



PRESS RELEASE

PR. No 257/2015

**PBC LIMITED (PBC) -
UN-AUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDING JUNE 2015**

PBC has released its un-audited Financial Statements for the third quarter ending June 30, 2015 as per the attached.

Issued in Accra, this 29th
day of July, 2015

- 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 THIRD QUARTER ENDED 30TH JUNE, 2015

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.

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
THIRD QUARTER ENDED 30TH JUNE , 2015

INCOME STATEMENT	NOTE	2015 GH¢	2014 GH¢
Revenue	4	1,255,995,899	1,023,886,551
Cost of Sales		(1,115,017,983)	(923,619,158)
Gross Profit		140,977,916	100,267,393
Other Income	6	2,396,781	5,769,765
Direct Operating Expenses		(52,154,263)	(36,680,013)
General and Administrative Expenses	5	(36,420,870)	(28,809,343)
Operating profit before financing cost		54,799,564	40,547,802
Net Finance Expenses	7	(59,634,681)	(44,744,018)
Profit/(Loss) before Taxation		(4,835,117)	(4,196,216)
Income Tax Expense	8a	-	-
Profit/(Loss) for the period transferred to Income Surplus Account		<u>(4,835,117)</u>	<u>(4,196,216)</u>
INCOME SURPLUS ACCOUNT			
		2015 GH¢	2014 GH¢
Balance at 1 October		(4,464,095)	20,896,831
Net Profit for the period		(4,835,117)	(4,196,216)
Balance at 30 June		<u>(9,299,212)</u>	<u>16,700,615</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

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KOJO ATTA-KRAH
MANAGING DIRECTOR

JOSEPH OSEI-MANU

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

PBC LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2015

BALANCE SHEET	NOTE	2015 GH¢	2014 GH¢
Non-Current Assets			
Property, plant and equipment	10	93,885,705	82,206,428
Investment in Subsidiaries	20	57,533,966	33,924,462
Long term investment	9	3,549,092	3,941,820
Total non-current assets		154,968,763	120,072,710
Current Assets			
Inventories	11	79,275,097	91,349,474
Trade and other receivables	12	66,724,514	51,230,795
Short term investments	13	93,987,060	85,059,237
Cash and cash equivalents	14	27,605,615	7,248,454
Total current assets		267,592,286	234,887,960
Total assets		422,561,049	354,960,670
Equity			
Stated Capital	22	15,000,000	15,000,000
Retained earnings		(9,299,212)	16,700,615
Other reserves		3,318,689	3,711,377
Total equity		9,019,477	35,411,992
Liabilities			
Deferred tax liability	8b	468,481	1,791,969
Income Tax liability	8a	-	1,456,898
Finance Lease	21	4,337,893	5,850,000
Medium term loan	18	15,380,147	8,773,585
Long term loan	19	8,334,072	5,262,033
Preference share capital	22	100	100
Total non-current liabilities		28,520,693	23,134,585
Bank Overdraft	16	238,123,856	269,387,570
Short Term Loan	17	138,244,678	20,000,000
Medium term loan (current portion)	18	4,342,520	5,302,766
Finance Lease (current portion)	21	518,185	776,403
Trade and other payables	15	3,791,640	947,354
Total current liabilities		385,020,879	296,414,093
Total liabilities		413,541,572	319,548,678
Total liabilities and equity		422,561,049	354,960,670

PBC LIMITED
CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

Cash Flows from Operating Activities	2015 GH ¢	2014 GH ¢
loss before taxation	(4,835,117)	(4,196,216)
<u>Adjustment for:</u>		
Depreciation and Amortisation charges	9,377,464	7,236,048
Interest Received	(2,438,064)	(700,297)
Interest expense	62,072,745	45,444,315
Operating Profit Before Working Capital Changes	64,177,028	47,783,850
Change in inventories	(44,499,219)	(34,434,689)
Change in trade and other receivables	20,129,959	24,681,714
Change in trade and other payables	(7,864,285)	(9,005,923)
Cash generated from operations	31,943,483	29,024,952
Income taxes paid	-	(383,890)
Net cash flow from operating activities	31,943,483	28,641,062
Cash flow from investing activities		
Interest Received	2,438,064	700,297
Interest paid	(62,072,745)	(45,444,315)
Long term investment	-	(33,924,462)
Payments to acquire assets	(27,844,026)	(8,018,562)
Net Cash used in Investing Activities	(87,478,707)	(86,687,042)
Cash flows from Financing Activities		
Short Term Loan	20,049,678	(29,812,500)
Finance Lease	(861,087)	(914,975)
Medium Term Loan	3,415,417	3,750,445
Net Cash used in Financing Activities	22,604,008	(26,977,030)
Net Increase in Cash and Cash equivalents	(32,931,216)	(85,023,010)
Cash and Cash equivalents at 1 October	(83,599,965)	(92,056,869)
Cash and Cash equivalents at 30 June	(116,531,181)	(177,079,879)

Analysis of changes in cash and cash equivalents.

	1st October 2014 GH ¢	Cash Flow GH ¢	30th June 2015 GH ¢
Cash in Hand and at Bank	27,986,677	(381,062)	27,605,615
Bank overdraft	(159,123,779)	(79,000,077)	(238,123,856)
Short term Investment	47,537,137	46,449,923	93,987,060
	<u>(83,599,965)</u>	<u>(32,931,216)</u>	<u>(116,531,181)</u>

PBC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

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 01.10.14	15,000,000	(4,464,095)	3,500,467	14,036,372
Total recognised Income and Expenses		(4,835,117)		(4,835,117)
Dividend paid		-		-
Movement in available for sale asset			(181,778)	(181,778)
Balance at 30.06.15	15,000,000	(9,299,212)	3,318,689	9,019,477

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

3 SEGMENT REPORTING Class of Business	PRODUCE		HAULAGE		TOTALS	
	COCOA					
	2015 GH¢	2014 GH¢	2015 GH¢	2014 GH¢	2015 GH¢	2014 GH¢
Segment Revenue	1,238,362,698	1,013,276,085	17,633,201	10,610,466	1,255,995,899	1,023,886,551
Segment Cost	(1,103,906,782)	(917,571,192)	(11,111,201)	(6,047,966)	(1,115,017,983)	(923,619,158)
Segment Results	134,455,916	95,704,893	6,522,000	4,562,500	140,977,916	100,267,393
Unallocated expenses					(88,575,133)	(65,489,356)
Results from Operating activities					52,402,783	34,778,037
Other Income					2,396,781	5,769,765
Net Finance Cost					(59,634,681)	(44,744,018)
Corporate tax expense					-	-
Profit for the year					(4,835,117)	(4,196,216)

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

	2015	2014
	GH ¢	GH ¢
4 REVENUE		
Sale of Cocoa	1,238,362,698	1,013,276,085
Services (Haulage)	17,633,201	10,610,466
	<u>1,255,995,899</u>	<u>1,023,886,551</u>
5 ADMINISTRATIVE AND GENERAL EXPENSES including the following:		
Depreciation and amortisation	1,008,165	748,487
Auditors Remuneration	44,356	24,000
Directors emoluments	186,366	205,614
Subscriptions and Donations	134,805	148,318
	<u>1,373,692</u>	<u>1,126,419</u>
6 OTHER INCOME		
Rent Income	98,516	1,416,026
Recoveries from Shortages/Haulages	2,274,268	2,480,228
Sale of Unserviceable items	23,997	15,911
Funds from Touton Project	-	1,857,600
	<u>2,396,781</u>	<u>5,769,765</u>
7 NET FINANCE EXPENSES		
Interest Income	2,438,064	700,297
Bank and Produce loan interest	(62,072,745)	(45,444,315)
	<u>(59,634,681)</u>	<u>(44,744,018)</u>

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

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 2015	-	-	-	-
	-	-	-	-

8b DEFERRED TAX

	2015	2014
Balance at June 2015	468,481	1,791,969

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

9	LONG TERM INVESTMENTS	2015 GH¢	2014 GH¢
		<u> </u>	<u> </u>
	Quoted Equity Investments	<u>3,549,092</u>	<u>3,941,820</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, 2015

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 1.10.2014	21,206,947	14,078,403	50,596,042	3,173,281	29,582,894	118,637,567
Additions during the period	2,347,544	1,930,966	21,157,667	460,473	1,947,376	27,844,026
Transfer to Asset						
Balance at 30.06.2015	23,554,491	16,009,369	71,753,709	3,633,754	31,530,270	146,481,593
Depreciation						
Balance at 1.10.2014:	2,780,257	10,126,995	28,049,365	2,261,807	-	43,218,424
Charge for the period	463,102	2,569,488	5,799,811	545,063		9,377,464
Released on Disposals						
Balance at 30.06.2015	3,243,359	12,696,483	33,849,176	2,806,870	-	52,595,888
Carrying amounts						
At 30.06.15	20,311,132	3,312,886	37,904,533	826,884	31,530,270	93,885,705
At 30.06.14	10,983,860	2,905,572	24,177,870	816,090	43,323,036	82,206,428

PBC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

11 INVENTORIES

Trading:

Cocoa	53,272,100	73,803,346
Sheanut	24,479,497	14,979,018
Non-Trading	<u>1,523,500</u>	<u>2,567,110</u>
	<u>79,275,097</u>	<u>91,349,474</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

	2015 GH ¢	2014 GH ¢
12 ACCOUNTS RECEIVABLE		
Trade receivables due from customers	50,655,265	43,321,183
Other receivables	12,537,090	5,436,000
Staff Loans and Advances	3,552,000	2,465,125
Staff Loans Discounted	(355,200)	(246,513)
Prepayments	335,359	255,000
	<u>66,724,514</u>	<u>51,230,795</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¢3,552,000(2014- GH¢2,465,125)**

	GH ¢	GH ¢
13 SHORT TERM INVESTMENTS		
Call & Fixed Deposits	93,987,060	85,059,237
Treasury Bills	-	-
	<u>93,987,060</u>	<u>85,059,237</u>
14 CASH AND CASH EQUIVALENTS		
Bank Balances	27,596,065	7,243,929
Cash Balances	9,550	4,525
	<u>27,605,615</u>	<u>7,248,454</u>
15 ACCOUNTS PAYABLE		
Trade payables due to related parties	766,640	428,354
Non-trade payables and accrued expenses	1,625,000	354,000
Accrued Charges	1,400,000	165,000
	<u>3,791,640</u>	<u>947,354</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

16	BANK OVERDRAFT	2015	2014
		GH ¢	GH ¢
	Ecobank Ghana Limited	5,521,785	5,165,158
	HFC	20,280,606	30,665,886
	Ghana Commercial Bank	113,579,738	85,471,408
	Barclays Bank	29,969,664	49,529,922
	SG-GH Limited	25,138,673	25,522,337
	SCB	3,469,777	18,876,915
	First Atiantic	-	10,000,000
	Zenith	10,217,930	20,424,979
	Energy Bank	-	3,551,915
	UBA	9,930,013	-
	Stanbic	20,015,670	20,179,050
		238,123,856	269,387,570

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

	2015 GH ¢	2014 GH ¢
17 SHORT TERM LOANS		
Produce Loan (Seed Fund)	138,244,678	20,000,000
	<u>138,244,678</u>	<u>20,000,000</u>
18 MEDIUM TERM LOAN		
SG Ltd	7,568,000	9,676,170
Ecobank Limited (Haulage)	609,675	2,270,257
NIB	1,751,445	2,129,924
SCB Ltd	9,793,547	
	<u>19,722,667</u>	<u>14,076,351</u>
Current portion payable within 12 months	4,342,520	5,302,766
Long term portion payable after 12 months	<u>15,380,147</u>	<u>8,773,585</u>
	2015 GH¢	2014 GH¢
19 LONG TERM LOAN		
Ghana Cocoa Board	<u>8,334,072</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.

20 INVESTMENT IN SUBSIDIARIES

	2015 GH¢	2014 GH¢
	<u>57,533,966</u>	<u>33,924,462</u>

PBCLTD has invested a total amount of about GHC57.533 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 investment is as follows:

	2015 GH¢	2014 GH¢
Buipe SheaNut Factory	28,901,966	20,991,261
Golden Bean Hotel	28,632,000	12,933,201
	<u>57,533,966</u>	<u>33,924,462</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30TH JUNE, 2015

	<u>2015</u>	<u>2014</u>
	GH¢	GH¢
21 FINANCE LEASE		
Current portion payable within 12 months	518,185	776,403
Long term portion payable after 12 months	<u>4,337,893</u>	<u>5,850,000</u>
	<u><u>4,856,078</u></u>	<u><u>6,626,403</u></u>

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, 2015**

22 STATED CAPITAL	2015		2014	
	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.				
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, 2015

c Share in treasury

Shares in Treasury as at 30June 2015:-(1,877,370) 2014:(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".