



PBC LIMITED

NOTICE OF ANNUAL GENERAL MEETING AND AUDITED ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of PBC LIMITED will be held at the EBENEZER PRESBYTERIAN CHURCH HALL, OSU on WEDNESDAY, the 25TH JULY, 2018 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, 2017
- (b) Chief Executive Officer's Report
2. Ratify the appointment of Directors
3. Approve changes in Directorship by Directors retiring by rotation
4. Re-elect the Directors retired by rotation
5. Appoint a new Auditor
6. Authorise the Directors to fix the fees of the Auditor

DATED THIS 11TH DAY OF JUNE, 2018 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 or to info@nthc.com.gh so as to reach the Registrar not later than 48 hours before the appointed time of the meeting.

KINDLY VISIT www.pbcgh.com FOR A SOFT COPY OF THE 2016/2017 ANNUAL REPORT, PROXY FORM AND VOTING CARD

REPORT OF THE DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2017

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, 2017.

Results of Operations	Group		Company	
	2017	2016	2017	2016
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Turnover	2,369,982	1,900,674	2,360,025	1,891,337
Loss before tax of	(36,449)	(18,098)	(28,992)	(16,482)
From which is deducted provision for the estimated income tax liability of,	6,573	448	6,549	558
Leaving a net loss after tax of	(29,876)	(17,650)	(22,443)	(15,924)
To which is added the retained loss as at 1 st October of	(18,655)	(1,005)	(14,118)	1,806
Resulting in a balance carried to the balance sheet of	(48,531)	(18,655)	(36,561)	(14,118)

DIVIDEND

No dividends are recommended by the Directors for the year ended 30th September, 2017.

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;
- Buy, collect, store, transport, process or otherwise deal in cocoa, coffee and sheanuts and shea butter and any other agricultural produce;
- Carry out arrangements, financial or otherwise for the purchase of cocoa and sell same to the Ghana Cocoa Board;
- Carry out arrangements, financial or otherwise for the purchase and sale of coffee, sheanuts, shea butter and other agricultural produce;
- Carry on business related and incidental to agricultural inputs, supply and services and estate development;
- 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
- 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 got listed on the Ghana Stock Exchange. The Social Security & National Insurance Trust and the Government of Ghana through the Ministry of Finance currently holds about 75% whilst various institutions and individuals holds the rest of the 25%.

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 proposing the appointment of new auditors and authorizing the directors to fix their fees for the year ending 30th September, 2018 will be put before the Annual General Meeting in accordance with the Companies Act, 1963 (Act 179).

EVENTS AFTER REPORTING DATE

The Directors confirm that no matters have arisen since 30th September, 2017 which materially affect the financial statements of the Company for the year ended on that date.

BY ORDER OF THE BOARD

CHARLES BERNARD NTIM

KOFI OWUSU BOATENG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PBC LIMITED AND ITS SUBSIDIARY (GOLDEN BEAN HOTEL LTD)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2017

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PBC Limited and its subsidiary, which comprise the consolidated statement of financial position as at 30th September, 2017, the consolidated statement of 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.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated financial position of the Group as at 30th September, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179), Securities Industry Act, 2016 (Act 929) and Ghana Stock Exchange Membership Regulations, 1991 (LI 1510) as amended.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group and have fulfilled our other ethical responsibilities in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information included in the financial statements

The Directors are responsible for the other information. The other information comprises the Directors Report and Corporate Governance but does not include the consolidated financial statements and auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Material Uncertainty Related to Going Concern

We have not had sight of the Title Deeds 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 26, 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.

We further draw attention to Note 36 in the financial statements, which indicates that the company and the group had suffered a net loss of GH¢22.44 million and GH¢29.9 million respectively for the year ended 30th September, 2017. At the balance sheet date the company and the group had a net current liability of GH¢243.5 million and GH¢234.4 million respectively. As stated in Note 36, these event or conditions, along with other matters as set forth in Note 36, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), Securities Industry Act 2016 (Act 929) and Ghana Stock Exchange Membership Regulations, 1991 (LI 1510) as amended and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 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. In our opinion, proper books of accounts have been kept by the Group, so far as appear from our examination of those books, and the Group's consolidated statement of financial position and consolidated statement of comprehensive income are in agreement with the books of accounts. The engagement partner on the audit resulting in this independent auditor's report is Frederick Bruce-Tagoe (ICAG/P/1087).

For and on behalf of
PKF: (ICAG/F/2017/039)
Chartered Accountants
Farrar Avenue
P. O. Box GP 1219,
Accra.

29th January, 2018.



PBC LIMITED

NOTICE OF ANNUAL GENERAL MEETING AND AUDITED ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTES	Group		Company	
		2017	2016	2017	2016
		GH¢'000	GH¢'000	GH¢'000	GH¢'000
Revenue	6	2,369,982	1,900,674	2,360,025	1,891,337
Cost of Sales		<u>(2,134,748)</u>	<u>(1,691,866)</u>	<u>(2,128,406)</u>	<u>(1,687,082)</u>
Gross Profit		235,234	208,808	231,619	204,255
Other Income	8	6,353	11,070	11,778	11,070
Direct Operating Expenses		<u>(88,715)</u>	<u>(75,098)</u>	<u>(88,478)</u>	<u>(75,003)</u>
Exceptional Item	37	(19,510)	0	(19,510)	0
General and Administrative Expenses	7	<u>(64,598)</u>	<u>(52,729)</u>	<u>(58,606)</u>	<u>(46,499)</u>
Operating profit before financing cost		68,764	92,051	76,803	93,823
Net finance expenses	9	<u>(105,213)</u>	<u>(110,149)</u>	<u>(105,795)</u>	<u>(110,305)</u>
Loss before taxation		(36,449)	(18,098)	(28,992)	(16,482)
Income tax credit	10a	<u>6,573</u>	<u>448</u>	<u>6,549</u>	<u>558</u>
Loss for the year transferred to income surplus account		<u>(29,876)</u>	<u>(17,650)</u>	<u>(22,443)</u>	<u>(15,924)</u>
Other comprehensive income					
Available -for-sale financial assets	12	<u>44</u>	<u>167</u>	<u>44</u>	<u>167</u>
Total other comprehensive income		<u>44</u>	<u>167</u>	<u>44</u>	<u>167</u>
Total comprehensive income for the year		<u>(29,832)</u>	<u>(17,483)</u>	<u>(22,399)</u>	<u>(15,757)</u>
Basic earning per share (GH¢)		(0.0625)	(0.0369)	(0.0469)	(0.0333)
Diluted earning per share (GH¢)		(0.0625)	(0.0369)	(0.0469)	(0.0333)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	Group		Company	
		2017	2016	2017	2016
		GH¢'000	GH¢'000	GH¢'000	GH¢'000
Non-current assets					
Property, plant and equipment	13a	270,132	146,179	243,506	116,506
Intangible Asset	16	297	458	0	0
Investment in Subsidiaries	14a	123,898	115,404	166,148	147,654
Available for sale financial assets	12	2,909	2,865	2,909	2,865
Deferred tax asset	11a	<u>5,119</u>	<u>0</u>	<u>5,389</u>	<u>0</u>
Total non-current assets		<u>402,355</u>	<u>264,906</u>	<u>417,952</u>	<u>267,025</u>
Current assets					
Inventories	15	82,439	64,087	80,696	62,187
Account receivables	17	113,076	66,934	114,323	73,178
Short term investments	18	25,470	2,972	23,160	1,972
Current Tax	10b	31	30	1	0
Cash and cash equivalents	19	<u>33,126</u>	<u>60,254</u>	<u>31,451</u>	<u>58,511</u>
Total current assets		<u>254,142</u>	<u>194,277</u>	<u>249,631</u>	<u>195,848</u>
Total assets		<u>656,497</u>	<u>459,183</u>	<u>667,583</u>	<u>462,873</u>
Stated capital	25a	15,000	15,000	15,000	15,000
Retained earnings	25c	(48,531)	(18,655)	(36,561)	(14,118)
Other reserves	25d	2,679	2,635	2,679	2,635
Revaluation Reserves	25e	<u>122,418</u>	<u>0</u>	<u>122,418</u>	<u>0</u>
Total equity		<u>91,566</u>	<u>(1,020)</u>	<u>103,536</u>	<u>3,517</u>
Non-current liabilities					
Deferred tax liability	11a	0	1,461	0	1,167
Finance lease Medium term loan	24	188	1,891	188	1,891
EDAIF Loan	23a	338	7,216	338	7,216
	23b	<u>9,588</u>	<u>9,000</u>	<u>9,588</u>	<u>9,000</u>
Long term loan	23c	<u>60,823</u>	<u>59,514</u>	<u>60,823</u>	<u>59,514</u>
Total non-current liabilities		<u>70,937</u>	<u>79,082</u>	<u>70,937</u>	<u>78,788</u>
Current liabilities					
Bank overdraft	21	297,867	292,147	297,749	292,147
Short Term Loan	22	180,187	70,065	180,187	70,065
Medium term loan (current portion)	23a	4,086	6,514	4,086	6,514
Finance lease (current portion)	24	1,167	1,167	1,167	1,167
Account payables	20	<u>10,687</u>	<u>11,228</u>	<u>9,921</u>	<u>10,675</u>
Total current liabilities		<u>493,994</u>	<u>381,121</u>	<u>493,110</u>	<u>380,568</u>
Total liabilities		<u>564,931</u>	<u>460,203</u>	<u>564,047</u>	<u>459,356</u>
Total liabilities and equity		<u>656,497</u>	<u>459,183</u>	<u>667,583</u>	<u>462,873</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	2017	2016	2017	2016
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash flows from operating activities				
Loss before taxation	(36,449)	(18,098)	(28,992)	(16,482)
Adjustment for:				
Depreciation and Amortisation charges	17,545	17,624	14,284	14,407
Interest Received	(30,279)	(1,942)	(30,279)	(1,742)
Profit on Property, Plant and Equipment Disposals	(128)	(453)	(5,553)	(453)
Accrued Interest on Long Term Loan	1,309	3,330	1,309	3,330
Interest expense	<u>136,074</u>	<u>112,091</u>	<u>136,074</u>	<u>112,047</u>
Operating profit before working capital changes	88,072	112,552	86,843	111,107
Changes in inventories	(18,352)	(3,548)	(18,509)	(2,799)
Changes in trade and other receivables	(46,142)	18,066	(35,720)	36,207
Changes in Investment in Subsidiaries	(8,494)	0	(18,494)	(18,945)
Changes in trade and other payables	(541)	(2,730)	(754)	(2,602)
Cash generated from operations	<u>14,543</u>	<u>124,340</u>	<u>13,366</u>	<u>122,968</u>
Income taxes paid	(8)	(30)	(8)	0
Net cash flow from operating activities	14,535	124,310	13,358	122,968
Cash flow from investing activities				
Interest Received	30,279	1,942	30,279	1,742
Proceeds from disposal of Assets	376	780	376	780
Payments to acquire Property, Plant and Equipment	<u>(19,167)</u>	<u>(30,735)</u>	<u>(19,114)</u>	<u>(30,484)</u>
Net Cash used in Investing Activities	<u>11,488</u>	<u>(28,013)</u>	<u>11,541</u>	<u>(27,962)</u>
Cash flows from Financing Activities				
Interest paid	(136,074)	(112,091)	(136,074)	(112,047)
Changes in Short Term Loan	110,122	(53,536)	110,122	(53,536)
Changes in Finance Lease (Current and Non-current)	(1,703)	(1,588)	(1,703)	(1,588)
Changes in EDAIF Term Loan	588	(722)	588	(722)
Changes in Medium Term Loan (Current and Non-current)	<u>(9,306)</u>	<u>9,000</u>	<u>(9,306)</u>	<u>9,000</u>
Net Cash flows from Financing Activities	<u>(36,373)</u>	<u>(158,937)</u>	<u>(36,373)</u>	<u>(158,893)</u>
Net Decrease in Cash and Cash equivalents	(10,350)	(62,640)	(11,474)	(63,887)
Cash and Cash equivalents at 1st October	<u>(228,921)</u>	<u>(166,281)</u>	<u>(231,664)</u>	<u>(167,777)</u>
Cash and Cash equivalents at 30th September	<u>(239,271)</u>	<u>(228,921)</u>	<u>(243,138)</u>	<u>(231,664)</u>
Cash and Cash Equivalents.				
Cash in Hand and at Bank	33,126	60,254	31,451	58,511
Bank overdraft	(297,867)	(292,147)	(297,749)	(292,147)
Treasury Bills/Call Deposits	25,470	2,972	23,160	1,972
	<u>(239,271)</u>	<u>(228,921)</u>	<u>(243,138)</u>	<u>(231,664)</u>

CHARLES BERNARD NTIM
BOARD CHAIRMAN

KOFI OWUSU BOATENG
CHIEF EXECUTIVE OFFICER