b>		<u>17,649,416</u>	<u>9,966,518</u>
<b>Equity:</b>			
Share capital	14	1,950,000	1,950,000
Share premium	15	1,045,577	1,045,577
Revaluation reserve	16	14,266,309	8,748,602
Revenue reserve	17	<u>(13,816,988)</u>	<u>(8,460,912)</u>
<b>Total equity</b>		<u>3,444,898</u>	<u>3,283,267</u>
<b>Total Liabilities and Equity</b>		<u>21,094,314</u>	<u>13,249,785</u>

The financial statements were approved by the Board of Directors on ... March, 2025 and signed on its behalf by:



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



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



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

The accounting policies and notes on pages 51 to 69 form an integral part of these financial statement



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2024

		2024	2023
	Note	N'000	N'000
Revenue	18	1,375,813	-
Cost of sales	19.1	<u>(536,592)</u>	<u>-</u>
Gross profit		839,221	-
Selling and distribution cost	19.2	(17,423)	(65)
Operating expenses	19.3	(409,559)	(486,308)
Other operating income	20	950,211	222,315
Exchange (loss)		<u>(11,675,249)</u>	<u>(10,176,549)</u>
Operating Loss		<u>(10,312,799)</u>	<u>(10,440,607)</u>
Finance cost	20.1	(307,224)	(209,740)
Loss before taxation	22	<u>(10,620,023)</u>	<u>(10,650,347)</u>
Current taxation		(58,421)	-
Deferred taxation		<u>1,148,353</u>	<u>-</u>
Loss after taxation transferred to revenue reserve	17	<u>(9,530,090)</u>	<u>(10,650,347)</u>
<i>Other Comprehensive Income</i>			
Net appreciation on revaluation of Property, plant & equipment	16	<u>5,517,709</u>	<u>4,731,233</u>
		<u>4,012,381</u>	<u>(5,919,114)</u>
Loss per share		(N2.44k)	(? 2.70k)

The accounting policies and notes on pages 37 to 55 form an integral part of these financial statements



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2024

	Issued share Capital N'000	Issued share Premium N'000	Fair value Reserve N'000	Retained Earnings N'000	Total Equity N'000
Fund as at January 2024	1,950,000	1,045,577	8,748,602	(8,460,912)	3,283,267
Increase in share capital expenses	-	-	5,517,707	-	5,517,707
Provision no longer required	-	-	-	985	985
Equity statement of convertible bond	-	-	-	4,173,029	4,173,029
Total comprehensive income for the year	-	-	-	(9,530,090)	(9,530,090)
Balance as at 31 December, 2024	<u>1,950,000</u>	<u>1,045,577</u>	<u>14,266,309</u>	<u>(13,816,988)</u>	<u>3,444,898</u>
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	<u>1,950,000</u>	<u>1,045,577</u>	<u>8,748,602</u>	<u>(8,460,912)</u>	<u>3,283,267</u>
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	<u>1,950,000</u>	<u>1,413,439</u>	<u>4,017,369</u>	<u>(8,935,347)</u>	<u>(1,554,539)</u>

The accounting policies and notes on pages 51 to 69 form an integral part of these financial statements



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2024

		2024	2023
	Note	₹'000	₹'000
Cash flows from Operating Activities			
Operating loss before working capital changes	22	1,711,702	(151,140)
Income tax paid		(20,967)	-
Working capital changes	23	(3,967,393)	1,290,195
		<u>(2,276,658)</u>	<u>1,139,055</u>
Cash flows from Investing Activities			
Purchase of property, plant and equipment		(207,030)	(457,029)
Interest expense		(307,224)	(209,739)
Revaluation surplus		-	-
Proceeds from disposal		-	-
Net cash (utilised)/generated Investing Activities		<u>(514,254)</u>	<u>(666,768)</u>
Cash flows from Financing Activities			
Borrowing		9,494,693	(231,766)
Revenue reserve movement		(7,502,220)	997,225
Share increase		-	(367,862)
Net cash generated from Financing Activities		<u>1,992,473</u>	<u>397,597</u>
Net decrease in cash and cash equivalents		(798,439)	869,884
Cash and cash equivalents at beginning of year		874,830	4,946
Cash and cash equivalents at end of year	9	76,391	874,830

The accounting policies and notes on pages 51 to 69 form an integral part of these financial statements



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

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## 1. General Information

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

## 2. Statement of Compliance

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

## 3. Significant Accounting Policies

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

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

#### i. *Basis of Measurement*

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

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

#### ii. *Use of Estimates and Judgements*

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

### 3.2 *Foreign Currency*

#### i. *Foreign Currency Translation*

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



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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.



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

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

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

*iii. De-recognition*

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

**3.4 Intangible Assets**

*i. Acquired Computer Software*

Software acquired by the Company is stated at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over the estimated useful life of the computer software, the estimated useful life and Amortization is reviewed at the end of each reporting period, with the effect of any changes being accounted for on a prospective basis. Acquired computer software is amortized over a three (3) year period.

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

**3.5 Inventories**

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

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

*i. Raw materials*

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

*ii. Spare parts*

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



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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.



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### 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



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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



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solely for business transaction. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Statement of Income as part of Other Income. Realized and unrealized gains and losses are recognized as part of Other Income in the Statement of Income.

d) *Equity Instruments*

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

The Company can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer-term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Statement of Income. Dividends received are recorded in other income in the Statement of Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Income on sale of the security. Transaction cost on disposal of equity instruments is recognized as an expense in the income statement.

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

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

e) *Financial Liabilities at Amortized Cost*

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

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

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



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### 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.



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### *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



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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



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reporting date, including cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

### 3.16. *Earnings per share*

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

### 3.17. *Dividend Distribution*

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

### 3.18. *Retirement Benefit Scheme*

#### *Defined Contribution Scheme*

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

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

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

### 3.19. *Share Capital and Reserves*

#### *Share issue costs*

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

## 4. Fair Value Estimation

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

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

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

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



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

## 5. Property, Plant and Equipment

Cost	Plant & Machinery Under construction N'000	Land & building N'000	Plant & Machinery N'000	Motor Vehicles N'000	Furniture & Fittings N'000	Office Equipment N'000	Total N'000
At 1 Jan., 2024	752,423	3,080,569	9,571,142	16,255	26,114	64,222	13,511,725
Additions	-	24,494	154,876	-	3,888	23,771	207,029
Revaluation	458,111	351,293	4,698,073	-	1,494	8,737	5,517,707
At 31 Dec., 2024	<u>1,211,533</u>	<u>3,456,356</u>	<u>14,424,091</u>	<u>16,255</u>	<u>31,496</u>	<u>96,730</u>	<u>19,236,461</u>
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	<u>753,423</u>	<u>3,080,568</u>	<u>9,571,142</u>	<u>16,255</u>	<u>26,115</u>	<u>64,222</u>	<u>13,511,725</u>
Depreciation							
At 1 Jan., 2024	-	445,568	2,108,879	16,255	23,824	37,018	2,631,546
For the year	-	38,786	303,494	-	1,836	5,136	349,250
Disposals	-	-	-	-	-	-	-
At 31 Dec., 2024	<u>-</u>	<u>484,355</u>	<u>2,412,373</u>	<u>16,255</u>	<u>25,660</u>	<u>42,154</u>	<u>2,980,797</u>
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	<u>-</u>	<u>445,568</u>	<u>2,108,879</u>	<u>16,255</u>	<u>23,825</u>	<u>37,019</u>	<u>2,631,546</u>
Carrying value							
At 31 Dec., 2024	<u>1,211,534</u>	<u>2,972,000</u>	<u>12,011,718</u>	<u>-</u>	<u>5,836</u>	<u>54,576</u>	<u>16,255,664</u>
At 31 Dec., 2023	<u>753,422</u>	<u>2,635,000</u>	<u>7,462,263</u>	<u>-</u>	<u>2,289</u>	<u>27,203</u>	<u>10,880,178</u>

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

Property, plant and equipment of the company was revalued on 31 December, 2024 by Ubosi Eleh & Co Estate Surveyors and valuers FRC/2014/NIESV/00000003997

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

	2024 N'000	2023 N'000
Cost of sales	342,280	-
Operating expenses	6,971	383,077
	<u>349,251</u>	<u>383,077</u>



	2024	2023
<b>6. Available for sale Financial Assets</b>		
Quoted securities (Sovereign Trust Insurance)	₦'000	₦'000
Cost	300	300
Appreciation in quoted securities	-	-
	<u>300</u>	<u>300</u>
<b>7. Trade and other Receivables</b>		
Trade receivables	2,137,434	-
Allowance for impairment loss	-	-
	<u>2,137,434</u>	<u>-</u>
<i>Other Receivables:</i>		
Export expansion grant	1,126,170	1,131,948
Other debtors	-	-
	<u>1,126,170</u>	<u>1,131,948</u>
	<u>=====</u>	<u>=====</u>
<b>7.1 Current</b>		
Trade Receivables	2,137,434	-
<i>Other Receivables:</i>		
Export expansion grant (NDDC)	20,056	25,834
Prepayment	4,090	26,099
Other debtors	16,797	90
	<u>2,178,377</u>	<u>52,023</u>
	<u>=====</u>	<u>=====</u>
<b>7.2 Non-current</b>		
<i>Other receivable</i>		
Export expansion grant	1,106,115	1,106,115
	<u>=====</u>	<u>=====</u>

#### Export Expansion Grant

The export expansion grant (EEG) is a policy tool used by the Federal republic of Nigeria to facilitate export-oriented activities that will stimulate the growth of the non-oil export sector of the economy. The grant is being backed by the Export (Incentive and Miscellaneous Provision) Act Cap 118 LFN 1990 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.

	2024	2023
<b>8. Inventories</b>	₦'000	₦'000
Finished goods	62,076	107,895
Raw materials	302	411
Spare parts	154,806	166,251
Work in progress	68,075	600
Consumables	43,855	61,182
	<u>329,114</u>	<u>336,339</u>

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



	2024	2023
	₦'000	₦'000
9. <i>Cash and Cash Equivalent</i>		
Cash	2,355	9,388
Cash held with Nigerian banks	<u>74,036</u>	<u>865,442</u>
	<u>76,391</u>	<u>874,830</u>

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

## 10. Borrowings

### 10.1 Non-current Borrowings

Corporate bond (10.4)	4,272,753	2,797,779
OH Ecosystem LLC	2,921,725	1,185,983
O H Origin Global Commodity Inc.	<u>9,958,292</u>	<u>3,674,315</u>
	<u>17,152,770</u>	<u>7,658,077</u>

### 10.2 Current borrowings

OH Ecosystem LLC	-	316,297
OH Origin Global Commodity Inc.	-	1,343,002
Index Investment Advisor Ltd	-	76,588
Working capital loan/payables	-	1,735,887
	<u>17,152,770</u>	<u>9,393,964</u>

### 10.3 The borrowings are repayable as follows:

Within one year	-	1,735,887
Between one and two years	-	-
More than three years	<u>17,152,770</u>	<u>7,658,077</u>
	<u>17,152,770</u>	<u>9,393,964</u>

### 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 N6.3476/1yen on 31 December, 2024. 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: -



	2024 N'000	2023 N'000
Liability element of deep discount bond at 1 January	2,797,779	3,075,834
Opening balance adjustment	-	(1,686,618)
		1,389,216
Interest charge for the year (note 21)	222,530	149,026
		1,538,242
Loss on translating monetary items	1,252,444	1,259,537
		2,797,779
Equity element of convertible loan (note 15)	-	-
	<u>4,272,753</u>	<u>2,797,779</u>

10.5 The Naira value has been arrived at using the exchange rate of US\$1 to N1,535 however, by the terms of agreement between FTN Cocoa Processors Plc and OH Origins Global Commodities, Inc (lender); the convertible loan of US\$16,439,603 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	\$	N
Non-Current Liability	1,903,010	2,921,725,175
Current Liability	-	
Equity	4,325,774	6,641,436,243
Total	6,228,784	9,563,161,418

OH ORIGINS GLOBAL COMMODITIES, Inc	\$	N
Non-Current Liability	6,486,145	9,958,292,399
Current Liability	-	-
Equity	3,724,674	5,718,557,725
Total	10,210,819	15,676,850,124

	2024 N'000	2023 N'000
<i>11. Trade and other Payables</i>		
Advance against sales	-	-
Trade payable – amount due to suppliers	91,476	104,890
Other payables	110,639	196,198
Accrued expenses	191,150	205,538
	<u>393,264</u>	<u>506,626</u>

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



	2024	2023
	N'000	N'000
12. Taxation		
12.1 <i>Profit and loss account</i>		
Company tax	-	-
Education tax	51,489	-
Minimum tax	<u>6,932</u>	-
Deferred tax	58,421	-
	<u>(1,148,353)</u>	-
	<u>(1,089,932)</u>	-
12.2 <i>Balance Sheet</i>	65,928	67,299
At 1 January	58,421	-
Charge for the year	<u>124,349</u>	-
Payment during the year	<u>(20,967)</u>	<u>(1,371)</u>
At 31 December	<u>103,382</u>	<u>65,928</u>
13. <i>Deferred Taxation</i>		
At 1 January	-	-
For the year	<u>(1,148,353)</u>	-
At 31 December	<u>(1,148,353)</u>	-
14. <i>Share Capital</i>		
<i>Issued and fully paid share capital</i>		
3,900,000 ordinary shares of 50k	1,950,000	1,950,000
Increase in share capital	-	-
3,900,000 ordinary shares of 50k	<u>1,950,000</u>	<u>1,950,000</u>
15. <i>Share Premium</i>		
Share premium	1,045,577	1,413,439
Equity element of bond	-	<u>(367,862)</u>
Increase in share capital expenses	-	-
	<u>1,045,577</u>	<u>1,045,577</u>
16. <i>Revaluation Reserve</i>		
At 1 January	8,748,602	4,017,369
Statement of comprehensive income (revaluation surplus)	<u>5,517,707</u>	<u>4,731,233</u>
	<u>14,266,309</u>	<u>8,748,602</u>
17. <i>Revenue Reserve</i>		
At 1 January	(8,460,912)	(8,935,347)
Restatement OH Origins Global Commodities, Inc	857,993	6,971,105
OH Ecosystems, LLC	3,315,035	1,397,763
Stock Adjustment	-	<u>(48,992)</u>
Restatement of corporate bond	-	2,804,906
Provision no longer required	985	-
Statement of comprehensive income	<u>(9,530,090)</u>	<u>(10,650,347)</u>
31 December	<u>(13,816,988)</u>	<u>(8,460,912)</u>



	2024	2023
	N'000	N'000
18. Revenue		
<i>Export sales:</i> Cocoa butter	1,372,516	-
Cocoa cake	-	-
	<u>1,372,516</u>	<u>-</u>
<i>Local sales:</i> Cocoa cake	-	-
Cocoa butter	-	-
Cocoa powder	3,297	-
Cocoa liquor	-	-
	<u>3,297</u>	<u>-</u>
	<u><u>1,375,813</u></u>	<u><u>-</u></u>
19. Expenses by Nature		
19.1 Cost of sales		
<i>Included in cost of sales are as follows: -</i>		
Change in inventories of finished goods		
Raw materials	130,183	50,202
Other prime cost	-	-
Personnel expenses	4,308	68,075
Industrial training fund expenses	-	-
Depreciation of property, plant and equipment (note 5)	342,280	111,994
Repairs & maintenance – factory building and plant & machinery	8,870	287
Stock adjustment	-	-
Other direct costs	<u>50,951</u>	<u>11,280</u>
	<u>536,592</u>	<u>241,838</u>

The Company has been producing below capacity of 5% due to lingering working capital inadequacy. This impacted on the gross margin as a result of huge fixed cost that has to be borne.

19.2 Selling and Distribution Cost		
Included in selling and distribution costs are as follows:		
NESS fee payables	<u>17,423</u>	<u>560</u>
19.3 Operating Expenses		
<i>Included in operating expenses are as follows: -</i>		
Bank and other charges	1,657	4,933
Director's remuneration	29,546	26,858
Employee benefit expenses (note 19.4)	163,892	122,446
Professional fee	68,738	34,218
Depreciation (note 5.1)	6,971	112,919
Travelling expenses	11,724	2,338
Office and general expenses	58,409	38,181
Insurance	8,783	3,278
AGM expenses	-	7,618
Fuel and oil	2,903	1,267
Telephone, telex and postages	4,769	2,442



	2024 N'000	2023 N'000
Entertainment	2,040	1,694
Subscription & Donations	6,537	13,290
Security expenses	2,903	2,008
Director's fee	5,850	7,396
Audit fee	3,000	2,500
Rent and rates and taxes	18,299	6,608
Repairs and maintenance	5,299	5,063
Industrial Training Fund	589	240
Printing stationery	781	297
Computer expenses/supplies	4,615	2,581
Penalties	-	89,941
Electricity power and water	2,254	692
	<u>409,559</u>	<u>486,308</u>
<b>19.4 Employee Benefit Expenses</b>		
Staff salaries and allowances	62,326	83,871
Staff welfare and medical expenses	73,895	4,464
Pension employers' contribution	27,671	34,110
	<u>163,892</u>	<u>122,445</u>
<b>19.5</b>	The average number of persons employed by the Company, including Directors, during the year was as follows:	
Management	6	5
Senior	14	14
Junior	11	11
Contract	8	8
	<u>39</u>	<u>38</u>
<b>19.6</b>	2024	2023
Employee range of remuneration is as follows: -	Number	Number
Below – N150,000	33	-
N150,001 – N240,000	-	-
N240,001 – N480,000	3	6
N480,001 – N720,000	1	11
N720,001 – N960,000	1	5
N960,001 – N1,200,000	-	7
N1,200,001 and above	1	9
	<u>39</u>	<u>38</u>
<b>20. Other Operating Income</b>		
Export Expansion Grant	-	-
Other sundry income:(processing of third-party cocoa beans)	13,814	11,469
Exchange gain	-	210,846
Guarantee plus margin	906,795	-
Interest income	29,602	-
	<u>950,211</u>	<u>222,315</u>



	2024	2023
	Number	Number
20.1 Finance cost		
Exchange loss	-	-
<i>Interest Expenses:</i>		
Borrowing	-	60,714
Interest on Liability Portion of Corporate Bond	307,224	149,026
	<u>307,224</u>	<u>209,740</u>
21. Loss before Taxation		
<i>This is arrived at after charging/ (crediting):</i>		
Depreciation on PPE (note 5.1)	349,251	383,077
Interest expenses	307,224	-
Audit fee	3,000	7,396
Non audit service	<u>1,000</u>	<u>1,000</u>
22. Reconciliation of profit after taxation to net cash provided by operating activities:		
Loss before taxation	(10,620,022)	(10,650,347)
<i>Adjustment for non-cash operating items:</i>		
Depreciation	349,251	112,919
Interest expense	307,224	209,739
Exchange loss	11,675,249	10,176,549
	<u>1,711,702</u>	<u>(151,140)</u>
22.1 Revenue Reserve Movement	2024	2023
	₹'000	₹'000
OH Origin Global Commodity	-	6,971,105
OH Ecosystems, LLC	857,994	1,397,763
Corporate Bond	3,315,035	2,804,906
Foreign Exchange Gain/(loss)	(11,675,249)	(10,176,549)
	<u>(7,502,220)</u>	<u>997,225</u>
23. Working Capital Changes		
(Increase)/decrease in inventories	7,225	(7,616)
Decrease/(Increase) in receivables	(2,125,370)	(20,217)
Increase/(decrease) in trade and other payable	(113,362)	(292,278)
Increase/(decrease) in inventory valuation	-	(48,992)
Increase/(decrease in short term borrowings)	(1,735,887)	1,659,298
	<u>(3,967,393)</u>	<u>1,290,195</u>
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, 2024.		
25. Approval of Financial Statements		
These financial statements were approved by the Board of Directors of the Company on ... March, 2025.		



# OTHER NATIONAL DISCLOSURE



# STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 ₹'000	%	2023 ₹'000	%
Gross Earnings	2,326,024		222,315	
Bought in materials and services:				
- Foreign (Exchange loss)	(12,125,679)		(10,427,558)	
- Local	-		-	
Value absorbed	<u>(9,799,655)</u>	<u>(100)</u>	<u>(10,205,243)</u>	<u>(100)</u>
Applied as follows:				
Employees				
Salaries and other benefits	163,892	(2)	122,446	1
Finance cost	307,224	(3)	209,739	2
Government				
Current taxation	58,421	11	-	-
Retained for expansion of business				
Depreciation	349,251	(4)	112,919	5
Deferred tax	(1,148,353)	-	-	-
Loss for the year	<u>(9,530,090)</u>	<u>98</u>	<u>(10,650,347)</u>	<u>(108)</u>
Value absorbed	<u>(9,799,655)</u>	<u>100</u>	<u>(10,205,243)</u>	<u>(100)</u>



## FIVE YEAR FINANCIAL SUMMARY

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Revenue	<u>1,375,813</u>	<u>-</u>	<u>62,194</u>	<u>290,779</u>	<u>235,209</u>
Loss before taxation	(10,620,022)	(10,650,347)	(430,876)	(1,477,894)	(842,807)
Current taxation	(58,421)		(311)	(727)	(588)
Deferred taxation	<u>1,148,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss after taxation	<u>(9,530,090)</u>	<u>(10,650,347)</u>	<u>(431,187)</u>	<u>(1,478,621)</u>	<u>(843,395)</u>
<i>Non-current assets</i>					
Property, plant and equipment	16,255,663	10,880,178	5,804,832	5,913,813	2,968,519
Available for sale financial assets	300	300	300	300	300
Trade and other receivables	1,106,114	1,106,115	1,106,115	1,106,114	1,085,038
Current assets	3,732,235	1,263,191	365,475	421,163	578,827
Current liabilities	<u>(496,645)</u>	<u>(2,308,439)</u>	<u>(941,418)</u>	<u>(858,467)</u>	<u>(866,822)</u>
	<u>20,597,669</u>	<u>10,941,345</u>	<u>6,335,304</u>	<u>6,582,923</u>	<u>3,765,862</u>
<i>Non-current liabilities</i>					
Deferred taxation	-	-	-	-	-
Borrowings	<u>17,152,770</u>	<u>7,658,077</u>	<u>7,889,843</u>	<u>(7,334,521)</u>	<u>(5,154,366)</u>
Total net assets/liability	<u>3,444,898</u>	<u>3,283,268</u>	<u>(1,554,538)</u>	<u>(751,598)</u>	<u>(1,388,504)</u>
<i>Equity</i>					
Share capital	1,950,000	1,950,000	1,950,000	1,100,000	1,100,000
Share premium	1,045,577	1,045,577	1,413,439	1,413,439	1,413,439
Fair value reserve	14,266,309	8,748,602	4,017,369	4,017,369	983,017
Revenue reserve	<u>(13,816,988)</u>	<u>(8,460,912)</u>	<u>(8,935,346)</u>	<u>(7,282,406)</u>	<u>(4,884,960)</u>
Shareholder's fund	<u>3,444,898</u>	<u>3,283,267</u>	<u>(1,554,538)</u>	<u>(751,598)</u>	<u>(1,388,504)</u>
<i>Per kobo share data</i>					
Loss (basic)	(N2.44k)	(N2.73k)	(11k)	(38k)	(22k)
Net assets	(88k)	(84k)	(40k)	(19k)	(30k)
Stock exchange quotations	N1.70k	N1.48k	N0.50k	N0.50k	N0.50k
Dividend declared	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



# SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

AS AT 31 DECEMBER 2024

## Shareholding Structure/Free Float Status

Description	31-Dec-24		31-Dec-23	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	3,900,000,000	100%	3,900,000,000	100%
<b>Substantial Shareholdings (5% and above)</b>				
OH Origins Commodity Group LLC	1,700,000,000	43.59%	1,700,000,000	43.59%
The Estate of Aderonmu Abiola Ademola	480,000,000	12.31%	520,240,000	13.34%
Akin Laoye	0	0.00%	0	0.00%
Nathaniel Durant Jr	348,182,953	8.93%	348,182,953	8.93%
<b>Total Substantial Shareholdings</b>	<b>2,529,182,953</b>	<b>64.85%</b>	<b>2,568,422,953</b>	<b>65.86%</b>
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>				
High Chief (Sir) Simeon O. Oguntimehin, OON	100,000	0.00%	100,000	0.00%
Akin Laoye	165,000,000	4.23%	165,000,000	4.23%
Otunba Adewale Jubril	5,200,000	0.13%	5,200,000	0.13%
<b>Total Directors' Shareholdings</b>	<b>520,482,953</b>	<b>13.35%</b>	<b>518,482,953</b>	<b>13.29%</b>
<b>Other Influential Shareholdings</b>				
Kurious Co. Nig Ltd	108,000,000	2.77%	108,000,000.00	2.77%
Afolayan Samuel Olajide	105,629,839	2.71		
<b>Total Other Influential Shareholdings</b>	<b>213,629,839</b>	<b>5.48%</b>	<b>108,000,000.00</b>	<b>2.77%</b>
<b>Free Float in Units and Percentage</b>	<b>1,199,517,047</b>	<b>30.76%</b>	<b>1,161,277,047</b>	<b>29.78%</b>
<b>Free Float in Value</b>			<b>? 336,770,343.63</b>	
Declaration:				
(A) FTN Cocoa Processors Plc, with a free float percentage of 30.76% as at 31 December, 2024, is compliant with the Exchange's free float requirements for companies listed on the Main Board.				
(B) FTN Cocoa Processors Plc, with a free float value of ? 2,183,121,025.54 as at 31 December, 2024, is compliant with the Exchange's free float requirements for companies listed on the Main Board.				





FTN COCOA PROCESSORS PLC

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



## CORPORATE INFORMATION

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- Directors:** High Chief (Sir) Simeon Olusola Oguntimehin, ON - (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.com
- Registrars:** Meristem Registrars,  
213, Herbert Macaulay Street,  
Yaba, Lagos.  
Tel.: 234-1-8920491, 234-1-8920492  
E-mail: info@meristemregistrars.com
- Bankers:** Ecobank Nigeria Limited  
Guaranty Trust Bank Limited  
Zenith Bank Plc  
United Bank for Africa 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	<u>(10,650,347)</u> =====

3. Legal Form  
FTN Cocoa Processors Plc started as Fantastic Abiola Nigeria Limited, a private Company Limited by shares which was incorporated on 26 August, 1991. The name Fantastic Abiola Nigeria Limited was changed to Fantastic Traders Nigeria Limited on 26 August, 1998 and further changed to FTN Cocoa Processors Limited on 3 December, 2007. The status of the Company was changed to 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, <small>CON</small>	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
OH 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	Holder %	Holder 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



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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:

<b>Names</b>	<b>Meetings held</b>	<b>Number of meetings attended</b>
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.



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

#### Liquidity and Credit Risks

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

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

Credit risk refers to the likelihood that one party to a financial transaction may fail to fulfill its obligation as and when due thereby causing the other party to a transaction to suffer financial loss. Our Company is exposed to credit risks through its investment in financial assets such as short-term deposits, fixed interest securities and receivables.

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

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

#### 18. Independent Auditors

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

By order of the Board



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Joshua Oludayo Adeoye, FCIS  
Alpha-Genasec Limited  
FRC/2014/PRO/ICSAN/002/00000008037  
Company Secretaries

Ibadan, Oyo, Nigeria  
28 March, 2024



## REPORT OF THE AUDIT COMMITTEE

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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.



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

Dated this 28 March, 2024

Members of the committee:

Emmanuel Oladosu  
Chinwendu Achara  
Otunba 'Wale Jubril

Shareholders' representative  
Shareholders' representative  
Non-executive Directors' representative





4<sup>th</sup> Floor- Kresta Laurel Complex,  
376, Ikorodu Road,  
Maryland,  
Lagos.  
Tel: +234 (0)903-161-3983 and 08023378194  
E-mail: [btntag@bakertillynigeria.com](mailto:btntag@bakertillynigeria.com)  
Website: [www.bakertilly.ng](http://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.

ADVISORY · ASSURANCE · TAX

Baker Tilly Nigeria trading as Bakertilly is a member of the global network of Baker Tilly International Ltd; the members of which are separate and independent legal entities



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### 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
<p><b>Revenue</b></p> <p>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.</p>	<p>In this regard, our audit procedures included:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• Company had no commercial sales during period under review.</li></ul>



<p><b>Recoverability of Accounts Receivables</b></p> <p>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.</p> <p>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.</p>	<p>Our procedures concerning the recoverability of accounts receivables included:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Discussing with the management and obtaining a list of accounts receivables with relevant small amount of settlement, during the year or subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of accounts receivables;</li> <li>• Checking the aging analysis and subsequent settlement of the accounts receivables, on a sample basis;</li> <li>• 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;</li> <li>• 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.</li> </ul>
<p><b>Repayment of liabilities</b></p> <p>Management's inability to meet its obligation to the Company's Trade and</p>	<ul style="list-style-type: none"> <li>• Confirming the existence of the transactions and ascertain the authenticity</li> </ul>



<p>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</p>	<p>and accuracy of the balances outstanding with respect to the debts;</p> <ul style="list-style-type: none"> <li>• Reviewed the repayment pattern during the year and ascertaining the accuracy of recording of such postings to confirm the outstanding balances;</li> <li>• We circularized the creditors and received responses confirming the debts;</li> <li>• Tracing the history of outstanding debts to confirm the length of time debts have been outstanding.</li> </ul>
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### **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 fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- 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 accounting records 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/0000002825**  
**for: Baker Tilly Nigeria**  
**( Chartered Accountants)**

**Lagos, Nigeria**  
**27 March, 2025**



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

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

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



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



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



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

The accounting policies and notes on pages 51 to 69 form an integral part of these financial statement



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

	Note	2023 N'000	2022 N'000
Revenue	18	-	62,194
Cost of sales	19.1	<u>-</u>	<u>(241,838)</u>
<b>Gross Loss</b>		-	<b>(179,644)</b>
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)		<u>(10,176,549)</u>	<u>13,303</u>
<b>Operating Loss</b>		<b>(10,440,607)</b>	<b>(284,753)</b>
		-----	-----
Finance cost	20.1	(209,740)	(146,124)
		-----	-----
<b>Loss before taxation</b>	22	<b>(10,650,347)</b>	<b>(430,877)</b>
Current taxation		<u>-</u>	<u>(311)</u>
Loss after taxation transferred to revenue reserve	17	(10,650,347)	(431,188)
<b><i>Other Comprehensive Income</i></b>			
Net appreciation on revaluation of Property, plant & equipment	16	<u>4,731,233</u> <u>(5,919,114)</u> =====	<u>-</u> <u>(431,188)</u> =====
Loss per share			(11.06k)

The accounting policies and notes on pages 51 to 69 form an integral part of these financial statements



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

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

The accounting policies and notes on pages 51 to 69 form an integral part of these financial statements



# SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

AS AT 31 DECEMBER 2023

## Shareholding Structure/Free Float Status

Description	31-Dec-23		31-Dec-22	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	3,900,000,000	100%	3,900,000,000	100%
<b>Substantial Shareholdings (5% and above)</b>				
OH Origins Commodity Group LLC	1,700,000,000	43.59%	1,700,000,000	43.59%
The Estate of Aderonmu Abiola Ademola	520,240,000	13.34%	520,240,000	13.34%
Akin Laoye	0	0.00%	0	0.00%
Nathaniel Durant Jr	348,182,953	8.93%	348,182,953	8.93%
<b>Total Substantial Shareholdings</b>	<b>2,568,422,953</b>	<b>65.86%</b>	<b>2,568,422,953</b>	<b>65.86%</b>
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>				
High Chief (Sir) Simeon O. Oguntimehin, OON	100,000.00	0.00%	100,000.00	0.00%
Akin Laoye	165,000,000	4.23%	165,000,000	4.23%
Otunba Adewale Jubril	5,200,000	0.13%	5,200,000	0.13%
<b>Total Directors' Shareholdings</b>	<b>518,482,953</b>	<b>13.29%</b>	<b>518,482,953</b>	<b>13.29%</b>
<b>Other Influential Shareholdings</b>				
Kurious Co. Nig Ltd	108,000,000	2.77%	108,000,000	2.77%
<b>Total Other Influential Shareholdings</b>	<b>108,000,000</b>	<b>2.77%</b>	<b>108,000,000</b>	<b>2.77%</b>
<b>Free Float in Units and Percentage</b>	<b>1,161,277,047</b>	<b>29.78%</b>	<b>1,161,277,047</b>	<b>29.78%</b>
<b>Free Float in Value</b>	<b>? 1,590,949,554.39</b>		<b>? 336,770,343.63</b>	
Declaration:				
(A) FTN Cocoa Processors Plc, with a free float percentage of 29.78% as at 31 December, 2023, is compliant with the Exchange's free float requirements for companies listed on the Main Board.				
(B) FTN Cocoa Processors Plc with a free float value of ? 1,590,949,554.39 as at 31 December, 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				





PROXY FORM  
**FTN COCOA PROCESSORS PLC**

15<sup>th</sup> and 16<sup>th</sup> Annual General meeting to be held VIRTUALLY at 12.00 noon on Thursday 25<sup>th</sup> September, 2025 and will be streamed on FTN Cocoa Processors Plc Official YouTube Page stated below:  
<https://www.youtube.com/@FTNCOCOAPROCESSORSPLC>

I/We,.....bein  
 g a member/members of FTN COCOA PROCESSORS PLC hereby appoint as my/our proxy to act and vote for me/us and on my/our behalf at the 15<sup>th</sup> and 16<sup>th</sup> Annual General Meeting of the Company to be held on Thursday 25<sup>th</sup> September, 2025.

Dated this 15<sup>th</sup> day of August, 2025.

Shareholder's Signature:.....

**IF YOU ARE UNABLE TO ATTEND THE MEETING**

A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote on a poll by a proxy. The above proxy Form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.

Please note that the Company has pre-stamped the Proxy Form which you are to sign and post so as to reach the address thereon not later than 12.00 noon of 24<sup>th</sup> September, 2025. If executed by a Corporation, the proxy should be sealed with the Common Seal.

<i>Number of Shares</i>			
No.	Resolutions	For	Against
1	To lay before the members, the Financial Statements for the years ended 31 <sup>st</sup> December, 2023 and 31 <sup>st</sup> December, 2024 together with reports of the Directors, Auditors, and the Audit Committee thereon.		
2	To re-elect as Directors: - High Chief Simeon O. Oguntimehin - Otunba Wale Jubril		
3	To authorize the Directors to appoint and fix the remuneration of the Auditors		
4	To elect members of the Board Audit Committee		
5	To disclose the remuneration of Managers of the Company in compliance with Section 257 of CAMA 2020		
6	SPECIAL BUSINESS: Remuneration of Directors To approve the following remuneration of Non-Executive Directors: ? ..... Per Annum		

Please indicate with an "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

ADMISSION MODALITIES

Before posting the above Proxy Form, please update your membership information and communicate officially in writing to the Company Official Address at 21, Emmanuel Keshi Street, Magodo GRA, Lagos, and the Company Registrars (Meristem Registrars and Probate Services Limited Official Address at 213 Herbert Macaulay Street, Adekunle-Yaba, Lagos in writing or via the following email addresses [pafolabi@ftncocoa.com.ng](mailto:pafolabi@ftncocoa.com.ng) , [copyinfo@meristemregistrars.com](mailto:copyinfo@meristemregistrars.com) [ooladetan@ftncocoa.com.ng](mailto:ooladetan@ftncocoa.com.ng) on the admission process.

**FTN COCOA PROCESSORS PLC**  
 RC. 172292

15<sup>th</sup> and 16<sup>th</sup> Annual General Meeting to be held at 12.00 noon on Thursday 25<sup>th</sup> September 2025 Virtually and will be streamed on FTN Cocoa Official YouTube Page <https://www.youtube.com/@FTNCOCOAPROCESSORSPLC>

*NOTE:* A virtual admission and authorization process will be communicated to all shareholders or the designated proxy prior to the meeting commencement. The shareholder or his/her designated proxy will be required to carry out an electronic authorization process in order to be admitted and participate fully in the meeting.

**Affix  
Current  
Passport**

(To be stamped by Bankers)

Write your name at the back of  
your passport photograph

**This service costs ₦150.00 per  
approved Mandate per Company.**

**MERISTEM**

**DIVIDEND MANDATE ACTIVATION FORM**

**Instruction**

Please complete all sections of this form to make it eligible for processing and return to the address below

**Only Clearing Banks are acceptable**

**The Registrar**

Meristem Registrars Probate Services Limited  
213, Herbert Macaulay Way  
Adekunle-Yaba  
Lagos State

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to melus from my/our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

**Shareholder Account Information**

Surname/Company's Name  First Name  Other Names

Address:

City  State  Country

Previous Address (If address has changed)

CHN  CSCS A/c No

Name of Stockbroker

Mobile Telephone 1  Mobile Telephone 2

Email Address

Signature(s)  Company Seal (If applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	AELLA FINANCIAL SOLUTIONS BOND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CASAFINA CAPITAL LIMITED BOND	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK HOLDINGS PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	DEVELOPMENT BANK OF NIGERIA PLC	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FIRST HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPT PLC	
	FTN COCOA PROCESSORS PLC	
	GOL INCOME FUND	
	GEREGU POWER PLC	
	IMPERIAL AFRICA PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	JUBILEE LIFE MORTGAGE BANK LTD	
	LAGS SERIES 2 SUKUK BOND	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MON LAGOS CENTRAL	
	MON TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	RADIX HORIZON FUND	
	RAEDIAL FARMS LIMITED BOND	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAN WYATT PLC	
	TRANSPORT SERVICES LIMITED BOND	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

**Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4**



Meristem Registrars and Probate Services Limited

Web: [www.meristemregistrars.com](http://www.meristemregistrars.com); email: [info@meristemregistrars.com](mailto:info@meristemregistrars.com)