



PBC LIMITED

**UNAUDITED FINANCIAL STATEMENTS FOR FIRST QUARTER
FOR THE PERIOD ENDING
31^S^T DECEMBER, 2019**

ADDRESS

PMB, Accra-North
106 Olusengun Obasanjo Way
Dzorwulu Junction

EMAIL

info@pbcgh.com

WEBSITE

www.pbcgh.com

PBC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR FIRST QUARTER ENDED 31ST DECEMBER, 2019

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 , 2019

INCOME STATEMENT	NOTE	2019 GH¢000	2018 GH¢000
Revenue	4	592,576	673,026
Cost of Sales		(543,306)	(608,716)
Gross Profit		49,270	64,310
Other Income	6	626	280
Direct Operating Expenses		(655)	(1,129)
General and Administrative Expenses	5	(30,185)	(33,385)
Operating profit before financing cost		19,056	30,076
Net Finance Expenses	7	(13,657)	(43,584)
Profit/(Loss) before Taxation		5,399	(13,508)
Income Tax Expense	8a	-	-
Profit/(Loss) for the period transferred to Income Surplus Account		5,399	(13,508)

INCOME SURPLUS ACCOUNT	2019 GH¢000	2018 GH¢000
Balance at 1 October	(149,548)	(276,330)
Net Profit for the period	5,399	(13,508)
Balance at 30 June	(144,149)	(289,838)

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, 2019

STATEMENT OF FINANCIAL POSITION	NOTE	2019 GH¢000	2018 GH¢000
Non-Current Assets			
Property, plant and equipment	10	310,276	319,761
Investment in Subsidiaries	20	39,752	39,752
Available for Sale Financial Assets	9	3,855	3,855
Deferred tax Asset		5,389	-
Total non-current assets		359,272	363,368
Current Assets			
Inventories	11	160,188	63,098
Trade and other receivables	12	724,184	204,502
Group Current Account		117,925	117,925
Short term investments	13	319	9,660
Current Tax		22	22
Cash and cash equivalents	14	63,972	323,192
Total current assets		1,066,610	718,399
Total assets		1,425,882	1,081,767
Equity			
Stated Capital	22	15,000	15,000
Retained earnings		(144,149)	(289,838)
Other reserves		3,624	3,624
Revaluation Reserves		207,034	207,034
Total equity		81,509	(64,180)
Liabilities			
Deferred tax liability	8b	-	-
Income Tax liability	8a	-	-
Finance Lease	21	15,666	12,559
Medium term loan	18	119,818	133,500
Long term loan	19	511,962	70,577
Preference share capital	22	-	-
Total non-current liabilities		647,446	216,636
Bank Overdraft	16	-	132,309
Short Term Loan	17	600,000	567,020
Medium term loan (current portion)	18	21,100	97,839
Long term loan (current portion)		33,000	-
Finance Lease (current portion)	21	194	194
Trade and other payables	15	42,633	131,949
Total current liabilities		696,927	929,311
Total liabilities		1,344,373	1,145,947
Total liabilities and equity		1,425,882	1,081,767

PBC LIMITED
STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

Cash Flows from Operating Activities	2019 GH ¢000	2018 GH ¢000
Profit/(loss) before taxation	5,399	(13,508)
<u>Adjustment for:</u>		
Depreciation and Amortisation charges	4,759	5,004
Interest Received	2	(158)
Changes in revaluation surplus	-	84,616
Interest expense	(13,659)	43,742
Operating Profit Before Working Capital Changes	(3,499)	119,696
Change in inventories	(97,090)	248,670
Change in trade and other receivables	(519,682)	130,992
Change in trade and other payables	(89,316)	127,937
Cash generated from operations	(709,587)	627,295
Income taxes paid	-	-
Net cash flow from operating activities	(709,587)	627,295
Cash flow from investing activities		
Interest Received	2	158
Interest paid	(13,659)	(43,742)
Payments to acquire assets	9,485	(80,150)
Net Cash used in Investing Activities	(4,172)	(123,734)
Cash flows from Financing Activities		
Short Term Loan	32,980	(111,879)
Finance Lease	3,107	12,115
Medium Term Loan	7,418	219,204
Changes in Long Term Loan	474,385	8,798
Net Cash used in Financing Activities	517,890	128,238
Net Increase in Cash and Cash equivalents	(195,869)	631,799
Cash and Cash equivalents at 1 October	260,160	(431,256)
Cash and Cash equivalents at 30 June	64,291	200,543

Analysis of changes in cash and cash equivalents.

	1st October 2017 GH ¢	Cash Flow GH ¢	30th June Cash Flow GH ¢
Cash in Hand and at Bank	63,972	323,192	5638179
Bank overdraft	-	(132,309)	(238,578,660)
Short term Investments	319	9,660	34629121
	64,291	200,543	(198,311,360)

PBC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

2 **CAPITAL AND RESERVES**

Reconciliation of movement in capital and reserves

	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢	GH¢	GH¢		GH¢
Balance at 01.10.19	15,000	(149,548)	3,624	207,034	76,110
Total recognised Income and Expenses		5,399			5,399
Movement in available for sale asset			-		-
Balance at 31.12.19	15,000	(144,149)	3,624	207,034	81,509

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

3 SEGMENT REPORTING

Class of Business	PRODUCE <u>COCOA</u>		HAULAGE		TOTALS	TOTALS
	2019 GH¢000	2018 GH¢000	2019 GH¢000	2018 GH¢000	2019 GH¢000	2018 GH¢000
Segment Revenue	586,592	664,871	5,984	8,155	592,576	673,026
Segment Cost	(364,015)	(523,496)	(179,291)	(85,220)	(543,306)	(608,716)
Segment Results	222,577	<u>141,375</u>	(173,307)	<u>(77,065)</u>	49,270	<u>64,310</u>
Unallocated expenses					<u>(30,840)</u>	<u>(34,514)</u>
Results from Operating activities					18,430	29,796
Other Income					626	280
Net Finance Cost				-	(13,657)	(43,584)
Corporate tax expense					-	-
Profit for the year					<u>5,399</u>	<u>(13,508)</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

	2019	2018
	GH ¢000	GH ¢000
4 REVENUE		
Sale of Cocoa	586,592	664,871
Services (Haulage)	5,984	8,155
	<u>592,576</u>	<u>673,026</u>
5 ADMINISTRATIVE AND GENERAL EXPENSES		
including the following:		
Depreciation and amortisation	4,759	5,004
Auditors Remuneration	75	10
Directors emoluments	150	180
Subscriptions and Donations	18	4
	<u>5,002</u>	<u>5,198</u>
6 OTHER INCOME		
Rent Income	28	37
Recoveries from Shortages/Haulages	151	-
Sundry Income	438	82
Sale of Unserviceable items	7	3
Input Sales - Surplus	-	-
	<u>624</u>	<u>122</u>
7 NET FINANCE EXPENSES		
Interest Income	2	158
Bank and Produce loan interest	(13,659)	(43,742)
	<u>(13,657)</u>	<u>(43,584)</u>

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

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 2019	0	-	-	974
	-	-	-	974

8b DEFERRED TAX

	2019	2018
Balance at June	0	0

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

9	LONG TERM INVESTMENTS	2019 GH¢	2018 GH¢
	Quoted Equity Investments	-	3,796,365

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, 2019

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 ₵
COST						
Balance at 1.10.2019	236,622,693	25,056,804	105,344,904	5,541,170	62,617,515	435,183,085
Additions during the period	7,150	35,646	-	19,073	6,175	68,044
Transfer to Asset						-
Balance at 31.12.2019	236,629,843	25,092,450	105,344,904	5,560,243	62,623,689	435,251,129
Depreciation						
Balance at 1.10.2019	19,100,583	20,603,207	75,697,071	4,815,561		120,216,421
Charge for the period	1,774,724	486,659	2,406,922	90,806		4,759,111
Released on Disposals						
Balance at 31.12.2019	20,875,307	21,089,866	78,103,993	4,906,367	-	124,975,532
Carrying amounts						
At 31.12.19	215,754,536	4,002,584	27,240,911	653,876	62,623,689	310,275,597
At 31.12.18	<u>222,332,968</u>	<u>5,425,942</u>	<u>29,888,858</u>	<u>1,038,554</u>	<u>61,074,440</u>	<u>319,760,762</u>

PBC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

11 INVENTORIES	2019	2018
	GH ₵000	GH ₵000
<u>Trading:</u>		
Cocoa	133,353	35,618
Sheanut	18,738	18,738
Agro input		-
Non-Trading	8,097	8,742
	<u>160,188</u>	<u>63,098</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

	2019 GH ₵000	2018 GH ₵000
12 ACCOUNTS RECEIVABLE		
Trade receivables due from customers	592,576	168,937
Other receivables	20,330	31,311
Staff Loans and Advances	1,862	1,251
Staff Loans Discounted	-	-
Prepayments	1,641	3,003
	<u>724,184</u>	<u>204,502</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₵1,862(2017- GH₵1,251)

	2019 GH ₵000	2018 GH ₵000
13 SHORT TERM INVESTMENTS		
Call & Fixed Deposits	319	9,660
Treasury Bills	-	-
	<u>319</u>	<u>9,660</u>
14 CASH AND CASH EQUIVALENTS		
Bank Balances	63,944	311,589
Cash Balances	28	6
	<u>63,972</u>	<u>311,595</u>
15 ACCOUNTS PAYABLE		
Trade payables	-	112,961
Non-trade payables and accrued expenses	15,479	10,854
Accrued Charges	27,154	8,134
	<u>42,633</u>	<u>131,949</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

16	BANK OVERDRAFT	2019 GH ₵000	2018 GH ₵000
	UMB	-	46,849
	SG-GH Limited	-	10,665
	ADB	-	61,111
	UBA	-	13,684
			132,309

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

	2019 GH ₵000	2018 GH ₵000
17 SHORT TERM LOANS		
Produce Loan (Seed Fund)	600,000	517,020
GCB		50,000
	<u>600,000</u>	<u>567,020</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.

	2019 GH ₵000	2018 GH ₵000
18 MEDIUM TERM LOAN		
GCB	-	97,839
EDAIF	-	6,582
SCB CONSORTIUM	140,918	126,918
	<u>140,918</u>	<u>133,500</u>
Current portion payable within 12 months	-	-
Long term portion payable after 12 months	140,918	133,500

	2019 GH ₵000	2018 GH ₵000
19 LONG TERM LOAN		
Ghana Cocoa Board	70,577	70,577
GCB BANK	196,336	-
CAL BANK	100,955	-
ADB BANK	68,958	-
UMB	59,211	-
SOCIETE GENERALE	14,275	-
BANK OF AFRICA	14,116	-
UBA	16,690	-
ECOBANK	3,844	-
	<u>544,962</u>	<u>70,577</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

	2019 GH ₵000	2018 GH ₵000
PBC Shea Ltd	6,000	6,000
Golden Bean Hotel Ltd	33,752	33,752
Balance at 30 September	<u>39,752</u>	<u>39,752</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;

	2019 GH ₵000	2018 GH ₵000
Balance as 01 october	6,000	123,897
Interest for the Period		28.00
Re-classification		(117,925)
Current account figure transferred to Investment	-	-
	<u>6,000</u>	<u>6,000</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

	2019 GH¢	2018 GH¢
21 FINANCE LEASE		
Current portion payable within 12 months	194	194
Long term portion payable after 12 months	15,666	12,559
	15,860	12,753

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2019

22 STATED CAPITAL

	2019		2018	
	No. of Shares	Proceeds GH¢	No. of Shares	Proceeds GH¢
a Ordinary shares				
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>
b Preference shares				
No. of preference shares	1	100	1	100
Total stated capital		<u>15,000,100</u>		<u>15,000,100</u>

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.

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, 2019

c Share in treasury

Shares in Treasury as at 31 December 2019:-(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