



**PRESS RELEASE**

**PR. No 125/2012**

**PRODUCE BUYING COMPANY LIMITED (PBC)**  
**UN-AUDITED RESULTS FOR THE HALF YEAR**  
**ENDING MARCH 2012**

PBC has released its un-audited Financial Statements for the half year ending 31<sup>st</sup> March, 2012 as per the attached.

Issued in Accra, this 30<sup>th</sup>  
day of April, 2012

**- END -**

att'd.

**Distribution:**

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

**For enquiries, contact:**

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

**\*JEB**

# PRODUCE BUYING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR HALF YEAR ENDED 31ST MARCH, 2012

### 1. ACCOUNTING POLICIES

#### A. REPORTING ENTITY

Produce Buying Company 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.

**PRODUCE BUYING COMPANY LIMITED**

**INCOME STATEMENT**

**FOR HALF YEAR ENDED 31 MARCH, 2012**

<b>INCOME STATEMENT</b>	<b>NOTE</b>	<b>2012 GH¢</b>	<b>2011 GH¢</b>
Revenue	4	850,051,417	870,058,589
Cost of Sales		(763,800,097)	(782,699,396)
<b>Gross Profit</b>		<b>86,251,320</b>	<b>87,359,193</b>
Other Income	6	3,115,159	2,829,143
Direct Operating Expenses		(24,823,450)	(26,175,589)
General and Administrative Expenses	5	(15,117,166)	(10,891,383)
<b>Operating profit before financing cost</b>		<b>49,425,863</b>	<b>53,121,364</b>
Net Finance Expenses	7	(33,770,971)	(28,859,180)
<b>Profit before Taxation</b>		<b>15,654,892</b>	<b>24,262,184</b>
Income Tax Expense	8a	(3,913,723)	(6,065,546)
<b>Profit for the period transferred to Income Surplus Account</b>		<b>11,741,169</b>	<b>18,196,638</b>
<b>INCOME SURPLUS ACCOUNT</b>		<b>2012 GH¢</b>	<b>2011 GH¢</b>
Balance at 1 October		30,778,491	7,381,947
Net Profit for the half year		11,741,169	18,196,638
<b>Balance at 31 March</b>		<b>42,519,660</b>	<b>25,578,585</b>

*KOJO ATTA-KRAH*

.....  
KOJO ATTA-KRAH  
MANAGING DIRECTOR

*J. OSEI MANU*

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

**PRODUCE BUYING COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

BALANCE SHEET	NOTE	2012 GH¢	2011 GH ¢
<b>Non-Current Assets</b>			
Property, plant and equipment	10	39,913,395	27,792,068
Intangible assets	11	14,500	28,022
Long term investment	9	1,345,455	1,796,364
<b>Total non-current assets</b>		<b>41,273,350</b>	<b>29,616,454</b>
<b>Current Assets</b>			
Inventories	12	110,750,584	106,930,050
Trade and other receivables	13	214,038,543	121,856,485
Short term investments	14	26,969,176	2,014,882
Cash and cash equivalents	15	33,491,998	19,565,776
<b>Total current assets</b>		<b>385,250,301</b>	<b>250,367,193</b>
<b>Total assets</b>		<b>426,523,651</b>	<b>279,983,647</b>
<b>Equity</b>			
Stated Capital	21	15,000,000	15,000,000
Share Deals Account	21	-	-
Retained earnings	21	42,519,660	25,578,585
Other reserves	21	1,115,012	1,584,466
<b>Total equity</b>		<b>58,634,672</b>	<b>42,163,051</b>
<b>Liabilities</b>			
Deferred tax liability	8b	3,278,676	2,472,541
Finance Lease	20	2,245,649	2,686,093
Medium term loan	19a	6,073,795	5,209,829
Long Term Loan	19b	5,262,033	-
Preference share capital	21	100	100
<b>Total non-current liabilities</b>		<b>16,860,253</b>	<b>10,368,563</b>
Bank Overdraft	17	102,425,575	42,114,208
Short Term Loan	18	237,758,160	171,066,980
Medium term loan (current portion)	19	2,258,802	1,923,424
Finance Lease (current portion)	20	249,747	306,054
Trade and other payables	16	1,431,247	2,513,851
Income Tax liability	8a	6,905,195	9,527,516
<b>Total current liabilities</b>		<b>351,028,726</b>	<b>227,452,033</b>
<b>Total liabilities</b>		<b>367,888,979</b>	<b>237,820,596</b>
<b>Total liabilities and equity</b>		<b>426,523,651</b>	<b>279,983,647</b>

**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

**3 SEGMENT REPORTING**

Class of Business	PRODUCE		HAULAGE		TOTALS	
	2012 GH¢	2011 GH¢	2012 GH¢	2011 GH¢	2012 GH¢	2011 GH¢
Segment Revenue	<u>842,952,524</u>	<u>864,298,346</u>	<u>7,098,893</u>	<u>5,760,243</u>	<u>850,051,417</u>	<u>870,058,589</u>
Segment Cost	<u>760,960,540</u>	<u>780,562,400</u>	<u>2,839,557</u>	<u>2,136,996</u>	<u>763,800,097</u>	<u>782,699,396</u>
Segment Results	<u>81,991,984</u>	<u>83,735,946</u>	<u>4,259,336</u>	<u>3,623,247</u>	<u>86,251,320</u>	<u>87,359,193</u>
Unallocated expenses					<u>(39,940,616)</u>	<u>(37,066,972)</u>
Results from Operating activities					<u>46,310,704</u>	<u>50,292,221</u>
Other Income					<u>3,115,159</u>	<u>2,829,143</u>
Net Finance Cost					<u>(33,770,971)</u>	<u>(28,859,180)</u>
Corporate tax expense					<u>(3,913,723)</u>	<u>(6,065,546)</u>
Profit for the year					<u>11,741,169</u>	<u>18,196,638</u>

**PRODUCE BUYING COMPANY LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED 31 MARCH 2012**

<b>Cash Flows from Operating Activities</b>	<b>2012</b>	<b>2011</b>
	<b>GH¢</b>	<b>GH¢</b>
Profit before taxation	<u>15,654,892</u>	<u>24,262,184</u>
<b>Adjustment for:</b>		
Depreciation and Amortisation charges	3,458,348	3,504,699
Interest Received	(1,919,828)	(706,810)
Interest expense	<u>35,690,799</u>	<u>29,565,990</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>52,884,211</b>	<b>56,626,063</b>
Change in inventories	(2,094,975)	(9,725,342)
Change in trade and other receivables	(153,283,846)	(89,300,506)
Change in trade and other payables	<u>(16,302,113)</u>	<u>(5,906,834)</u>
<b>Cash generated from operations</b>	<b>(118,796,723)</b>	<b>(48,306,619)</b>
Income taxes paid	<u>(3,090,000)</u>	<u>(2,000,000)</u>
<b>Net cash flow from operating activities</b>	<b>(121,886,723)</b>	<b>(50,306,619)</b>
<b>Cash flow from investing activities</b>		
Interest Received	1,919,828	706,810
Interest paid	(35,690,799)	(29,565,990)
Payments to acquire assets	<u>(6,229,120)</u>	<u>(1,862,367)</u>
<b>Net Cash used in Investing Activities</b>	<b>(40,000,091)</b>	<b>(30,721,547)</b>
<b>Cash flows from Financing Activities</b>		
Short Term Loan	87,832,576	70,478,318
Short Term Investment	(2,069,137)	3,106,076
Finance Lease	(190,772)	(274,525)
Medium Term Loan	<u>900,519</u>	<u>141,477</u>
<b>Net Cash used in Financing Activities</b>	<b>86,473,186</b>	<b>73,451,346</b>
<b>Net Increase in Cash and Cash equivalents</b>	<b>(75,413,628)</b>	<b>(7,576,820)</b>
<b>Cash and Cash equivalents at 1 October</b>	<b>(2,437,014)</b>	<b>(14,971,612)</b>
<b>Cash and Cash equivalents at 31 March</b>	<b>(77,850,642)</b>	<b>(22,548,432)</b>

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

	<b>1st October</b>	<b>Cash Flow</b>	<b>31-Mar</b>
	<b>2011</b>	<b>GH ¢</b>	<b>2012</b>
	<b>GH ¢</b>	<b>GH ¢</b>	<b>GH ¢</b>
Cash in Hand and at Bank	32,128,303	(7,553,370)	24,574,933
Bank overdraft	(34,565,317)	(67,860,258)	(102,425,575)
	<u>(2,437,014)</u>	<u>(75,413,628)</u>	<u>(77,850,642)</u>



**PRODUCE BUYING COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

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**CAPITAL AND RESERVES**

Reconciliation of movement in capital and reserves

	Share Capital	Retained Earnings	Share Deals	Other Reserves	Total Equity
	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 01.10.11	15,000,000	30,778,491	-	1,595,012	47,373,503
Total recognised Income and Expenses		11,741,169		(480,000)	11,261,169
Movement in available for sale asset					-
<b>Balance at 31.03.12</b>	<b>15,000,000</b>	<b>42,519,660</b>	<b>-</b>	<b>1,115,012</b>	<b>58,634,672</b>

**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

	2012	2011
	GH¢	GH¢
<b>4 REVENUE</b>		
Sale of Produce	842,952,542	864,298,346
Services (Haulage)	7,098,893	5,760,243
	<u>850,051,435</u>	<u>870,058,589</u>
<b>5 ADMINISTRATIVE AND GENERAL EXPENSES</b> including the following:		
Depreciation and amortisation	335,069	211,108
Auditors Remuneration	16,000	14,000
Directors emoluments	67,383	47,559
Subscriptions and Donations	122,153	71,172
	<u>540,605</u>	<u>343,839</u>
<b>6 OTHER INCOME</b>		
Rent Income	29,980	26,763
Recoveries from Shortages/Haulage	2,287,977	1,197,224
Sundry Income	89,878	890,870
Sale of Unserviceable vehicle		6,962
Car park proceeds	707,324	707,324
	<u>3,115,159</u>	<u>2,829,143</u>
<b>7 NET FINANCE EXPENSES</b>		
Interest Income	1,919,828	706,810
Bank and Produce loan interest	(35,690,799)	(29,565,990)
	<u>(33,770,971)</u>	<u>(28,859,180)</u>

**PRODUCE BUYING COMPANY LIMITED**  
**NOTE TO THE FINANCIAL STATEMENT**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

<b>TAXATION</b>					
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 2012	(5,995,016)	3,090,000	(3,913,723)	<b>(6,818,739)</b>
		(5,995,016)	3,090,000	(3,913,723)	<b>(6,818,739)</b>
	Capital Gain				
	Transfer to Stated Capital				-
	<b>N R L</b>	(86,456)	-	-	<b>(86,456)</b>
		<b>(6,081,472)</b>	<b>3,090,000</b>	<b>(3,913,723)</b>	<b>(6,905,195)</b>
 <b>DEFERRED TAX</b>					
8b	Balance at 31 December			<b>3,278,676</b>	<b>2,472,541</b>

**PRODUCE BUYING COMPANY LIMITED**  
**NOTE TO THE FINANCIAL STATEMENT**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

9	LONG TERM INVESTMENTS	2012	2011
	Quoted Equity Investments	<u>1,345,455</u>	<u>1,796,364</u>

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

**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

**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 1.10.2011:	9,023,729	7,441,498	38,741,397	1,695,061	775,048	57,676,733
Additions during the period	423,070	1,866,606	3,126,288	226,797	586,359	6,229,120
Disposals	-	-	-	-	-	-
<b>Balance at 31.03.2012</b>	<b>9,446,799</b>	<b>9,308,104</b>	<b>41,867,685</b>	<b>1,921,858</b>	<b>1,361,407</b>	<b>63,905,853</b>
<b>Depreciation</b>						
Balance at 1.10.2011:	1,412,759	4,913,418	13,119,343	1,095,350	-	20,540,870
Charge for the period	137,010	910,163	2,213,117	191,298	-	3,451,588
Released on Disposals	-	-	-	-	-	-
<b>Balance at 31.03.2012</b>	<b>1,549,769</b>	<b>5,823,581</b>	<b>15,332,460</b>	<b>1,286,648</b>	<b>-</b>	<b>23,992,458</b>
<b>Carrying amounts</b>						
<b>At 31.03.12</b>	<b>7,897,030</b>	<b>3,484,523</b>	<b>26,535,225</b>	<b>635,210</b>	<b>1,361,407</b>	<b>39,913,395</b>
<b>At 31.03.11</b>	<b>3,370,973</b>	<b>2,773,588</b>	<b>18,589,985</b>	<b>408,956</b>	<b>2,648,566</b>	<b>27,792,068</b>

# PRODUCE BUYING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31ST MARCH, 2012

	2012 <u>GH¢</u>	2011 <u>GH¢</u>
<b>11 INTANGIBLE ASSETS</b>		
Balance at 1 October	67,608	67,608
Acquisition	-	-
Balance at 31 March	<u>67,608</u>	<u>67,608</u>
<b>Amortisation</b>		
Balance at 1 October	46,348	32,826
Amortisation for the period	<u>6,760</u>	<u>6,760</u>
Balance at 31 March	<u>53,108</u>	<u>39,586</u>
<b>Carrying amount</b>		
At 31 March	<u>14,500</u>	<u>28,022</u>

This relate to the cost of purchased computer software.

## 12 INVENTORIES

### Trading:

Cocoa	109,479,020	105,606,800
Non-Trading	<u>1,271,564</u>	<u>1,323,250</u>
	<u>110,750,584</u>	<u>106,930,050</u>

**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

	2012 GH¢	2011 GH¢
<b>13 ACCOUNTS RECEIVABLE</b>		
Trade receivables due from customers	207,846,712	120,096,855
Other receivables	5,579,061	1,245,600
Staff Loans and Advances	590,500	516,119
Staff Loans Discounted	(29,250)	(28,839)
Prepayments	51,520	26,750
	<u>214,038,543</u>	<u>121,856,485</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 quarter did not exceed GH¢590,500 (2011- GH¢516,119)

	GH¢	GH¢
<b>14 SHORT TERM INVESTMENTS</b>		
Call & Fixed Deposits	25,425,952	1,330,425
Treasury Bills	1,543,224	684,457
	<u>26,969,176</u>	<u>2,014,882</u>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Bank Balances	33,488,498	19,560,276
Cash Balances	3,500	5,500
	<u>33,491,998</u>	<u>19,565,776</u>
<b>16 ACCOUNTS PAYABLE</b>		
Trade payables due to related parties	76,250	45,380
Non-trade payables and accrued expenses	1,295,197	2,443,971
Accrued Charges	59,800	24,500
	<u>1,431,247</u>	<u>2,513,851</u>

**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

17	BANK OVERDRAFT	2012 GH¢	2011 GH¢
	Ecobank Ghana Limited	-	2,451,432
	Standard Chartered Bank	24,870,821	-
	Ghana Commercial Bank	58,447,841	12,695,119
	Agricultural Development Bank	-	13,771,656
	SG-SSB Limited	-	13,196,001
	Stanbic	19,106,913	-
		<u>102,425,575</u>	<u>42,114,208</u>



**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

	2012 GH¢	2011 GH¢
<b>18 SHORT TERM LOANS</b>		
Produce Loan (Seed Fund)	117,758,160	171,066,980
Stanchart	40,000,000	-
Barclays	80,000,000	-
Standard chartered Bank	237,758,160	171,066,980
<b>19a</b>		
<b>MEDIUM TERM LOAN</b>		
Barclays Bank Ghana Limited	-	1,250,000
Ecobank Limited (Haulage)	4,654,807	3,845,902
Ecobank Limited (Parking Lot)	25,000	125,000
NIB	3,697,240	1,950,376
Processing Fees	(44,450)	(38,025)
	8,332,597	7,133,253
Current portion payable within 12 months	2,258,802	1,923,424
Long term portion payable after 12 months	6,073,795	5,209,829
	2012	2011
<b>19b LONG TERM LOAN</b>	GH¢	GH¢
Ghana Cocoa Board	5,262,033	-

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.

**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

**21 STATED CAPITAL**

	2012		2011	
<b>a Ordinary shares</b>	<b>No. of Shares</b>	<b>Proceeds GH¢</b>	<b>No. of Shares</b>	<b>Proceeds GH¢</b>
Authorised Ordinary Shares of no par value	#####		20,000,000,000	
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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
	<b>480,000,000</b>	<b>15,000,000</b>	<b>480,000,000</b>	<b>15,000,000</b>
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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>No. of Shares</b>	<b>Proceeds</b>	<b>No. of Shares</b>	<b>Proceeds</b>
<b>b Preference shares</b>				
No. of preference shares	1	100	1	100
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Total stated capital		<b>15,000,100</b>		<b>15,000,100</b>
		<hr style="border-top: 3px double black;"/>		<hr style="border-top: 3px double black;"/>

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

# PRODUCE BUYING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31ST MARCH, 2012

	2012 GH¢	2011 GH¢
<b>20 FINANCE LEASE</b>		
Current portion payable within 12 months	249,747	306,054
Long term portion payable after 12 months	<u>2,245,649</u>	<u>2,686,093</u>
	<u><u>2,495,396</u></u>	<u><u>2,992,147</u></u>

The company has been granted a Finance Lease by SC-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.

**PRODUCE BUYING COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31ST MARCH, 2012**

**c Share in treasury**

Shares in Treasury as at 31March 2012:-,2,057,170 (2011 - 2,294,899).

**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".