



PRESS RELEASE

PR. No 109/2014

**PBC LIMITED (PBC) -
UN-AUDITED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDING MARCH 2014**

PBC has released its un-audited Financial Statements for the half year ending 31st March, 2014 as per the attached.

Issued in Accra, this 29th
day of April, 2014

- END -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, PBC
4. NTHC Registrars, (Registrars for PBC shares)
5. SEC
6. Central Securities Depository
7. GSE Council Members
8. GSE Notice Board

For enquiries, contact:

General Manager/Head of Listings, GSE on 0302 669908, 669914, 669935

***JEB**

PBC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR HALF YEAR ENDED 31ST MARCH, 2014

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

Haulage - transporting of Cocoa beans.

PBC LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

BALANCE SHEET	NOTE	2014 GH¢	2013 GH¢
Non-Current Assets			
Property, plant and equipment	10	83,853,737	67,236,615
Intangible assets	11	-	978
Investment in Subsidiaries	20a	31,097,184	23,718,400
Long term investment	9	2,981,819	2,378,183
Total non-current assets		<u>117,932,740</u>	<u>93,334,176</u>
Current Assets			
Inventories	12	76,529,476	74,690,364
Trade and other receivables	13	141,854,058	57,308,560
Short term investments	14	80,322,794	86,581,917
Cash and cash equivalents	15	18,317,357	28,304,816
Total current assets		<u>317,023,685</u>	<u>246,885,657</u>
Total assets		<u>434,956,425</u>	<u>340,219,833</u>
Equity			
Stated Capital	21	15,000,000	15,000,000
Retained earnings	21	24,777,374	39,837,572
Other reserves	21	2,751,376	2,147,440
Total equity		<u>42,528,750</u>	<u>56,985,012</u>
Liabilities			
Deferred tax liability	8b	1,791,969	3,815,173
Finance Lease	20b	-	1,365,840
Medium term loan	19a	13,113,609	8,982,105
Long Term Loan	19b	5,262,033	5,262,033
Preference share capital	21	100	100
Total non-current liabilities		<u>20,167,711</u>	<u>19,425,251</u>
Bank Overdraft	17	221,099,487	212,967,237
Short Term Loan	18	138,150,173	40,678,901
Medium term loan (current portion)	19	5,842,384	3,849,473
Finance Lease (current portion)	20b	518,620	151,899
Trade and other payables	16	3,898,888	1,939,625
Income Tax liability	8a	2,750,412	4,222,435
Total current liabilities		<u>372,259,964</u>	<u>263,809,570</u>
Total liabilities		<u>392,427,675</u>	<u>283,234,821</u>
Total liabilities and equity		<u>434,956,425</u>	<u>340,219,833</u>

PBC LIMITED

INCOME STATEMENT

FOR HALF YEAR ENDED 31 MARCH, 2014

INCOME STATEMENT	NOTE	2014 GH¢	2013 GH¢
Revenue	4	856,270,466	795,070,037
Cost of Sales		(772,028,940)	(716,023,561)
Gross Profit		84,241,526	79,046,476
Other Income	6	3,065,906	2,824,826
Direct Operating Expenses		(27,310,304)	(21,907,846)
General and Administrative Expenses	5	(19,677,258)	(16,131,146)
Operating profit before financing cost		40,319,870	43,832,310
Net Finance Expenses	7	(35,145,813)	(34,305,721)
Profit before Taxation		5,174,057	9,526,589
Income Tax Expense	8a	(1,293,514)	(2,381,647)
Profit for the period transferred to Income Surplus Account		3,880,543	7,144,942
 INCOME SURPLUS ACCOUNT		 2014 GH¢	 2013 GH¢
Balance at 1 October		20,896,831	32,692,630
Net Profit for the half year		3,880,543	7,144,942
Balance at 31 March		24,777,374	39,837,572

KOJO ATTA-KRAH

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KOJO ATTA-KRAH
MANAGING DIRECTOR

J. OSEI MANU

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J. OSEI MANU
DEP. MANAGING DIRECTOR (F&A)

PBC LIMITED
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2014

Cash Flows from Operating Activities	2014	2013
	GH¢	GH¢
Profit before taxation	<u>5,174,057</u>	<u>9,526,589</u>
<u>Adjustment for:</u>		
Depreciation and Amortisation charges	4,800,604	4,222,733
Interest Received	(698,891)	(1,944,657)
Interest expense	<u>35,844,704</u>	<u>36,250,378</u>
Operating Profit Before Working Capital Changes	45,120,474	48,055,043
Change in inventories	(19,614,691)	(2,983,608)
Change in trade and other receivables	(66,440,204)	80,293,959
Change in trade and other payables	<u>(6,054,389)</u>	<u>(8,660,305)</u>
Cash generated from operations	(46,988,810)	116,705,089
Income taxes paid	<u>(383,890)</u>	<u>(2,000,000)</u>
Net cash flow from operating activities	(47,372,700)	114,705,089
Cash flow from investing activities		
Interest Received	698,891	1,944,657
Interest paid	(35,844,704)	(36,250,378)
Long Term Investments	(31,097,058)	(23,718,400)
Payments to acquire assets	<u>(6,731,772)</u>	<u>(15,125,086)</u>
Net Cash used in Investing Activities	(72,974,643)	(73,149,207)
Cash flows from Financing Activities		
Short Term Loan	88,337,673	(69,957,001)
Finance Lease	(521,855)	(457,912)
Medium Term Loan	<u>2,129,184</u>	<u>(1,521,682)</u>
Net Cash used in Financing Activities	89,945,002	(71,936,595)
Net Increase in Cash and Cash equivalents	(30,402,341)	(30,380,713)
Cash and Cash equivalents at 1 October	(92,056,869)	(67,699,791)
Cash and Cash equivalents at 31 March	(122,459,210)	(98,080,504)

Analysis of changes in cash and cash equivalents.

	1st October	Cash Flow	31st March
	2013	GH ¢	Cash Flow
	GH ¢	GH ¢	GH ¢
Cash in Hand and at Bank	9,384,898	8,932,459	18,317,357
Bank overdraft	(200,770,767)	(20,328,720)	(221,099,487)
Short term investment	<u>99,329,000</u>	(19,006,206)	80,322,794
	<u>(92,056,869)</u>	<u>(30,402,467)</u>	<u>(122,459,336)</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

3 SEGMENT REPORTING

Class of Business	PRODUCE		HAULAGE		TOTALS	
	2014 GH¢	2013 GH¢	2014 GH¢	2013 GH¢	2014 GH¢	2013 GH¢
Segment Revenue	<u>849,304,176</u>	<u>787,118,083</u>	<u>6,966,290</u>	<u>7,951,954</u>	<u>856,270,466</u>	<u>795,070,037</u>
Segment Cost	<u>769,242,424</u>	<u>712,842,779</u>	<u>2,786,516</u>	<u>3,180,782</u>	<u>772,028,940</u>	<u>716,023,561</u>
Segment Results	<u>80,061,752</u>	<u>74,275,304</u>	<u>4,179,774</u>	<u>4,771,172</u>	<u>84,241,526</u>	<u>79,046,476</u>
Unallocated expenses					<u>(46,987,562)</u>	<u>(38,038,992)</u>
Results from Operating activities					<u>37,253,964</u>	<u>41,007,484</u>
Other Income					<u>3,065,906</u>	<u>2,824,826</u>
Net Finance Cost					<u>(35,145,813)</u>	<u>(34,305,721)</u>
Corporate tax expense					<u>(1,293,514)</u>	<u>(2,381,647)</u>
Profit for the year					<u>3,880,543</u>	<u>7,144,942</u>

PBC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

2

CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

	Share Capital	Retained Earnings	Other Reserves	Total Equity
	GH¢	GH¢	GH¢	GH¢
Balance at 01.10.13	15,000,000	20,896,831	3,624,104	39,520,935
Total recognised Income and Expenses	-	3,880,543	(872,728)	3,007,815
Movement in available for sale asset	-	-	-	-
Balance at 31.03.14	15,000,000	24,777,374	2,751,376	42,528,750

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

	2014	2013
	GH¢	GH¢
4 REVENUE		
Sale of Produce	849,304,176	787,118,083
Services (Haulage)	6,966,290	7,951,954
	<u>856,270,466</u>	<u>795,070,037</u>
5 ADMINISTRATIVE AND GENERAL EXPENSES including the following:		
Depreciation and amortisation	476,878	421,380
Auditors Remuneration	18,000	19,200
Directors emoluments	154,451	143,334
Subscriptions and Donations	71,161	121,047
	<u>720,490</u>	<u>704,961</u>
6 OTHER INCOME		
Rent Income	65,628	38,339
Recoveries from Shortages/Haulage	2,110,815	1,846,630
Sundry Income	-	24,310
Sale of Unserviceable items	11,406	37,490
Car park proceeds	878,057	878,057
	<u>3,065,906</u>	<u>2,824,826</u>
7 NET FINANCE EXPENSES		
Interest Income	698,891	1,944,657
Bank and Produce loan interest	(35,844,704)	(36,250,378)
	<u>(35,145,813)</u>	<u>(34,305,721)</u>

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

TAXATION

8a	Year of Assessment Corporate Tax	Balance at 1 Oct GH ¢	Payments during the period GH ¢	Charge for the period GH ¢	Balance at 31 Mar GH ¢
	Half year 2014	(1,840,788)	383,890	(1,293,514)	(2,750,412)
		<u>(1,840,788)</u>	<u>383,890</u>	<u>(1,293,514)</u>	<u>(2,750,412)</u>

DEFERRED TAX

8b	Balance at 31 March	<u><u>1,791,969</u></u>	<u><u>3,815,173</u></u>
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PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

9	LONG TERM INVESTMENTS	2014	2013
	Quoted Equity Investments	<u>2,981,819</u>	<u>2,378,283</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 HALF YEAR ENDED 31ST MARCH, 2014

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 1.10.2013;	12,977,409	11,962,355	51,113,064	2,743,839	38,457,937	117,254,604
Additions during the period	259,075	1,891,667	588,662	121,527	3,870,841	6,731,772
Disposals	-	-	-	-	-	-
Balance at 31.03.2014	13,236,484	13,854,022	51,701,726	2,865,366	42,328,778	123,986,376
Depreciation						
Balance at 1.10.2013:	2,143,808	8,188,087	23,233,308	1,766,832	-	35,332,035
Charge for the period	183,581	1,463,359	2,860,367	293,297	-	4,800,604
Released on Disposals	-	-	-	-	-	-
Balance at 31.03.2014	2,327,389	9,651,446	26,093,675	2,060,129	-	40,132,639
Carrying amounts						
At 31.03.14	10,909,095	4,202,576	25,608,051	805,237	42,328,778	83,853,737
At 31.03.13	9,392,254	4,001,545	25,437,210	827,590	27,578,016	67,236,615

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

	2014	2013
	GH¢	GH¢
<hr/>		
11 INTANGIBLE ASSETS		
Balance at 1 October		67,608
Acquisition	-	-
Balance at 31 March	-	67,608
Amortisation		
Balance at 1 October		59,870
Amortisation for the period		6,760
Balance at 31 March	-	66,630
Carrying amount		
At 31 March	-	978

This relate to the cost of purchased computer software.

12 INVENTORIES

Trading:

Cocoa	61,248,920	62,350,559
Sheanut	14,295,556	9,777,555
Non-Trading	985,000	2,562,250
	<u>76,529,476</u>	<u>74,690,364</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

	2014 GH¢	2013 GH¢
13 ACCOUNTS RECEIVABLE		
Trade receivables due from customers	137,878,318	53,226,210
Other receivables	678,051	1,932,100
Staff Loans and Advances	2,484,500	2,156,000
Staff Loans Discounted	(6,626)	(5,750)
Prepayments	819,815	-
	141,854,058	57,308,560

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 half year did not exceed GH¢2,484,500 (2013- GH¢2,156,000)

	GH¢	GH¢
14 SHORT TERM INVESTMENTS		
Fixed Deposits	80,322,794	86,581,917
Treasury Bills	-	-
	80,322,794	86,581,917
15 CASH AND CASH EQUIVALENTS		
Bank Balances	18,314,997	28,303,316
Cash Balances	2,360	1,500
	18,317,357	28,304,816
16 ACCOUNTS PAYABLE		
Trade payables due to related parties	168,543	125,675
Non-trade payables and accrued expenses	3,473,845	1,657,450
Accrued Charges	256,500	156,500
	3,898,888	1,939,625

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

17	BANK OVERDRAFT	2014 GH¢	2013 GH¢
	Ecobank Ghana Limited	6,274,000	41,031,608
	Standard Chartered Bank	19,196,793	19,357,409
	Ghana Commercial Bank	50,433,070	-
	Barclays Bank	49,618,387	49,734,357
	SG-SSB Limited	24,734,511	21,041,644
	Hfc Bank	30,415,436	25,627,302
	Unibank	-	15,399,252
	Stanbic	35,759,624	40,775,665
	Zenith Bank	4,667,666	
		<u>221,099,487</u>	<u>212,967,237</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

	<u>2014</u> GH¢	<u>2013</u> GH¢
18 SHORT TERM LOANS		
Produce Loan (Seed Fund)	33,150,173	40,678,901
Stanchart	55,000,000	-
Ecobank Limited	50,000,000	-
Standard chartered Bank	<u>138,150,173</u>	<u>40,678,901</u>
19a MEDIUM TERM LOAN		
Ecobank Limited	2,296,550	3,284,724
SG SSB	14,482,991	7,030,125
NIB	2,274,315	2,646,341
Processing Fees	(97,863)	(129,612)
	<u>18,955,993</u>	<u>12,831,578</u>
Current portion payable within 12 months	5,842,384	3,849,473
Long term portion payable after 12 months	<u>13,113,609</u>	<u>8,982,105</u>
19b LONG TERM LOAN	<u>2014</u> GH¢	<u>2013</u> GH¢
Ghana Cocoa Board	<u>5,262,033</u>	<u>5,262,033</u>

The company was granted a long term loan of US\$10,000,000 by Ghana Cocoa Board towards the establishment of PBC Shea Limited a subsidiary of the company. 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 balance basis.

20a INVESTMENT IN SUBSIDIARY

	<u>2014</u> GH¢	<u>2013</u> GH¢
	<u>31,097,184</u>	<u>23,718,400</u>

PBC LTD has invested a total amount of about GHC 31.097 million in its two subsidiaries, namely Buipe Shea Nut Company and Golden Bean Hotel. The Buipe Shea Nut factory is a state of an art factory established to process sheanut into shea butter for export. It is located at Buipe in the Central Gonja District.

The Golden Bean Hotel is a 50 Room hospitality facility located at Nyiaeso in the Kumasi Metropolis. These investments were carried out as part of the companies desire to diversify its revenue base. The breakdown of the investments is as follows:

	<u>2014</u> GH¢	<u>2013</u> GH¢
Buipe Sheanut Factory	19,971,984.00	17,175,400.00
Golden Bean Hotel	11,125,200.00	6,543,000.00
	<u>31,097,184.00</u>	<u>23,718,400.00</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 2014

21 STATED CAPITAL

	2014		2013	
a Ordinary shares	GH¢		No. of Shares	Proceeds GH¢
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>

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.

b Preference shares	<u>No. of Shares</u>	<u>Proceeds</u>	<u>No. of Shares</u>	<u>Proceeds</u>
No. of preference shares	1	100	1	100
	<u>1</u>	<u>100</u>	<u>1</u>	<u>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 THE HALF YEAR ENDED 31ST MARCH, 2014

	2014 GH¢	2013 GH¢
20b FINANCE LEASE		
Current portion payable within 12 months	518,620	151,899
Long term portion payable after 12 months	-	1,365,840
	518,620	1,517,739

The company has been granted a Finance Lease by SG-SSB of GH¢4,000,000 for the purchase of 5 TGM (4x2) cargo trucks, 10 articulator trucks and 15 BMC cargo trucks. The facility is for a period of (7) years. The interest rate is at the bank's base rate of 20.75% less 2.5% (18.25%). The total Lease rental payable at the prevailing rate of 18.25% shall be GH¢6,606,778.62, and the Bank has granted six (6) months moratorium for the repayment of the principal amount granted.

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST MARCH, 201

c Share in treasury

Shares in Treasury as at 31March 2014:-,1,907,170 (2012- 1,907,170).

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

22 TITLE DEED

- a** Included in the ordinary shares issued for consideration other than cash is an amount of GH¢954,000 which represents part of the value of fixed assets ceded to Produce Buying Company Limited by Ghana Cocoa Board. As mentioned in our report , we have not had sight of the Title Deed of the sheds and buildings as stated in the Company's books to establish the Company's ownership of these assets. However, in a letter dated November 18, 1999 the Government of Ghana gave the following undertaking :
- b** "The Government has taken over the interest of the Ghana Cocoa Board(Cocobod) in PBC and accordingly undertakes to ensure that the Cocobod takes all steps required of it under the Ceding Agreement of June 30, 1999 executed between the Cocobod and PBC including but not limited to the perfection of all interests and the execution of all documents to effectuate the cession of assets to PBC".
- c** "The Government further assures the investing public that in the event of Cocobod failing its obligations under the cession agreement, it will take such additional steps including but not limited to compulsory acquisition and arranging of payment of adequate compensation by Cocobod so as to concretise the interest of PBC in the said assets".