



FEATURE

COCOA PROCESSING COMPANY LIMITED (CPC)

Cocoa Processing Company Limited was incorporated as Cocoa Processing Company GCMB Limited on November 27, 1981 as a 100% state-owned enterprise and a subsidiary of the Ghana Cocoa Board (COCOBOD). It was granted a certificate to commence business on November 30, 1981. The company was established to take over and continue the business previously conducted by the Cocoa Processing Division of Ghana Cocoa Board. By a special resolution of its shareholder, the company's name was changed to the present one on July 5, 2002 and thereafter listed on the Ghana Stock Exchange in February 2003.

CPC purchases and processes cocoa beans into intermediate cocoa products and confectionery from its Cocoa and Confectionery Factories. The Confectionery Factory utilizes cocoa liquor, cocoa butter and cocoa powder from the Cocoa Factory to produce chocolate confectionery namely, chocolate bars, chocolate spread, drinking chocolate and chocolate dragees (Pebbles). The confectionery products are marketed under the brand name Golden Tree brand. Popular among CPC's range of products are various flavours of Golden Tree Chocolate, Royale Natural Cocoa Powder, Vitaco and Alltime Instant Drinking Chocolates, Choco Delight and Pebbles.

Between October 2008 and September 2012, the financial performance of CPC has been mixed with the company suffering losses throughout the five-year period. From GHS59.39 million in 2008, the Company's Revenue declined to GHS45.54 million in 2009 before rising to GHS84.13 million, GHS89.16 million and about GHS104.83 million by the end of September 2010, 2011 and 2012 respectively. During the same period, the loss of GHS11.97 million suffered by the company in 2008 also moved to about GHS19.48 million in 2012.

The financial statements released by CPC for its full-year ended 30th September, 2013 showed similar unimpressive results. Although the twelve-month period witnessed growth of 14.75% in Revenue, increases of 16.61% in Cost of Sales, 56.67% in Selling & Distribution costs and 17.05% in General & Administrative Expenses resulted in a Loss position of about GHS23.53 million for the company. This was in spite of a 6.32% decline in the company's Finance Cost and a 79.81% increase in its Other Income for the period compared to that of 2012. It must be noted that CPC's financials for 2012 and 2013 were stated in US\$ and were thus converted at the midrate of the prevailing interbank rate as at the 30th September of the relevant year. Chairman of CPC's board at the Annual General Meeting of the company on 30th July, 2014 attributed the company's abysmal performance during the period to erratic supply of electricity, interruptions in water supply, challenges with plant and machinery due to the erratic power supply and the reduction in the purchasing power of consumers for goods such as chocolate and other confectionery products. The board and its management in a bid to turnaround the situation of the company have embarked on a bore hole project and a tolling arrangement aimed at utilizing excess plant capacity to generate additional revenue. It is hoped that these interventions among others would help turn around the fortunes of CPC in the immediate future.

On the bourse, the performance of the company's equity has also not been impressive after hitting its all time high of GHS 0.1950 on the 25th of June, 2004. Since then, the equity's price fell gradually to GHS0.02 by 2010 year-end. Thereafter, the equity was stable amidst fluctuations until 4th August, 2014 when it registered a dip of GHS0.01 in price. This has moved CPC's price to GHS0.01 – the lowest value possible for the security.

Income Statement

(All figures are expressed in thousands of the quoted currency)

	2009/10*	2010/11*	2011/12**	2012/13**
Revenue	84,128	89,165	55,141	60,186
Net Profit/Loss	-12,525	-12,861	-10,246	-11,772

Balance Sheet Summary

(All figures are expressed in thousands of Ghana cedis)

	2009/10*	2010/11*	2011/12**	2012/13**
Total Assets	187,652	202,417	133,651	161,309
Total Liabilities	187,497	198,808	133,153	133,065
Total Equity	155	3,609	498	28,244

* All figures are expressed in thousands of Ghana Cedis

** All figures are expressed in thousands of US\$

Ratios/Statistics

	2009/10	2010/11	2011/12	2012/13
Profit Margin (%)	-14.89	-14.42	-18.58	-19.56
Return on Assets (%)	-6.67	-6.35	-7.67	-7.30
Return on Equity (%)	-8069.24	-356.35	-2058.70	-41.68
Earnings Per Share (GHS)	-0.0114	-0.0117	-0.0127	-0.0154
Dividend Per Share (GHS)	-	-	-	-
Net Assets Per Share (GHS)	0.0001	0.0033	0.0005	0.0277
Share price				
High (GHS)	0.04	0.03	0.03	0.02
Low (GHS)	0.01	0.02	0.01	0.01
Close (GHS)	0.02	0.03	0.01	0.02

Investor Ratios

	2011/12	2012/13
Price to Book Value	21.54	0.72
Price Revenue Ratio	0.19	0.34
Price Earnings Ratio	-0.78	-1.30
Dividend Yield (%)	-	-
Year-to-date Return (%)	-66.67	100.00



Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.14	11.08.14	15.08.14			
0.2668	0.2833	0.2831	0.0002 ▼	0.07 ▼	6.10 ▲

GHANA STOCK EXCHANGE NEWS

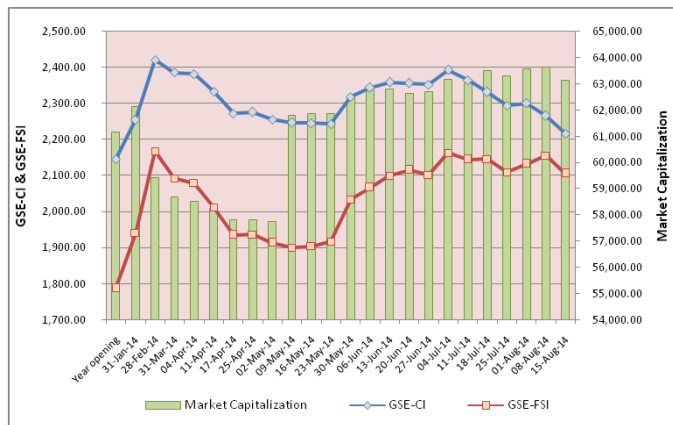
The Ghana Stock Exchange witnessed a decline in market activity during the week under review. A total of 1,751,488 shares valued at GHS1,761,495.27 traded on the bourse. Ecobank Transnational Incorporated traded 578,087 shares to be the period’s most active equity. CAL Bank Limited, Société Générale Ghana Limited and Aluworks Limited also traded above 200,000 shares. Unilever Ghana Limited was the least traded equity with only 8 shares exchanged during the week.

The Exchange’s indices continued to record declines as most equities saw price falls during the period. The GSE Composite Index (GSE-CI) fell by 49.96 points from 2,266.48 points as at the beginning of the week to 2,216.52 points by the close of the period. The GSE Financial Stocks Index (GSE-FSI) also fell by 50.09 points to 2,105.25 points. These correspond with year-to-date returns of 3.32% and 17.84% respectively.

The stock market’s capitalization subsequently went down to GHS63,132.35 million from the week opening position of GHS63,648.05 million. This signifies a decline of GHS515.70 million.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization since the beginning of the year.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi Records Mixed Performance against Major Trading Currencies

On the foreign currency market, the Ghana Cedi witnessed a mixed performance against the major trading currencies during the review period. The Cedi depreciated against the Euro by 0.12%, the South African Rand by 1.58% and the Japanese Yen by 0.34%. On the other hand, the local currency appreciated against the British Pound by 1.02% and was stable in its transactions with the US Dollar.

This performance moved the Cedi’s year-to-date depreciations against the Dollar, Pound, Euro, Rand and the Yen to 28.75%, 29.45%, 26.44%, 27.76% and 30.41% respectively.

The following table summarizes the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	08.08.14	15.08.14	08.08.14	15.08.14
US Dollar	3.0324	3.0324	3.0350	3.0350
Pound	5.1132	5.0617	5.1185	5.0666
Euro	4.0533	4.0581	4.0559	4.0611
Rand	0.2809	0.2854	0.2811	0.2856
Yen	0.0295	0.0296	0.0295	0.0296

Source: Ghana Association of Bankers

Yields

For the week under review, only the 91 and 182-day Treasury bills recorded upward adjustments in their rates. The yield on the 91-day Treasury bill went up by 0.0070% to 25.0174% while that on the 182-day Treasury bill went up by 0.1362% to 26.3881%. Rates on the 1-Year Note and 2-Year Fixed Rate Note remained at 22.5000% and 23.0000% respectively.

Last week, GHS666.44 million and GHS0.95 million were tendered in for short and medium term securities respectively. Of these amounts, GHS661.24 million of the short term securities was sold while the medium term securities were sold out.

The Government of Ghana hopes to raise GHS735.00 million from both short and medium term securities this week.

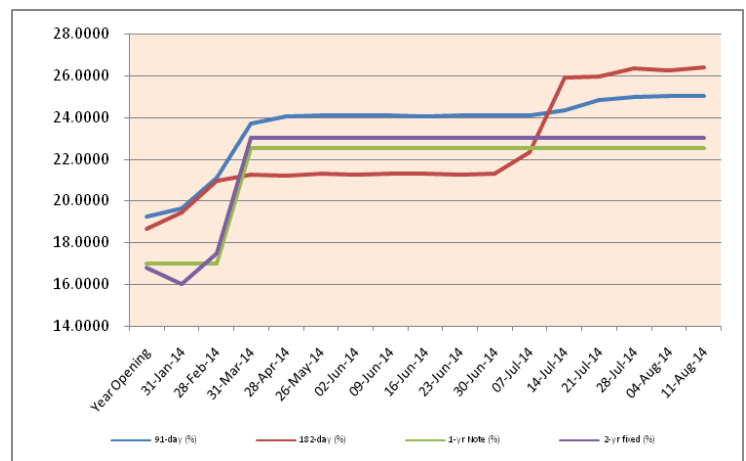
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	04.08.14 (% p.a.)	11.08.14 (% p.a.)	Week Change (%)
91 Day	25.0104	25.0174	0.0070 ▲
182 Day	26.2519	26.3881	0.1362 ▲
1-Year Note	22.5000	22.5000	-
2-Year Fixed Rate Note	23.0000	23.0000	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



RELEVANT CORPORATE NEWS

AGA – OUTPUT UP 17%, COSTS IMPROVE ON RECORD SAFETY LEVEL

AngloGold Ashanti Limited (AGA) reported a 17% increase in production for the second quarter compared with the same period a year earlier, as its two new mines continued to contribute lower-cost ounces, and a strong safety performance helped its South Africa operations improve their contribution.

The overall result for the company showed significant improvement in all key areas. In the second quarter, compared with the corresponding period a year earlier, production rose 17%, all-in sustaining costs fell 19%, corporate and marketing costs were down 65%, exploration and evaluation costs were 58% lower, capital expenditure down 44%, all-in costs down 29% and EBITDA up 33%. These results helped turn around a cash burn of \$488m in the second quarter of 2013, to a positive cash flow of \$34m, notwithstanding a \$132/oz drop in the gold price.

Chief Executive Officer, Srinivasan Venkatakrishnan, stated that although the results were good, with growth in production and lower costs across board, it was the continued improvement in safety that the company was most proud of, and where it intends to do better still.

GSE Press Release: 220/2014

SPL – ANNUAL GENERAL MEETING

Starwin Products Limited (SPL) has announced that the company's Annual General Meeting will be held at the Ebenezer Presby Church Hall, Accra on Wednesday, September 17, 2014 at 11:00 am.

GSE Press Release: 216/2014

CPC/PKL – RELEASE FINANCIAL STATEMENTS

Cocoa Processing Company (CPC) and Pioneer Kitchenware Limited (PKL) and have both released their audited financial statements for the 2013 operational year ended September 30, 2013 and December 31, 2013 respectively. Pioneer Kitchenware Limited has additionally released its first quarter results for the period ended March 31, 2014.

GSE Press Release: 222 & 223 & 225/2014

COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GHS0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GHS0.0009			Apr 2
AGA	GHS0.0900			Apr 2
BOPP	GHS0.0770	Apr 23	April 24 - 26	May 10
CAL	GHS0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GHS0.0060	Jun 26	Jun 27	Aug 30
EBG	GHS0.29	Apr 10	Apr 11 - 18	May 10
EGL	GHS0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GHS0.06	Apr 19	April 22 - 24	May 8
GCB	GHS0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GHS0.015	Aug 15	Aug 16	Aug 30
MLC	GHS0.015	Jun 25	June 26 - 28	July 19
PBC	GHS0.0062	Mar 15	March 18 - 22	May 7
PZ	GHC0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GHS0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GHS0.04	Mar 22	Mar 25 - 26	May 15
SPL	GHS0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GHS0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GHS0.2560	Apr 10	April 11 - 24	May 24
UTB	GHS0.02	Apr 12	Apr 15 - 17	May 31

COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
EGL	GHS0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHS0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
FINAL DIVIDEND*				
CAL	GHS0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHS0.06	Mar 27	Mar 28 - 31	May 15
EBG	GHS0.43	April 21	April 22-29	May 14
HFC	GHS0.035	April 21	April 22-23	May 15
FML	GHS 0.09	May 5th	May 6-7	June 12
BOPP	GHS 0.0334	May 7th	May 8-9	June 20
EGL	GHS 0.025	May 19th	May 20-22	June 30
SCB	GHS1.15	May23rd	May 26-27	June30
TBL	25 bututs	May 29th	May 30	June 4
TOTAL	GHS0.0985	June 11	June 18	June 25
GOIL	GHS0.0160	June 11	June 12	
MLC	GHS0.010	June25	June 26-28	July21
CMLT	GHS0.006	July10	July11	Aug 15

**All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week Opening Price (GH¢)	Week Closing Price (GH¢)	Price Change (GH¢)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	15.08.14	11.08.14	15.08.14		15.08.14	15.08.14	15.08.14	15.08.14	15.08.14	15.08.14	15.08.14
ACI	0.002	0.03	0.03	-	-	-50.00	-	-	-11.48	0.18	0.24
AGA	23.58	37.00	37.00	-	-	-	1.9	0.24	-22.74	4.55	1.67
ALW	0.02	0.05	0.05	-	-	-	-	-	-3.52	0.22	0.09
AYRTN	0.06	0.18	0.18	-	-	5.88	95	0.74	4.94	1.90	3.26
BOPP	0.19	3.20	3.50	0.30 ▲	9.38	9.03	17	2.66	12.64	2.79	3.44
CAL	0.76	0.88	0.88	-	-	-9.28	8	4.07	5.92	0.76	0.63
CLYD	0.002	0.03	0.03	-	-	-25.00	-	-	1.10	0.01	0.002
CMLT	0.001	0.14	0.14	-	-	-12.50	11	4.29	3.86	0.56	0.24
CPC	0.03	0.01	0.01	-	-	-50.00	-	-	-2.68	-3.89	0.33
EBG	3.28	7.03	7.07	0.04 ▲	0.57	26.02	7	4.13	1.42	0.32	7.58
EGL	0.34	1.80	1.67	0.13 ▼	-7.22	-11.17	25	0.89	11.47	1.32	0.69
ETI	8.09	0.34	0.32	0.02 ▼	-5.88	68.42	15	-	1.16	0.88	1.06
FML	1.01	5.50	5.50	-	-	-16.92	39	1.09	21.45	8.36	4.60
GCB	1.93	5.00	4.60	0.40 ▼	-8.00	-5.15	5	2.80	6.73	2.62	2.15
GGBL	0.84	2.80	2.50	0.30 ▼	-10.71	-59.68	129	-	3.77	2.51	2.35
GOIL	0.40	0.99	0.99	-	-	11.24	28	1.52	5.52	3.56	0.03
GSR	0.95	2.34	2.34	-	-	-14.91	-	-	1.09	0.01	0.02
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.61	1.35	1.30	0.05 ▼	-3.70	35.42	9	-	3.73	1.02	0.98
MAC	0.05	3.59	3.59	-	-	15.81	2	-	27.56	1.49	3.06
MLC	0.02	0.30	0.30	-	-	-21.05	-	5.00	-1.31	0.16	0.16
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.09	0.14	0.12	0.02 ▼	-14.29	-29.41	-	4.43	-2.70	1.46	0.05
PZ	0.12	0.49	0.45	0.04 ▼	-8.16	-43.04	-	-	0.26	1.96	1.00
SCB	3.30	18.00	18.01	0.01 ▲	0.06	20.55	9	2.61	1.70	0.96	2.00
SIC	0.12	0.40	0.40	-	-	2.56	17	-	228.66	1.07	0.72
SPL	0.005	0.04	0.04	-	-	-	6	-	8.45	1.07	0.44
SOGEGH	0.53	0.95	1.00	0.05 ▲	5.26	33.33	38	4.21	2.99	1.72	1.69
SWL	0.001	0.04	0.04	-	-	33.33	16	-	38.67	0.38	0.08
TBL	0.08	0.24	0.24	-	-	-31.43	8	-	2.94	0.11	0.06
TOTAL	1.11	6.30	6.25	0.05 ▼	-0.79	23.52	45	10.95	10.59	0.80	0.07
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	50.35	35.05	35.05	-	-	0.20	-	-	1.88	5.82	11.97
UNIL	1.74	17.60	17.60	-	-	-3.88	-	1.45	7.32	33.71	3.40
UTB	0.26	0.39	0.36	0.03 ▼	-7.69	-20.00	16	5.13	0.73	0.08	0.35
Depository Shares											
AADS	0.08	0.52	0.52	-	-	-	-	0.17	-	-	-
Preference Shares											
SCB-PREF	0.02	0.55	0.55	-	-	5.77	-	-	-	-	-
ETF											
GLD	0.01	22.40	22.40	-	-	-14.27	-	-	-	-	-

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MAC—Mega African Capital, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC Insurance Company Ltd, SPL—Starwin Products Ltd, SOGEGH—Société Générale Ghana Ltd, SWL—Sam Woode Ltd, TBL—Trust Bank (The Gambia) Ltd, TOTAL—Total Petroleum Ghana Ltd, TRANSOL—Transaction Solutions Ghana Ltd, UNIL—Unilever Ghana Ltd, UTB—UT Bank Ltd, AADS—AngloGold

■ As at December 2013 ■ As at September 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners