



PBC LIMITED

NOTICE OF ANNUAL GENERAL MEETING AND AUDITED ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of PBC LIMITED will be held at the EBENEZER PRESBYTERIAN CHURCH HALL, OSU on the 13TH DAY OF JULY, 2017 at 10:00 a.m. to transact the following business:-

AGENDA

1. (a) To receive, consider and adopt the Report of the Directors, Auditors and Financial Statements for the year ended 30th September, 2016.
- (b) Chief Executive Officer's review of Operations
2. To approve changes in Directorship by Directors retiring
3. To appoint new Directors
4. To authorise the Directors to fix the remuneration of the Auditors; Messrs Panel Kerr Foster(PKF)

DATED THIS 19TH DAY OF JUNE, 2017 BY ORDER OF THE BOARD

Edem Ama Sekyi (Mrs.)
COMPANY SECRETARY

NOTE:

A member of the Company entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him/her. A Proxy need not be a member of the Company. A Form of Proxy, for it to be valid for the purpose of the meeting, must be completed and deposited at the offices of the REGISTRARS, NTHC LIMITED, MARTCO HOUSE, NO. D.542/4, OKAI MENSAH LINK, ADABRAKA, ACCRA, P. O. BOX KIA 9563, AIRPORT, ACCRA not later than forty-eight (48) hours before the appointed time of the meeting.

KINDLY VISIT www.pbcgh.com FOR A SOFT COPY OF THE 2015/2016 ANNUAL REPORT AND PROXY FORM

REPORT OF THE DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

In accordance with the requirements of Section 132 of the Companies Act, 1963 (Act 179), we the Board of Directors of PBC Limited, present herewith the annual report on the state of affairs of the Company and its subsidiary; Golden Bean Hotel Ltd. for the year ended 30th September, 2016.

Results of Operations	Group 2016 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Turnover	<u>1,900,674</u>	<u>1,891,337</u>	<u>1,470,973</u>
(Loss)/Profit before tax of	(18,098)	(16,482)	7,527
From which is deducted provision for the estimated income tax liability of,	<u>448</u>	<u>558</u>	<u>(1,257)</u>
Leaving a net (loss)/profit after tax of	(17,650)	(15,924)	6,270
To which is added the retained earnings as at 1 st October	<u>(1,005)</u>	<u>1,806</u>	<u>(4,464)</u>
Resulting in a balance carried to the balance sheet of	<u>(18,655)</u>	<u>(14,118)</u>	<u>1,806</u>

DIVIDEND

No dividends are recommended by the Directors for the year ended 30th September, 2016.

NATURE OF BUSINESS

The nature of businesses which the Company is authorised to carry on are;

- ⇒ to acquire and take over as a going concern the activities and business of the Produce Buying Division of the Ghana Cocoa Marketing Board and all or any of the assets and liabilities of the said Produce Buying Division of Ghana Cocoa Marketing Board;
- ⇒ to buy, collect, store, transport, process or otherwise deal in cocoa, coffee and sheanuts and shea butter and any other agricultural produce;
- ⇒ to carry out arrangements, financial or otherwise for the purchase of cocoa and sell same to the Ghana Cocoa Board;
- ⇒ to carry out arrangements, financial or otherwise for the purchase and sale of coffee, sheanuts, shea butter and other agricultural produce;
- ⇒ to carry on business related and incidental to agricultural inputs, supply and services and estate development;
- ⇒ to appoint agents or enter into arrangement with any Company, Firm or any person or group of persons with the view to carrying on the business of the Company and
- ⇒ To undertake such other businesses or investments as shall be given prior approval by members of the Company in General Meeting.

CORPORATE STATUS

On the 15th of September, 1999 the Company was incorporated as a limited liability company under the Companies Act, 1963 (Act 179). On the 19th of May, 2000 the Company listed on the Ghana Stock Exchange and 30.2% of its shares were transferred and are currently held by the public.

AUTHORISED SHARE CAPITAL

There was no change in the Authorised or Issued Share Capital of the Company during the year.

SUBSIDIARIES

PBC Ltd has two subsidiaries: PBC Shea Ltd and Golden Bean Hotel Ltd.

PBC Shea Limited, is a company incorporated in Ghana. The Company is permitted by its regulations to carry on the business of sheanuts, other nuts and oil plants processing, marketing and other related business.

Golden Bean Hotel Limited is a company incorporated in Ghana. The Company is permitted to own, operate and carry on the business of hoteliers and other activities related thereto.

AUDITORS

A resolution authorizing Directors to fix the remuneration of the Auditors for the year ending 30th September, 2017 will be put before the Annual General Meeting in accordance with Section 134 (11) of the Companies Act, 1963 (Act 179).

EVENTS AFTER REPORTING DATE

The Directors confirm that no matters have arisen since 30th September, 2016 which materially affect the financial statements of the Company for the year ended on that date.

BY ORDER OF THE BOARD

Capt. Kwadjo Adunkwa Butah (Rtd.)
DIRECTOR

Maxwell Kojo Atta-Krah
DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PBC LIMITED AND ITS SUBSIDIARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

Report on the Financial Statements

We have audited the accompanying financial statements of PBC Limited and its subsidiary which comprise the consolidated statement of financial position as of 30th September, 2016, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179) Securities and Exchange Commission Regulations, 2003 (LI 1728) and Ghana Stock Exchange Membership Regulations, 1991 (LI 1510) as amended. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We have not had sight of the Title Deed for the sheds and buildings ceded to the company by Ghana Cocoa Board as stated in the Company's books to establish the company's ownership of these assets. However as stated in Note 25, the Government has undertaken to ensure that Ghana Cocoa Board takes all steps required of it under the Ceding Agreement of 30th June, 1999 to effectuate the cession of assets to PBC Limited.

Without qualifying our opinion based on going concern, we draw attention to Note 36 of the financial statements, which indicate that the company and the group had suffered a net loss of GH¢15.92 million and GH¢17.65 million respectively for the year ended 30th September 2016. At the balance sheet date the company and the group had a net current liability of GH¢147.1 million and GH¢149.2 million respectively and a net asset of GH¢3.5 million and a net liability of GH¢1.0 million.

Opinion

In our opinion, subject to any adjustment that might have been found to be necessary had we been able to satisfy ourselves as to the title deeds referred to above, the financial statements give a true and fair view of the financial position of PBC Limited and its subsidiary as of 30th September, 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 1963 (Act 179), Securities and Exchange Commission Regulations, 2003 (LI 1728) and Ghana Stock Exchange Membership Regulations, 1991 (LI 1510) as amended.

Report on Other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) Except for the Title Deeds of the sheds and buildings ceded to the company by Ghana Cocoa Board, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of accounts have been kept by the Company, so far as appears from our examination of those books, and
- iii) The Company's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

Signed by: F. Bruce-Tagoe (ICAG/P/1087)
For and on behalf of
PKF: (ICAG/F/2015/039)
Chartered Accountants
Farrar Avenue
P. O. Box GP 1219
Accra.

30th December, 2016



PBC LIMITED

NOTICE OF ANNUAL GENERAL MEETING AND AUDITED ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group 2016	Company 2016	Company 2015
	NOTES	GH¢'000	GH¢'000	GH¢'000
Revenue	6	1,900,674	1,891,337	1,470,972
Cost of Sales		<u>(1,691,866)</u>	<u>(1,687,082)</u>	<u>(1,304,567)</u>
Gross Profit		208,808	204,255	166,405
Other Income	8	11,070	11,070	40,008
Direct Operating Expenses		<u>(75,098)</u>	<u>(75,003)</u>	<u>(74,343)</u>
General and Administrative Expenses	7	<u>(52,729)</u>	<u>(46,499)</u>	<u>(39,408)</u>
Operating profit before financing cost		92,051	93,823	92,662
Net Finance Expenses	9	<u>(110,149)</u>	<u>(110,305)</u>	<u>(85,135)</u>
(Loss)/Profit before Taxation		(18,098)	(16,482)	7,527
Income Tax Expense	10a	<u>448</u>	<u>558</u>	<u>(1,256)</u>
(Loss)/Profit for the year transferred to Income Surplus Account		(17,650)	(15,924)	6,271
Other Comprehensive Income				
Available -for-Sale Financial Assets		<u>167</u>	<u>167</u>	<u>(1,033)</u>
Total Other Comprehensive Income		167	167	<u>(1,033)</u>
Total Comprehensive Income for the year		(17,483)	(15,757)	5,238
Basic earning per share (GH¢)		(0.0369)	(0.0333)	0.0131
Diluted earning per share (GH¢)		(0.0369)	(0.0333)	0.0131

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group 2016	Company 2016	Company 2015
	NOTES	GH¢'000	GH¢'000	GH¢'000
Non-current assets				
Property, plant and equipment	13a	146,179	116,506	100,756
Intangible Asset	16	458	0	0
Investment in Subsidiaries	14	37,556	69,806	69,806
Available for sale financial assets	12	<u>2,865</u>	<u>2,865</u>	<u>2,698</u>
Total non-current assets		187,058	189,177	173,260
Current assets				
Inventories	15	64,087	62,187	59,388
Account receivables	17	104,553	110,797	125,456
Short term investments	18	2,972	1,972	24,840
Current Tax	10b	30	0	0
Cash and cash equivalents	19	<u>60,254</u>	<u>58,511</u>	<u>43,796</u>
Total current assets		231,896	233,467	253,480
Total assets		418,954	422,644	426,740
Equity				
Stated capital	25a	15,000	15,000	15,000
Retained earnings	25c	(18,655)	(14,118)	1,806
Other reserves	25d	<u>2,635</u>	<u>2,635</u>	<u>2,468</u>
Total equity		(1,020)	3,517	19,274
Non-current liabilities				
Deferred tax liability	11a	1,461	1,167	1,725
Finance lease	24	1,891	1,891	3,479
Medium term loan	23a	7,216	7,216	7,238
EDAIF Loan	23b	9,000	9,000	0
Long term loan	23c	<u>19,285</u>	<u>19,285</u>	<u>13,352</u>
Total non-current liabilities		38,853	38,559	25,794

Current liabilities

Bank overdraft	21	292,147	292,147	236,413
Short Term Loan	22	70,065	70,065	123,601
Medium term loan (current portion)	23a	6,514	6,514	7,214
Finance lease (current portion)	24	1,167	1,167	1,167
Account payables	20	<u>11,228</u>	<u>10,675</u>	<u>13,277</u>
Total current liabilities		381,121	380,568	381,672
Total liabilities		419,974	419,127	407,466
Total liabilities and equity		418,954	422,644	426,740

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group 2016	Company 2016	Company 2015
	GH¢'000	GH¢'000	GH¢'000
Cash flows from operating activities			
(Loss)/Profit before taxation	(18,098)	(16,482)	7,527
Adjustment for:			
Depreciation and Amortisation charges	17,624	14,407	12,514
Interest Received	(1,942)	(1,742)	(5,048)
Profit on Property, Plant and Equipment Disposals	(453)	(453)	(32,090)
Interest expense	<u>112,091</u>	<u>112,047</u>	<u>90,183</u>
Operating profit before working capital changes	109,222	107,777	73,086
Change in inventories	(3,548)	(2,799)	(24,612)
Change in trade and other receivables	15,463	14,659	(15,371)
Changes in Investment in Subsidiaries	0	0	(12,272)
Change in trade and other payables	<u>(2,730)</u>	<u>(2,602)</u>	<u>1,618</u>
Cash generated from operations	118,407	117,035	22,449
Income taxes paid	<u>(30)</u>	<u>0</u>	<u>0</u>
Net cash flow from operating activities	118,377	117,035	22,449
Cash flow from investing activities			
Interest Received	1,942	1,742	5,048
Proceeds from disposal of Assets	780	780	10,919
Payments to acquire Property, Plant and Equipment	<u>(30,735)</u>	<u>(30,484)</u>	<u>(39,910)</u>
Net Cash used in Investing Activities	(28,013)	(27,962)	(23,943)
Cash flows from Financing Activities			
Interest paid	(112,091)	(112,047)	(90,183)
Changes in Short Term Loan	(53,536)	(53,536)	5,406
Changes in Finance Lease	(1,588)	(1,588)	(1,068)
Changes in EDAIF Term Loan	(722)	(722)	(1,855)
Changes in Medium Term Loan	9,000	9,000	-
Changes in Long Term Loan	5,933	5,933	5,017
Net Cash flows from Financing Activities	(153,004)	(152,960)	(82,683)
Net Decrease in Cash and Cash equivalents	(62,640)	(63,887)	(84,177)
Cash and Cash equivalents at 1 October	(166,281)	(167,777)	(83,600)
Cash and Cash equivalents at 30 September	(228,921)	(231,664)	(167,777)
Cash and Cash Equivalents.			
Cash in Hand and at Bank	60,254	58,511	43,796
Bank overdraft	(292,147)	(292,147)	(236,413)
Treasury Bills/Call Deposits	<u>2,972</u>	<u>1,972</u>	<u>24,840</u>
	(228,921)	(231,664)	(167,777)

Capt. Kwadjo Adunkwa Butah (Rtd.)
DIRECTOR

Maxwell Kojo Atta-Krah
DIRECTOR