



# PBC LIMITED

**UNAUDITED FINANCIAL STATEMENTS FOR FIRST QUARTER  
FOR THE PERIOD ENDING  
31<sup>ST</sup> DECEMBER, 2018**

**ADDRESS**

PMB, Accra-North  
# 106 Olusengun Obasanjo Way  
Dzorwulu Junction

**EMAIL**

[info@pbcgh.com](mailto:info@pbcgh.com)

**WEBSITE**

[www.pbcgh.com](http://www.pbcgh.com)

## PBC LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR FIRST QUARTER ENDED 31ST DECEMBER, 2018

#### 1. ACCOUNTING POLICIES

##### A. REPORTING ENTITY

PBC Limited is a company registered and domiciled in Ghana.

The company is authorised to buy, collect, store, transport and otherwise deal in cocoa, coffee and sheanuts produced in Ghana on behalf of Ghana Cocoa Board.

##### B. BASIS OF PREPARATION

###### (i) Statement of Compliance

The financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standard Boards (IASB).

###### (ii) Basis of measurement

The financial statements were prepared on the historical cost basis except for financial instruments and other assets that are stated at fair value.

###### (iii) Functional and presentational currency

The financial statements are presented in Ghana cedis (GH¢) which is the company's functional currency.

###### (iv) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

##### C. DEPRECIATION

Items of property, plant and equipment are measured at Cost less accumulated depreciation and impairment losses.

The estimated rates of depreciation are as follows:

Buildings	3%
Plant and Machinery	20%
Motor Vehicles	20%
Operational Vehicles	10%
Furniture and Equipment	20%

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

#### **D. INTANGIBLE ASSETS**

Software acquired by the Company is stated at cost less accumulated impairment losses.

#### **E. INVENTORIES**

Inventories are measured at the lower of cost and net realisable value.

#### **F. TRADE AND OTHER RECEIVABLES**

Trade receivables are stated at amortised costs, less impairment losses. Specific allowance for doubtful debts are made for receivables of which recovery is doubtful. Other receivables are stated at their cost less impairment losses.

#### **G. CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents comprise Cash on hand and bank balances and these are carried at amortised Cost in the balance sheet.

#### **H. REVENUE**

##### **(i) Sale of goods**

Revenue from the Sale of goods is measured at the fair value of the consideration received or receivable net of returns, trade discounts, taxes and volume rebates and is recognised when the significant risk and rewards of the ownership have been transferred to the buyer.

##### **(ii) Sale of Services**

Revenue from services rendered is recognised in the income statement when the Service is performed.

#### **I. SEGMENT REPORTING**

Segmental information is presented in respect of the Company's business segments and is based on the Company's management and internal reporting structure.

The two main business segments are:

Produce - Sale of Cocoa beans and sheanut.

Haulage - transporting of Cocoa beans.

**PBC LIMITED**  
**INCOME STATEMENT**  
**FIRST QUARTER ENDED 31ST DECEMBER , 2018**

INCOME STATEMENT	NOTE	2018 GH¢000	2017 GH¢000
Revenue	4	673,026	793,515
Cost of Sales		608,716	720,089
<b>Gross Profit</b>		<b>64,310</b>	<b>73,426</b>
Other Income	6	280	395
Direct Operating Expenses		(1,129)	(22,274)
General and Administrative Expenses	5	(33,385)	(16,357)
<b>Operating profit before financing cost</b>		<b>30,076</b>	<b>35,190</b>
Net Finance Expenses	7	(43,584)	(27,752)
<b>Profit/(Loss) before Taxation</b>		<b>(13,508)</b>	<b>7,438</b>
Income Tax Expense	8a	-	(1,859)
<b>Profit/(Loss) for the period transferred to Income Surplus Account</b>		<b>(13,508)</b>	<b>5,579</b>

INCOME SURPLUS ACCOUNT	2018 GH¢	2017 GH¢
Balance at 1 October	(276,330)	(36,560)
Net Profit for the period	(13,508)	5,579
<b>Balance at 31st December</b>	<b>(289,838)</b>	<b>(30,981)</b>

The Financial statements do not contain any untrue statement, misleading facts or omitted material facts to the best of our knowledge.

*SIGNED*  
 .....  
**KOFI OWUSU BOATENG**  
**CHIEF EXECUTIVE OFFICER**

*SIGNED*  
 .....  
**KOJO AMANKWA SAFO**  
**DEPUTY CEO (F&A)**

## PBC LIMITED

### STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

STATEMENT OF FINANCIAL POSITION	NOTE	2018 GH¢000	2017 GH¢000
<b>Non-Current Assets</b>			
Property, plant and equipment	10	319,761	239,611
Investment in Subsidiaries	20	39,752	166,147
Available for Sale Financial Assets		3,855	3,673
Long term investment	9	-	5,390
Deferred tax Asset		-	-
<b>Total non-current assets</b>		<b>363,368</b>	<b>414,821</b>
<b>Current Assets</b>			
Inventories	11	63,098	311,768
Trade and other receivables	12	204,502	335,494
Short term investments	13	9,660	10,061
Group Current Account		117,925	-
Current Tax		22	-
Cash and cash equivalents	14	323,192	39,567
<b>Total current assets</b>		<b>718,399</b>	<b>696,890</b>
<b>Total assets</b>		<b>1,081,767</b>	<b>1,111,711</b>
<b>Equity</b>			
Stated Capital	22	15,000	15,000
Retained earnings		(289,838)	(30,982)
Other reserves		3,624	3,442
Revaluation Reserves		207,034	122,418
<b>Total equity</b>		<b>(64,180)</b>	<b>109,878</b>
<b>Liabilities</b>			
Deferred tax liability	8b	-	-
Income Tax liability	8a	-	1,858
Finance Lease	21	12,559	-
Medium term loan	18	133,500	9,880
Long term loan	19	70,577	61,779
Preference share capital	22	-	1
<b>Total non-current liabilities</b>		<b>216,636</b>	<b>73,518</b>
Bank Overdraft	16	132,309	242,510
Short Term Loan	17	567,020	678,899
Medium term loan (current portion)	18	97,839	2,255
Finance Lease (current portion)	21	194	639
Trade and other payables	15	131,949	4,012
		-	-
<b>Total current liabilities</b>		<b>929,311</b>	<b>928,315</b>
<b>Total liabilities</b>		<b>1,145,947</b>	<b>1,001,833</b>
<b>Total liabilities and equity</b>		<b>1,081,767</b>	<b>1,111,711</b>

**PBC LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

<b>Cash Flows from Operating Activities</b>	2018 GH ₵'000	2017 GH ₵'000
Profit/(loss) before taxation	(13,508)	7,438
<u>Adjustment for:</u>		
Depreciation and Amortisation charges	5,004	5,189
Interest Received	(158)	(245)
Changes in revaluation surplus	84,616	-
Interest expense	43,742	27,996
<b>Operating Profit Before Working Capital Changes</b>	<b>119,696</b>	<b>40,378</b>
Change in inventories	248,670	(231,071)
Change in trade and other receivables	130,992	(221,171)
Change in trade and other payables	127,937	(5,907)
<b>Cash generated from operations</b>	<b>627,295</b>	<b>(417,771)</b>
Income taxes paid	-	-
<b>Net cash flow from operating activities</b>	<b>627,295</b>	<b>(417,771)</b>
<b>Cash flow from investing activities</b>		
Interest Received	158	245
Interest paid	(43,742)	(27,996)
Payments to acquire assets	(80,150)	(1,293)
<b>Net Cash used in Investing Activities</b>	<b>(123,734)</b>	<b>(29,044)</b>
<b>Cash flows from Financing Activities</b>		
Short Term Loan	(111,879)	498,720
Finance Lease	12,115	(717)
Medium Term Loan	219,204	(1,877)
Changes in Long Term Loan	8,798	947
<b>Net Cash used in Financing Activities</b>	<b>128,238</b>	<b>497,073</b>
<b>Net decrease in Cash and Cash equivalents</b>	<b>631,799</b>	<b>50,257</b>
<b>Cash and Cash equivalents at 1 October</b>	<b>(216,110)</b>	<b>(243,139)</b>
<b>Cash and Cash equivalents at 30 June</b>	<b>415,689</b>	<b>(192,882)</b>

**Analysis of changes in cash and cash equivalents.**

	31st December 2018 GH ₵000	Cash Flow GH ₵000
Cash in Hand and at Bank	323,192	39,567
Bank overdraft	(132,309)	(242,510)
Short term Investments	9,660	10,062
	<b>200,543</b>	<b>(192,881)</b>

**PBC LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

2 **CAPITAL AND RESERVES**

Reconciliation of movement in capital and reserves

	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GHç000	GHç000	GHç000	GHç000	GHç000
Balance at 01.10.18	15,000	(276,330)	3,624	207,034	(50,672)
Total recognised Income and Expenses		(13,508)			(13,508)
Movement in available for sale asset			-		-
<b>Balance at 31.12.18</b>	<b>15,000</b>	<b>(289,838)</b>	<b>3,624</b>	<b>207,034</b>	<b>(64,180)</b>

**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

**3 SEGMENT REPORTING**

Class of Business	PRODUCE		HAULAGE		TOTALS	TOTALS
	<u>COCOA</u>					
	2018	2017	2018	2017	2018	2017
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Segment Revenue	664,871	785,375	8,155	8,139	673,026	793,514
Segment Cost	<b>(523,496)</b>	(716,426)	(85,220)	(3,663)	(608,716)	(720,089)
Segment Results	<u>141,375</u>	<u>68,949</u>	<u>(77,065)</u>	<u>4,476</u>	64,310	73,425
Unallocated expenses					(34,514)	<b>(38,631)</b>
Results from Operating activities					<b>29,796</b>	<b>34,794</b>
Other Income					280	<b>395</b>
Net Finance Cost					(43,584)	<b>(27,751)</b>
Corporate tax expense					-	<b>(1,859)</b>
Profit for the year					<b>(13,508)</b>	<b>5,579</b>



**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

	2018	2017
	GH ₵000	GH ₵000
<b>4 REVENUE</b>		
Sale of Cocoa	664,871	785,375
Services (Haulage)	8,155	8,139
	<u>673,026</u>	<u>793,514</u>
<b>5 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
including the following:		
Depreciation and amortisation	5,004	1,214
Auditors Remuneration	10	17
Directors emoluments	180	102
Subscriptions and Donations	4	12
	<u>5,198</u>	<u>1,345</u>
<b>6 OTHER INCOME</b>		
Rent Income	37	37
Recoveries from Shortages/Haulages	-	358
Sundry Income	82	-
Sale of Unserviceable items	3	-
Input Sales - Surplus	-	-
	<u>122</u>	<u>395</u>
<b>7 NET FINANCE EXPENSES</b>		
Interest Income	158	245
Bank and Produce loan interest	(43,742)	(27,996)
	<u>(43,584)</u>	<u>(27,751)</u>

**PBC LIMITED**  
**NOTE TO THE FINANCIAL STATEMENT**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

**8a TAXATION**

Year of Assessment Corporate Tax	Balance at 1 October GH ¢	Payments during the year GH ¢	Charge for the period GH ¢	Balance at 31-Mar GH ¢
FIRST Quarter 2018	0	-	-	
	-	-	-	-

**8b DEFERRED TAX**

	2019	2018
Balance at June	0	0

**PBC LIMITED**  
**NOTE TO THE FINANCIAL STATEMENT**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

9	LONG TERM INVESTMENTS	2018 GH¢000	2017 GH¢000
		<u>          </u>	<u>          </u>
	Quoted Equity Investments	<u>3,854</u>	<u>3,796</u>

This represent 727,273 of equity shares of no par value held in Ghana Commercial Bank Limited

PBC LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018

10 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings GH ₵	Plant and Machinery GH ₵	Motor Vehicles GH ₵	Furniture & Fitting GH ₵	Building W.I.P GH ₵	Total GH ₵
<b>COST</b>						
Balance at 1.10.2018	236,017,779	22,639,514	100,105,713	5,520,235	61,019,789	425,303,030
Additions during the period	87,884	1,601,126	732	18,370	54,651	1,762,763
Transfer to Asset						-
<b>Balance at 31.12.2018</b>	<b>236,105,663</b>	<b>24,240,640</b>	<b>100,106,446</b>	<b>5,538,605</b>	<b>61,074,440</b>	<b>427,065,794</b>
<b>Depreciation</b>						
Balance at 1.10.2018	12,001,902	18,291,735	67,626,073	4,380,346		102,300,056
Charge for the period	1,770,792	522,963	2,591,515	119,705		5,004,976
Released on Disposals						
<b>Balance at 31.12.2018</b>	<b>13,772,695</b>	<b>18,814,698</b>	<b>70,217,588</b>	<b>4,500,051</b>	<b>-</b>	<b>107,305,032</b>
<b>Carrying amounts</b>						
<b>At 31.12.18</b>	<b>222,332,968</b>	<b>5,425,942</b>	<b>29,888,858</b>	<b>1,038,554</b>	<b>61,074,440</b>	<b>319,760,762</b>
At 31.12.17	143,799,822	4,463,430	27,829,463	1,184,390	62,333,716	239,610,821

# PBC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018

11 INVENTORIES	2018	2017
	GH ₵000	GH ₵000
<u>Trading:</u>		
Cocoa	35,618	287,765
Sheanut	18,738	14,638
Agro input	-	2,913
Non-Trading	8,742	6,452
	<u>63,098</u>	<u>311,768</u>

**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

	2018 GH ₵000	2017 GH ₵000
<b>12 ACCOUNTS RECEIVABLE</b>		
Trade receivables due from customers	168,937	309,706
Other receivables	31,311	21,379
Staff Loans and Advances	1,251	1,875
Staff Loans Discounted	-	(9)
Prepayments	3,003	2,543
	<u>204,502</u>	<u>335,494</u>

a. Prepayments represent the unexpired portion of certain expenditure spread on time basis.

b. The maximum amount due from employees of the Company during the period did not exceed GH₵1,251,926 (2017- GH₵4,230,500)

	2018 GH ₵000	2017 GH ₵000
<b>13 SHORT TERM INVESTMENTS</b>		
Call & Fixed Deposits	9,660	6,511
Treasury Bills	-	3,551
	<u>9,660</u>	<u>10,062</u>
<b>14 CASH AND CASH EQUIVALENTS</b>		
Bank Balances	323,186	39,558
Cash Balances	6	9
	<u>323,192</u>	<u>39,567</u>
<b>15 ACCOUNTS PAYABLE</b>		
Trade payables	112,961	-
Non-trade payables and accrued expenses	10,854	2,656
Accrued Charges	8,134	1,356
	<u>131,949</u>	<u>4,012</u>

**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

16	BANK OVERDRAFT	2018 GH ₵000	2017 GH ₵000
	Ecobank Ghana Limited	-	5,152
	UMB	46,849	42,978
	Ghana Commercial Bank	-	99,945
	CAL BANK	-	-
	SG-GH Limited	10,665	15,360
	ADB	61,111	65,084
	NIB	-	
	FIDELITY BANK	-	
	UBA	13,684	13,991
		<b>132,309</b>	<b>242,510</b>

**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

	2018 GH ¢	2017 GH ¢
<b>17 SHORT TERM LOANS</b>		
Produce Loan (Seed Fund)	517,020	412,033
GCB	50,000	-
ECOBANK	-	
Bank Short Term Loan		266,866
	<u>567,020</u>	<u>678,899</u>

**SCB Consortium Loan**

The Company was granted a loan facility of GH¢ 154 million following a bond issued to a Consortium of banks and pension Funds Institutions led by Standard Chartered Bank. The facility is for a period of twelve months with an interest rate of of 24% per annum fixed over the period.

**18 MEDIUM TERM LOAN**

GCB	97,839	
EDAIF	6,582	9,018
SCB Ltd		3,117
SCB CONSORTIUM	<u>126,918</u>	
	<u>231,339</u>	<u>12,135</u>
Current portion payable within 12 months	<u>97,839</u>	-
Long term portion payable after 12 months	<u>133,500</u>	<u>12,135</u>

**19 LONG TERM LOAN**

	2018 GH¢000	2017 GH¢000
Ghana Cocoa Board	<u>70,577</u>	<u>61,779</u>

The company was granted a long term loan of US\$10,000,000 by Ghana Cocoa Board towards the establishment of the PBC Shea Ltd. a subsidiary of the Company at Buipe.

The facility is for a period of eight year with a two year moratorium, and it is secured by Cocoa Taken Over receivables, Butter proceeds from the factory and take over of the Plant and equipment of PBC Shea Limited. Interest rate is at 8.5% on reducing basis.

**20a INVESTMENT IN SUBSIDIARIES**

	2018 GH¢000	2017 GH¢000
PBC Shea Ltd	6,000	123,897
Golden Bean Hotel Ltd	<u>33,752</u>	42,250
Balance at 30 September	<u>39,752</u>	<u>166,147</u>

This represents PBC Limited investment in two subsidiaries, namely PBC Shea Ltd and Golden Bean. The PBC Shea Ltd is a state of the art factory established to process sheanut into shea butter for export located at Buipe in the Central Gonja District. The Golden Bean Hotel is 50 Room hospitality facility located at Nyiaeso in the Kumasi Metropolies.

**20b INVESTMENT IN PBC SHEA LIMITED**

The company's investment in PBC Limited as indicated in the the previous year's financial statement had been restated as follow;

	2018 GH¢000	2017 GH¢000
Balance as 01 october	123,897	123,897
Current account figure transferred to Investment	28.00	0
Re-classification	(117,925)	0
	-	0
	<u>6,000</u>	<u>123,897</u>



**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

	2018 GH¢000	2017 GH¢000
<b>21 FINANCE LEASE</b>		
Current portion payable within 12 months	194	638
Long term portion payable after 12 months	12,559	-
	12,753	638

**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2018**

**22 STATED CAPITAL**

	2018		2017	
	No. of Shares	Proceeds GH¢	No. of Shares	Proceeds GH¢
<b>a Ordinary shares</b>				
Authorised Ordinary Shares of no par value	20,000,000,000		20,000,000,000	
	<u>20,000,000,000</u>		<u>20,000,000,000</u>	
Issued and fully paid				
For cash	2,005,000	1,586,800	2,005,000	1,586,800
For consideration other than cash	477,995,000	13,413,200	477,995,000	13,413,200
	<u>480,000,000</u>	<u>15,000,000</u>	<u>480,000,000</u>	<u>15,000,000</u>
<p>The holders of the ordinary shares are entitled to receive dividend declared from time to time and are entitled to one vote per share at meetings of the company.</p>				
<b>b Preference shares</b>	No. of Shares	Proceeds	No. of Shares	Proceeds
No. of preference shares	1	100	1	100
Total stated capital		<u>15,000,100</u>		<u>15,000,100</u>

The preference shares are redeemable (golden cocoa share) allotted to the Ministry of Finance on behalf of Government of Ghana.

**PBC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FIRST QUARTER ENDED 31ST DECEMBER, 2018**

**c Share in treasury**

Shares in Treasury as at 31 December 2018:-(1,877,370) 2017:(1,877,370 ).

**d Income surplus (Retained earning)**

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

**e Share deals**

This represents the net effect of shares which the company repurchased into treasury that are available for reissue for the consideration of GH¢1,982 and reclassification of the proceeds of redeemable preference shares of GH¢100 from equity.

**f Other reserves**

This represents the gain arising from fair value changes of long term investment in Ghana Commercial Bank Limited shares