



PBC LIMITED

UNAUDITED

CONSOLIDATED FINANCIAL STATEMENTS FOR FIRST QUARTER

FOR THE PERIOD ENDING

31ST DECEMBER, 2017

ADDRESS

PMB, Accra-North
106 Olusengun Obasanjo Way
Dzorwulu Junction

EMAIL

info@pbcgh.com

WEBSITE

www.pbcgh.com

PBC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2017

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.

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.

B. DEPRECIATION

Items of property, plant and equipment are measured at Cost less accumulated depreciation and impairment losses.

The estimated useful lives 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.

C. INTANGIBLE ASSETS

Software acquired by the Company is stated at cost less accumulated impairment losses.

D. INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

E. 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.

F. 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.

G. 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.

H. 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 three main business segments are:

Produce - Sale of Cocoa beans

Sheanut - Sale of sheanut

Haulage - transporting of Cocoa beans.

I. CONSOLIDATED ACCOUNTS

The financial statement of the Parent Company PBC LTD. has been consolidated with that of its subsidiary Golden Bean Hotel Ltd, which is a 50-room hospitality facility located at Nhyiaeso, Kumasi.

PBC LIMITED

CONSOLIDATED INCOME STATEMENT
FIRST QUARTER ENDED 31ST DECEMBER, 2017

INCOME STATEMENT	NOTE	GROUP 2017 GH¢	COMPANY 2017 GH¢	GROUP 2016 GH¢	COMPANY 2016 GH¢
Revenue	4	796,026,631	793,514,621	956,664,556	953,966,504
Cost of Sales		(721,078,185)	(720,089,060)	(858,814,387)	(857,691,292)
Gross Profit		74,948,446	73,425,561	97,850,169	96,275,212
Other Income	6	394,862	394,862	1,260,291	1,260,291
Direct Operating Expenses		(22,273,532)	(22,273,532)	(25,114,981)	(25,114,981)
General and Administrative Expenses	5	(18,405,984)	(16,357,245)	(18,146,567)	(16,154,884)
Operating profit before financing cost		34,663,792	35,189,646	55,848,912	56,265,638
Net Finance Expenses	7	(27,765,741)	(27,751,853)	(39,072,450)	(39,054,422)
Profit before Taxation		6,898,051	7,437,793	16,776,462	17,211,216
Income Tax Expense	8a	(1,724,513)	(1,859,448)	(4,194,116)	(4,302,804)
Profit for the quarter transferred to Income Surplus Account		5,173,538	5,578,345	12,582,347	12,908,412
INCOME SURPLUS ACCOUNT		2017 GH¢	2017 GH¢	2016 GH¢	2016 GH¢
Balance at 1 October		(48,531,000)	(36,560,224)	(18,655,501)	(14,117,856)
Net Profit for the quarter		5,173,538	5,578,345	12,582,347	12,908,412
Balance at 31 December		(43,357,462)	(30,981,879)	(6,073,154)	(1,209,444)

The Financial statement do not contain untrue statement, misleading facts or omit material facts to the best of my knowledge.

SIGN

.....
K. OWUSU BOATENG
CHIEF EXECUTIVE OFFICER

SIGN

.....
J. OSEI MANU
DEP. CHIEF EXECUTIVE OFFICER (F&A)

PBC LIMITED

CONSOLIDATED BALANCE SHEET
FIRST QUARTER ENDED 31ST DECEMBER, 2017

BALANCE SHEET	NOTE	GROUP	COMPANY	GROUP	COMPANY
		2017 GH¢	2017 GH¢	2016 GH¢	2016 GH¢
Non-Current Assets					
Property, plant and equipment	10	265,482,094	239,610,821	148,758,430	119,844,878
Intangible Assets		257,163	0	417,883	0
Investment in Subsidiaries	16	123,897,283	166,147,283	115,404,473	147,654,473
Available for Sale Financial Asset	20	3,672,729	3,672,729	2,589,092	2,589,092
Deferred Tax Assets	9	5,149,360	5,389,783	-	-
Total non-current assets		398,458,629	414,820,616	267,169,878	270,088,443
Current Assets					
Inventories	11	313,440,120	311,767,861	383,311,747	381,451,869
Income Tax Assets		30,360	0	30,360	0
Trade and other receivables	12	334,423,614	335,493,849	249,402,753	255,992,616
Short term investments	13	12,371,619	10,061,629	106,122,523	103,929,735
Cash and cash equivalents	14	40,715,079	39,566,731	52,940,403	52,068,805
Total current assets		700,980,792	696,890,070	791,807,786	793,443,025
Total assets		1,099,439,421	1,111,710,686	1,058,977,664	1,063,531,468
Equity					
Stated Capital	22a	15,000,000	15,000,000	15,000,000	15,000,000
Retained earnings	22c	(43,357,462)	(30,981,879)	(6,073,154)	(1,209,444)
Other reserves	22e	3,442,327	3,442,327	2,589,092	2,589,092
Revaluation Reserves		122,418,000	122,417,938	0	0
Total equity		97,502,865	109,878,386	11,515,938	16,379,648
Liabilities					
Deferred tax liability	8b	269,217	0	1,460,216	1,166,584
Income Tax liability	8a	1,693,513	1,858,474	4,194,116	4,302,804
Finance Lease	21	0	0	1,646,469	1,646,469
Medium term loan	18	9,880,508	9,880,508	17,032,508	17,032,508
Long Term Loan	19	61,779,036	61,779,036	59,913,994	59,913,994
Preference share capital	22b	100	100	100	100
Total non-current liabilities		73,622,374	73,518,118	84,247,403	84,062,459
Bank Overdraft	16	242,510,420	242,510,420	109,042,751	109,042,751
Short Term Loan	17	678,898,630	678,898,630	838,001,455	838,001,455
Medium term loan (current portio	18	2,254,560	2,254,560	5,915,816	5,915,816
Finance Lease (current portion)	21	638,270	638,270	1,020,500	1,020,500
Trade and other payables	15	4,012,302	4,012,302	9,233,801	9,108,839
Total current liabilities		928,314,182	928,314,182	963,214,323	963,089,361
Total liabilities		1,001,936,556	1,001,832,300	1,047,461,726	1,047,151,820
Total liabilities and equity		1,099,439,421	1,111,710,686	1,058,977,664	1,063,531,468

PBC LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2017

	GROUP 2017 GH¢	COMPANY 2017 GH¢	GROUP 2016 GH¢	COMPANY 2016 GH¢
Cash Flows from Operating Activities				
Profit before taxation	6,898,051	7,437,793	16,776,462	17,211,216
<u>Adjustment for:</u>				
Depreciation and Amortisation charges	5,965,656	5,188,670	5,156,616	4,343,112
Interest Received	(244,584)	(244,584)	(2,045,720)	(2,045,720)
Interest expense	28,010,325	27,996,437	41,118,170	41,100,142
Operating Profit Before Working Capital Changes	40,629,448	40,378,316	61,005,528	60,608,750
Change in inventories	(231,001,120)	(231,071,722)	(319,224,747)	(319,064,963)
Change in trade and other receivables	(221,347,614)	(221,170,890)	(183,355,456)	(183,898,264)
Change in trade and other payables	(6,674,696)	(5,907,176)	(1,994,199)	(1,566,496)
Cash generated from operations	(418,393,982)	(417,771,472)	(443,568,874)	(443,920,973)
Income taxes paid	-	-	-	-
Net cash flow from operating activities	(418,393,982)	(417,771,472)	(443,568,874)	(443,920,973)
Cash flow from investing activities				
Interest Received	244,584	244,584	2,045,720	2,045,720
Interest paid	(28,010,325)	(27,996,437)	(41,118,170)	(41,100,142)
Payments to acquire assets	(1,315,345)	(1,293,097)	(7,695,540)	(7,682,270)
Net Cash used in Investing Activities	(29,081,086)	(29,044,950)	(46,767,990)	(46,736,692)
Cash flows from Financing Activities				
Changes in Short Term Loan	498,969,558	498,720,195	767,967,314	767,967,314
Changes in Medium Term Loan	(1,877,372)	(1,877,372)	218,586	218,586
Changes in Finance Lease	(717,090)	(717,090)	(391,136)	(391,136)
Changes in Long Term Loan	947,250	947,250	1,483,275	1,483,275
Net Cash used in Financing Activities	497,322,346	497,072,983	769,278,039	769,278,039
Net Increase in Cash and Cash equivalents	49,847,278	50,256,561	278,941,175	278,620,374
Cash and Cash equivalents at 1 October	(239,271,000)	(243,138,621)	(228,921,000)	(231,664,495)
Cash and Cash equivalents at 31 December	(189,423,722)	(192,882,060)	50,020,175	46,955,879
Cash and cash equivalents.				
	GH ¢	GH ¢	GH ¢	GH ¢
Cash in Hand and at Bank	40,715,079	39,566,731	52,940,403	52,068,895
Bank overdraft	(242,510,420)	(242,510,420)	(109,042,751)	(109,042,751)
Short Term Investment	12,371,619	10,061,629	106,122,523	103,929,735
	(189,423,722)	(192,882,060)	50,020,175	46,955,879

PBC LIMITED
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2017

2

CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

GROUP	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 01.10.17	15,000,000	(48,531,000)	2,678,689	122,418,000	91,565,689
Total recognised Income and Expenses	-	5,173,538	-		5,173,538
Movement in available for sale asset			763,638		763,638
Balance at 31.12.17	15,000,000	(43,357,462)	3,442,327	122,418,000	97,502,865

COMPANY	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 01.10.17	15,000,000	(36,560,224)	2,678,689	122,417,938	103,536,403
Total recognised Income and Expenses	-	5,578,345	-		5,578,345
Movement in available for sale asset			763,638		763,638
Balance at 31.12.17	15,000,000	(30,981,879)	3,442,327	122,417,938	109,878,386

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

3 SEGMENT REPORTING

Class of Business	PRODUCE		HAULAGE		HOTEL		TOTALS	
	2017	2016	2017	2016	2017	2016	2017	2016
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Segment Revenue	785,375,265	946,145,419	8,139,356	7,821,085	2,512,010	2,698,052	796,026,631	956,664,556
Segment Cost	(716,426,350)	(854,328,225)	(3,662,710)	(3,363,067)	(989,125)	(1,123,095)	(721,078,185)	(858,814,387)
Segment Results	68,948,915	91,817,194	4,476,646	4,458,018	1,522,885	1,574,957	74,948,446	97,850,169
Unallocated expenses							(40,679,516)	(43,261,548)
Results from Operating activities							34,268,930	54,588,621
Other Income							394,862	1,260,291
Net Finance Cost							(27,765,741)	(39,072,450)
Corporate tax expense							(1,859,448)	(4,194,116)
Profit for the year							5,038,603	12,582,347

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

	GROUP 2017 GH ₵	COMPANY 2017 GH ₵	GROUP 2016 GH ₵	COMPANY 2016 GH ₵
4 REVENUE				
Sale of Produce	785,375,265	785,375,265	946,145,419	946,145,419
Services (Haulage)	8,139,356	8,139,356	7,821,085	7,821,085
Services(Hotel)	2,512,010	-	2,698,052	
	796,026,631	793,514,621	956,664,556	953,966,504
5 ADMINISTRATIVE AND GENERAL EXPENSES including the following:				
Depreciation and amortisation	2,031,126	1,213,960	1,221,308	432,142
Auditors Remuneration	26,750	16,500	8,750	15,000
Directors emoluments	133,494	101,742	45,742	57,234
Subscriptions and Donations	747,894	11,798	54,924	54,924
	2,939,264	1,344,000	1,330,724	559,300
6 OTHER INCOME				
Rent Income	37,015	37,015	22,910	22,910
Recoveries from Shortages/Haulages	357,847	357,847	494,381	494,381
Sundry Income	-	-	743,000	743,000
	394,862	394,862	1,260,291	1,260,291
7 NET FINANCE EXPENSES				
Interest Income	244,584	244,584	2,045,720	2,045,720
Bank and Produce loan interest	(28,010,325)	(27,996,437)	(41,118,170)	(41,100,142)
	(27,765,741)	(27,751,853)	(39,072,450)	(39,054,422)

PBC LIMITED
NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE QUARTER ENDED 31ST DECEMBER 2017

8a TAXATION

GROUP				
Year of Assessment	Balance at 1 October	Payments during the year	Charge for the year	Balance at 30 September
Corporate Tax	GH ¢	GH ¢	GH ¢	GH ¢
First Quarter 2017	31,000	-	(1,724,513)	(1,693,513)
	<u>31,000</u>	<u>-</u>	<u>(1,724,513)</u>	<u>(1,693,513)</u>

COMPANY				
Year of Assessment	Balance at 1 October	Payments during the year	Charge for the year	Balance at 30 September
Corporate Tax	GH ¢	GH ¢	GH ¢	GH ¢
First Quarter 2017	974	-	(1,859,448)	(1,858,474)
	<u>974</u>	<u>-</u>	<u>(1,859,448)</u>	<u>(1,858,474)</u>

		GROUP	COMPANY	GROUP	COMPANY
		2017	2017	2016	2016
8b DEFERRED TAX	Balance at 31 December	<u>5,149,360</u>	<u>5,389,783</u>	<u>(1,460,216)</u>	<u>(1,166,584)</u>

PBC LIMITED
NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2017

9	LONG TERM INVESTMENTS	GROUP 2017 GH ¢	COMPANY 2017 GH ¢	GROUP 2016 GH ¢	COMPANY 2016 GH ¢
	Quoted Equity Investments	<u>3,672,729</u>	<u>3,672,729</u>	<u>2,589,092</u>	<u>2,589,092</u>

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

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

10 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and Buildings GH ¢	Plant and Machinery GH ¢	Motor Vehicles GH ¢	Furniture & Fitting GH ¢	Building W.I.P GH ¢	Total GH ¢
COST						
Balance at 1.10.2017:	174,999,163	22,407,614	87,103,854	14,968,807	61,550,810	361,030,248
Additions during the quarter	-	68,579	370,087	93,773	782,906	1,315,345
Disposals						
Balance at 31.12.2017	174,999,163	22,476,193	87,473,941	15,062,580	62,333,716	362,345,593
Depreciation						
Balance at 1.10.2017:	5,981,354	16,737,260	56,546,120	11,633,109	-	90,897,843
Charge for the quarter	1,207,599	1,118,605	2,927,553	711,899	-	5,965,656
Released on Disposals						
Balance at 31.12.2017	7,188,953	17,855,865	59,473,673	12,345,008	-	96,863,499
Carrying amounts						
At 31.12.17	167,810,210	4,620,328	28,000,268	2,717,572	62,333,716	265,482,094
At 31.12.16	47,512,942	5,918,625	33,696,672	5,460,065	56,161,126	148,749,430

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

PROPERTY, PLANT AND EQUIPMENT

COMPANY	Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture & Fitting	Building W.I.P	Total
	GH ¢	GH ¢	GH ¢	GH ¢	GH ¢	GH ¢
COST						
Balance at 1.10.2017:	149,845,029	21,655,085	86,617,099	5,033,966	61,550,810	324,701,989
Additions during the quarter	-	66,725	370,087	73,379	782,906	1,293,097
Disposals						
Balance at 31.12.2017	149,845,029	21,721,810	86,987,186	5,107,345	62,333,716	325,995,086
Depreciation						
Balance at 1.10.2017:	4,921,369	16,186,885	56,254,508	3,832,833	-	81,195,595
Charge for the quarter	1,123,838	1,071,495	2,903,215	90,122	-	5,188,670
Released on Disposals						
Balance at 31.12.2017	6,045,207	17,258,380	59,157,723	3,922,955	-	86,384,265
Carrying amounts						
At 31.12.17	143,799,822	4,463,430	27,829,463	1,184,390	62,333,716	239,610,821
At 31.12.16	16,038,506	5,089,282	33,896,448	853,833	45,370,958	101,249,027

PBC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2017

	GROUP 2017 GH¢	COMPANY 2017 GH¢	GROUP 2016 GH¢	COMPANY 2016 GH¢
11 INVENTORIES				
<u>Trading:</u>				
Cocoa	287,764,956	287,764,956	330,163,000	330,163,000
Sheanut	14,638,180	14,638,180	41,172,985	41,172,985
Agro Inputs	2,912,575	2,912,575	6,045,953	6,045,953
Non-Trading	6,452,150	6,452,150	4,069,931	4,069,931
Food & Beverage	1,672,259	-	1,859,878	-
	313,440,120	311,767,861	383,311,747	381,451,869

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

	GROUP 2017 GH ¢	COMPANY 2017 GH ¢	GROUP 2016 GH ¢	COMPANY 2016 GH ¢
12 ACCOUNTS RECEIVABLE				
Trade receivables due from customers	310,812,172	309,705,604	231,860,712	230,699,929
Other receivables	19,145,865	21,379,305	12,498,094	20,331,856
Staff Loans and Advances	1,892,550	1,875,250	2,965,939	2,921,336
Staff Loans Discounted	(9,355)	(9,355)	(6,875)	(6,505)
Prepayments	2,582,382	2,543,045	2,084,883	2,046,000
	334,423,614	335,493,849	249,402,753	255,992,616

a. Prepayments represent the unexpired portion of certain expenditure spread on time basis.

b. The maximum amount due from employees of the group during the quarter did not exceed GH¢1,892,550 (2016 - 2,965,939)

	GH ¢	GH ¢	GH ¢	GH ¢
13 SHORT TERM INVESTMENTS				
Call & Fixed Deposits	8,821,019	6,511,029	104,235,528	102,042,740
Treasury Bills	3,550,600	3,550,600	1,886,995	1,886,995
	12,371,619	10,061,629	106,122,523	103,929,735
14 CASH AND CASH EQUIVALENTS				
Bank Balances	40,706,537	39,558,231	52,932,928	52,063,630
Cash Balances	8,542	8,500	7,475	5,175
	40,715,079	39,566,731	52,940,403	52,068,805
15 ACCOUNTS PAYABLE				
Non-trade payables and accrued expenses	3,327,807	2,656,302	5,688,481	5,668,839
Accrued Charges	1,403,019	1,356,000	3,545,320	3,440,000
	4,730,826	4,012,302	9,233,801	9,108,839

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

	GROUP	COMPANY	GROUP	COMPANY
16	2017	2017	2016	2016
BANK OVERDRAFT	GH ¢	GH ¢	GH ¢	GH ¢
GCB	99,944,882	99,944,882	70,949,010	70,949,010
ECOBANK	5,151,966	5,151,966	-	-
ADB	65,084,414	65,084,414	8,739,954	8,739,954
SG-SSB Limited	15,360,090	15,360,090	4,932,496	4,932,496
NIB	-	-	500,929	500,929
UBA	13,991,389	13,991,389	13,864,739	13,864,739
Bank Of Africa	-	-	10,055,623	10,055,623
UMB	42,977,679	42,977,679	0	-
	242,510,420	242,510,420	109,042,751	109,042,751

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31ST DECEMBER 2017

	GROUP 2017 GH ₵	COMPANY 2017 GH ₵	GROUP 2016 GH ₵	COMPANY 2016 GH ₵
17 SHORT TERM LOANS				
Produce Loan (Seed Fund)	412,033,247	412,033,247	583,588,080	583,588,080
Bank Short Term Loan	266,865,383	266,865,383	254,413,375	254,413,375
	678,898,630	678,898,630	838,001,455	838,001,455
18 MEDIUM TERM LOAN				
Stanchart	3,116,672	3,116,672	8,966,395	8,966,395
SG-SSB	-	-	2,432,395	2,432,395
NIB	-	-	149,534	149,534
EDAIF	9,018,396	9,018,396	11,400,000	11,400,000
	12,135,068	12,135,068	22,948,324	22,948,324
Current portion payable within 12 months	2,254,560	2,254,560	5,915,816	5,915,816
Long term portion payable after 12 months	9,880,508	9,880,508	17,032,508	17,032,508
LONG TERM LOAN	2017	2017	2016	2016
	GH ₵	GH ₵	GH ₵	GH ₵
19 Ghana Cocoa Board	61,779,036	61,779,036	59,913,994	59,913,994

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.

	GROUP 2017 GH ₵	COMPANY 2017 GH ₵	GROUP 2016 GH ₵	COMPANY 2016 GH ₵
20 INVESTMENT IN SUBSIDIARIES				
Buipe Shea Nut Company Limited	123,897,283	123,897,283	115,404,473	115,404,473
Golden Bean Hotel Limited	-	42,250,000	-	32,250,000
Balance as at 31st December	123,897,283	166,147,283	115,404,473	147,654,473

This represents PBC Limited investment in two subsidiaries, namely PBC Shea Ltd. and Golden Bean Hotel Limited. The PBC Shea Ltd. is a state of the art factory established to process sheanut into shea butter for export and 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 Metropolies.

PBC LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

	GROUP 2017 GH¢	COMPANY 2017 GH¢	GROUP 2016 GH¢	COMPANY 2016 GH¢
21 FINANCE LEASE				
Current portion payable within 12 months	638,270	638,270	1,020,500	1,020,500
Long term portion payable after 12 months	-	-	1,646,469	1,646,469
	638,270	638,270	2,666,969	2,666,969

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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

22 STATED CAPITAL

	2017		2016	
a Ordinary shares	No. of Shares	Proceeds GH¢	No. of Shares	Proceeds GH¢
Authorised Ordinary Shares of no par value	-	-	20,000,000,000	
	<u>20,000,000,000</u>		<u>20,000,000,000</u>	
Issued and fully paid	2,005,000	1,586,800	2,005,000	1,586,800
For cash	477,995,000	13,413,200	477,995,000	13,413,200
For consideration other than cash	480,000,000	15,000,000	480,000,000	15,000,000
	<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
Total stated capital		<u>100</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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2017

c Share in treasury

Shares in Treasury as at 31st December 2017 : - 1,427,370 (2016 : - 1,877,370).

d Income surplus (Retained earning)

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

e Other reserves

This represents the gain arising from fair value changes of long term investment in Ghana Commercial Bank Limited shares

	GROUP 2016 GH¢	COMPANY 2016 GH¢	GROUP 2016 GH¢	COMPANY 2016 GH¢
Balance at 1st October	2,909,091	2,909,091	2,635,053	2,635,053
Revaluation	763,638	763,638	(45,961)	(45,961)
Balance at 31st December	3,672,729	3,672,729	2,589,092	2,589,092

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. In a letter dated November 18, 1999 the Government of Ghana gave the following undertaking to ensure that 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.
- b** That in the event of Cocobod failing its obligations under the ceding 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.