



PRESS RELEASE

PR. No 200/2014

**PBC LIMITED (PBC) -
UN-AUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDING JUNE 2014**

PBC has released its un-audited Financial Statements for the third quarter ending June 30, 2014 as per the attached.

Issued in Accra, this 30th
day of July, 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
INCOME STATEMENT
THIRD QUARTER ENDED 30TH JUNE , 2014

INCOME STATEMENT	NOTE	2014 GH¢	2013 GH¢
Revenue	4	1,023,886,551	1,002,912,805
Cost of Sales		(923,619,158)	(904,849,929)
Gross Profit		100,267,393	98,062,876
Other Income	6	5,769,765	3,785,816
Direct Operating Expenses		(36,680,013)	(30,948,122)
General and Administrative Expenses	5	(28,809,343)	(26,440,736)
Operating profit before financing cost		40,547,802	44,459,834
Net Finance Expenses	7	(44,744,018)	(46,681,119)
Profit/(Loss) before Taxation		(4,196,216)	(2,221,285)
Income Tax Expense	8a	-	-
Profit/(Loss) for the period transferred to Income Surplus Account		<u>(4,196,216)</u>	<u>(2,221,285)</u>
INCOME SURPLUS ACCOUNT		2014 GH¢	2013 GH¢
Balance at 1 October		20,896,831	32,692,630
Net Profit for the period		(4,196,216)	(2,221,285)
Dividend paid		-	(2,964,175)
Balance at 30 June		<u>16,700,615</u>	<u>27,507,170</u>

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

.....
KOJO ATTA-KRAH
KOJO ATTA-KRAH
MANAGING DIRECTOR

.....
JOSEPH OSEI-MANU
JOSEPH OSEI-MANU
DEP. MANAGING DIRECTOR (F&A)

PBC LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2014

BALANCE SHEET	NOTE	2014 GH¢	2013 GH¢
Non-Current Assets			
Property, plant and equipment	10	82,206,428	66,677,240
Investment in Subsidiaries	20a	33,924,462	26,903,826
Long term investment	9	3,941,820	3,345,456
Total non-current assets		120,072,710	96,926,522
Current Assets			
Inventories	12	91,349,474	75,908,527
Trade and other receivables	13	51,230,795	58,438,345
Short term investments	14	85,059,237	90,921,216
Cash and cash equivalents	15	7,248,454	18,375,134
Total current assets		234,887,960	243,643,222
Total assets		354,960,670	340,569,744
Equity			
Stated Capital	21	15,000,000	15,000,000
Retained earnings		16,700,615	27,507,170
Other reserves		3,711,377	3,115,013
Total equity		35,411,992	45,622,183
Liabilities			
Deferred tax liability	8b	1,791,969	3,815,173
Income Tax liability	8a	1,456,898	3,848,788
Finance Lease	20	-	1,044,541
Medium term loan	19a	14,748,988	11,524,916
Long term loan	19b	5,262,033	5,262,033
Preference share capital	21	100	100
Total non-current liabilities		23,259,988	25,495,551
Bank Overdraft	17	269,387,570	239,201,846
Short Term Loan	18	20,000,000	25,066,306
Medium term loan (current portion)	19	5,828,266	4,510,679
Finance Lease (current portion)	20	125,500	242,174
Trade and other payables	16	947,354	431,005
Total current liabilities		296,288,690	269,452,010
Total liabilities		319,548,678	294,947,561
Total liabilities and equity		354,960,670	340,569,744

PBC LIMITED
CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

Cash Flows from Operating Activities	2014	2013
	GH ¢	GH ¢
loss before taxation	(4,196,216)	(2,221,285)
<u>Adjustment for:</u>		
Depreciation and Amortisation charges	7,236,048	6,459,440
Interest Received	(700,297)	(1,944,657)
Interest expense	45,444,315	48,625,776
Operating Profit Before Working Capital Changes	47,783,850	50,919,274
Change in inventories	(34,434,689)	(4,201,771)
Change in trade and other receivables	24,681,714	51,443,423
Change in trade and other payables	(9,005,923)	(10,168,925)
Cash generated from operations	29,024,952	87,992,001
Income taxes paid	(383,890)	-
Net cash flow from operating activities	28,641,062	87,992,001
Cash flow from investing activities		
Interest Received	700,297	1,944,657
Interest paid	(45,444,315)	(48,625,776)
Long term investment	(33,924,462)	(26,903,826)
Payments to acquire assets	(8,018,562)	(16,796,418)
Net Cash used in Investing Activities	(86,687,042)	(90,381,363)
Cash flows from Financing Activities		
Short Term Loan	(29,812,500)	(57,872,838)
Dividend paid	-	(2,964,175)
Finance Lease	(914,975)	(661,659)
Medium Term Loan	3,750,445	1,682,335
Net Cash used in Financing Activities	(26,977,030)	(59,816,337)
Net Increase in Cash and Cash equivalents	(85,023,010)	(62,205,699)
Cash and Cash equivalents at 1 October	(92,056,869)	(67,699,791)
Cash and Cash equivalents at 30 June	(177,079,879)	(129,905,490)

Analysis of changes in cash and cash equivalents.

	1st October	Cash Flow	30 June
	2013	GH ¢	2014
	GH ¢	GH ¢	GH ¢
Cash in Hand and at Bank	9,384,898	(2,136,444)	7,248,454
Bank overdraft	(200,770,767)	(68,616,803)	(269,387,570)
Short term Investment	99,329,000	(14,269,763)	85,059,237
	(92,056,869)	(85,023,010)	(177,079,879)

PBC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30TH JUNE, 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		(4,196,216)		(4,196,216)
Dividend paid		-		-
Movement in available for sale asset			87,273	87,273
Balance at 30.06.13	<u>15,000,000</u>	<u>16,700,615</u>	<u>3,711,377</u>	<u>35,411,992</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

3 SEGMENT REPORTING	COCOA		PRODUCE		HAULAGE		TOTALS	
	2014 GH¢	2013 GH¢	2014 GH¢	2013 GH¢	2014 GH¢	2013 GH¢	2014 GH¢	2013 GH¢
Class of Business								
Segment Revenue	1,013,276,085	988,872,660	-	2,961,000	10,610,466	11,079,145	1,023,886,551	1,002,912,805
Segment Cost	(917,571,192)	(895,524,239)	-	(3,332,160)	(6,047,966)	(5,993,530)	(923,619,158)	(904,849,929)
Segment Results	95,704,893	93,348,421	-	(371,160)	4,562,500	5,085,615	100,267,393	98,062,876
Unallocated expenses							(65,489,356)	(57,388,858)
Results from Operating activities							34,778,037	40,674,018
Other Income							5,769,765	3,785,816
Net Finance Cost							(44,744,018)	(46,681,119)
Corporate tax expense							-	-
Profit for the year							(4,196,216)	(2,221,285)

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

	2014	2013
	GH ¢	GH ¢
4 REVENUE		
Sale of Cocoa	1,013,276,085	988,872,660
Sheanut	-	2,961,000
Services (Haulage)	10,610,466	11,079,145
	<u>1,023,886,551</u>	<u>1,002,912,805</u>
5 ADMINISTRATIVE AND GENERAL EXPENSES including the following:		
Depreciation and amortisation	748,487	649,205
Auditors Remuneration	24,000	29,050
Directors emoluments	205,614	205,941
Subscriptions and Donations	148,318	159,911
	<u>1,126,419</u>	<u>1,044,107</u>
6 OTHER INCOME		
Rent Income	1,416,026	1,380,529
Recoveries from Shortages/Haulages	2,480,228	2,257,541
Sundry Income	-	47,319
Sale of Unserviceable items	15,911	100,427
Funds from Touton Project	1,857,600	
	<u>5,769,765</u>	<u>3,785,816</u>
7 NET FINANCE EXPENSES		
Interest Income	700,297	1,944,657
Bank and Produce loan interest	(45,444,315)	(48,625,776)
	<u>(44,744,018)</u>	<u>(46,681,119)</u>

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

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 ¢
Third Quarter 2014	(1,840,788)	383,890	-	(1,456,898)
	<u>(1,840,788)</u>	<u>383,890</u>	<u>-</u>	<u>(1,456,898)</u>

8b DEFERRED TAX

	2014	2013
Balance at June 2014	1,791,969	3,815,173
	<u>1,791,969</u>	<u>3,815,173</u>

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

9	LONG TERM INVESTMENTS	2014 GH¢	2013 GH¢
		<u> </u>	<u> </u>
	Quoted Equity Investments	<u>3,941,820</u>	<u>3,345,456</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 THIRD QUARTER ENDED 30TH JUNE, 2014

10 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings GH c	Plant and Machinery GH c	Motor Vehicles GH c	Furniture & Fitting GH c	Building W.I.P GH c	Total GH c
COST						
Balance at 1.10.2013	12,977,410	11,463,697	51,113,065	2,811,446	38,457,937	116,823,555
Additions during the period	431,003	1,826,973	588,662	306,825	4,865,099	8,018,562
Transfer to Asset						-
Balance at 30.06.2014	13,408,413	13,290,670	51,701,727	3,118,271	43,323,036	124,842,117
Depreciation						
Balance at 1.10.2013:	2,143,807	8,188,088	23,233,306	1,834,440	-	35,399,641
Charge for the period	280,746	2,197,010	4,290,551	467,741		7,236,048
Released on Disposals						
Balance at 30.06.2014	2,424,553	10,385,098	27,523,857	2,302,181	-	42,635,689
Carrying amounts						
At 30.06.14	10,983,860	2,905,572	24,177,870	816,090	43,323,036	82,206,428
At 31.06.13	9,324,391	3,624,807	24,384,098	798,657	28,545,287	66,677,240

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

	2014 GH¢	2013 GH¢
11 INTANGIBLE ASSETS		
Balance at 1 October		67,608
Acquisition	-	-
Balance at 30 JUNE	-	67,608
Amortisation		
Balance at 1 October		59,870
Amortisation for the period		7,738
Balance at 30JUNE	-	67,608
Carrying amount		
At 30 JUNE	-	-
This relate to the cost of purchased computer software.		

12 INVENTORIES

Trading:

Cocoa	76,370,456	68,298,132
Sheanut	14,979,018	6,445,395
Non-Trading		1,165,000
	91,349,474	75,908,527

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

	2014 GH ¢	2013 GH ¢
13 ACCOUNTS RECEIVABLE		
Trade receivables due from customers	47,321,183	54,867,021
Other receivables	1,436,000	1,048,719
Staff Loans and Advances	2,465,125	2,657,005
Staff Loans Discounted	(246,513)	(265,700)
Prepayments	255,000	131,300
	<u>51,230,795</u>	<u>58,438,345</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¢2,465,125(2013- GH¢2,657,005)

	GH ¢	GH ¢
14 SHORT TERM INVESTMENTS		
Call & Fixed Deposits	85,059,237	90,211,246
Treasury Bills	-	709,970
	<u>85,059,237</u>	<u>90,921,216</u>
15 CASH AND CASH EQUIVALENTS		
Bank Balances	7,243,929	18,372,981
Cash Balances	4,525	2,153
	<u>7,248,454</u>	<u>18,375,134</u>
16 ACCOUNTS PAYABLE		
Trade payables due to related parties	428,354	110,240
Non-trade payables and accrued expenses	354,000	234,165
Accrued Charges	165,000	86,600
	<u>947,354</u>	<u>431,005</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

17	BANK OVERDRAFT	2014 GH ¢	2013 GH ¢
	Ecobank Ghana Limited	5,165,158	54,857,005
	HFC	30,665,886	19,381,059
	Ghana Commercial Bank	85,471,408	50,491,822
	Barclays Bank	49,529,922	49,813,115
	SG-SSB Limited	25,522,337	25,533,551
	SCB	18,876,915	-
	First Atlantic	10,000,000	-
	Zenith	20,424,979	-
	Energy Bank	3,551,915	-
	Stanbic	20,179,050	39,125,294
		<u>269,387,570</u>	<u>239,201,846</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

	2014 GH ¢	2013 GH ¢
18 SHORT TERM LOANS		
Produce Loan (Seed Fund)	20,000,000	25,066,306
	<u>20,000,000</u>	<u>25,066,306</u>
19a MEDIUM TERM LOAN		
SG- SSB	16,177,073	10,352,826
Ecobank Limited (Haulage)	2,270,257	3,066,844
NIB	2,129,924	2,615,925
	<u>20,577,254</u>	<u>16,035,595</u>
Current portion payable within 12 months	5,828,266	4,510,679
Long term portion payable after 12 months	<u>14,748,988</u>	<u>11,524,916</u>
	2014	2013
19b LONG TERM LOAN	GH¢	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 SUBSIDIARIES

	2014 GH¢	2013 GH¢
	<u>33,924,462</u>	<u>26,903,826</u>

PBCLTD has invested a total amount of about GHC33.924 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 Nyaeso in the Kumasi Metropolis. These investments were carried out as part of the Companies desire to diversify its revenue base.

The breakdown of the investment is as follows;

	2014 GH¢	2013 GH¢
Buipe SheaNut Factory	20,991,261	16,551,000
Golden Bean Hotel	12,933,201	10,352,826
	<u>33,924,462</u>	<u>26,903,826</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2014

	2014 GH¢	2013 GH¢
20 FINANCE LEASE		
Current portion payable within 12 months	125,500	242,174
Long term portion payable after 12 months	-	1,044,541
	125,500	1,286,715

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 THIRD QUARTER ENDED 30TH JUNE, 2014

21 STATED CAPITAL

	2014		2013	
	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	
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.

	No. of Shares	Proceeds	No. of Shares	Proceeds
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 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 THIRD QUARTER ENDED 30TH JUNE, 2014

c Share in treasury

Shares in Treasury as at 30June 2014:-(1,907,170) 2013:-(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

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".