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PBC LIMITED

Consolidated Financial Statements
30 September 2018

PBC Limited

Annual Report And Consolidated Financial Statements

For the Year Ended 30 September 2018

Contents

PBC Limited

Corporate Information
For the Year Ended 30 September 2018

Board of directors	Charles Bernard Ntim	Chairman
	Kofi Owusu Boateng	CEO/ Director
	Joseph Albert Danso Jnr	Director
	Samuel Acquah	Director
	Helen Maku Obeng	Director
	Prosper Kojo Amewu	Director
	Prof. Mohammed Salifu	Director
	Matthew Boadu Adjei	Director
	Thomas Dzoleto Kwami	Director
	Emmanuel Karikari Gyamfi	Director
	Stephen Baba Kumasi	Director
	Imoro Sulemana	Director
Secretary	Charles Nana Yaw Osei	
Top management	Kofi Owusu Boateng	Chief Executive Officer (CEO)
	Kojo Safo Amankwa	DCEO, Finance & Administration
	Alfred Ofori Annye	DCEO, Operations

Auditors

Deloitte and Touche
Chartered Accountants
The Deloitte Place, Plot No. 71
P. O. Box GP 453
Accra Ghana

Solicitor

Charles Nana Yaw Osei
PBC Limited
No. 106, Olusegun Obasanjo Highway
Dzorwulu Junction
Accra

Registered office

PBC Limited
No. 106, Olusegun Obasanjo Highway
Dzorwulu Junction
Accra

Bankers

Barclays Bank of (Ghana) Limited
Ecobank Ghana Limited
Societe Generale Limited
Standard Chartered Bank (Ghana) Limited
CAL Bank Limited
Bank of Africa (Ghana) Limited
GCB Limited
UMB Bank Limited
ADB Bank Limited
NIB Bank Limited
Stanbic Bank (Ghana) Limited
Consolidated Bank Ghana (UniBank Limited)
United Bank of Africa (Ghana) Limited

PBC Limited

Report of the Directors
On the Consolidated Financial Statements
For the Year Ended 30 September 2018

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 for the year ended 30th September, 2018.

Results of Operations		**Group**		**Company**
		Restated		Restated
	2018	2017	**2018**	2017
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Turnover	**1,830,507**	2,370,541	**1,805,719**	2,360,025
Loss before tax of	**(174,447)**	(112,148)	**(172,253)**	(91,292)
From which is deducted provision for the estimated income tax liability of,	**-**	1,666	**-**	(7)
Leaving a net loss after tax of	**(174,447)**	(110,482)	**(172,253)**	(91,299)
Prior year adjustment	**17,225**	(12,760)	**12,933**	(11,593)
To which is added the retained loss as at 1st October of	**(206,065)**	(82,823)	**(117,010)**	(14,118)
Resulting in a balance carried to the balance sheet of	**(363,287)**	(206,065)	**(276,330)**	(117,010)

Dividend

No dividends are recommended by the Directors for the year ended 30th September, 2018.

Nature of business

The nature of the business which the company is authorised to carry on is:

- 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, and
- to appoint agents or enter into arrangement with any company, form or any person or group of persons with the view to carrying on the business of the company.

Report of the Directors – cont'd
On the Consolidated Financial Statements
For the Year Ended 30 September 2018

Auditors

A resolution proposing the appointment of new Auditors and authorize the directors to fix their fees for the year ending 30th September, 2019 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, 2018, which materially affect the consolidated financial statements of the Company for the year ended on that date.

By order of the board

....
Director

....
Director

31st DECEMBER 2019
....
Date

Deloitte.

P. O. Box GP 453
Accra
Ghana

Deloitte & Touche
Chartered Accountants
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Independent auditor's report on the consolidated and separate financial statements to the Shareholders Of PBC Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated and separate financial statements of PBC Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 September 2018, which comprise the consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated and separate financial statements of the Company. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

Basis for Disclaimer of Opinion

Management provided us with;
1) Their assessment of the appropriateness of the going concern assumption as at year end,
2) Management accounts for the year ended 30 September 2019,
3) Eight year profit forecast (2019 - 2027),
4) Draft restated facility agreement relating to GH¢ 485,200,000 loan facility with various lenders,
5) Draft proposal to pay Tranche P4 principal of PBC Note Programme and
6) Seed fund support of GH¢ 600 million from the Ministry of Finance for the 2019/2020 main crop purchases.

The key evidence of the loan facility agreement and Tranche P4 Note Programme agreement were not fully executed and therefore, we were unable to conclude on the sufficiency and appropriateness of the audit evidence to conclude on whether or not the use of the going concern assumption by management is appropriate.

Responsibility of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1963 (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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Independent auditor's report on the consolidated and separate financial statements to the Shareholders Of PBC Limited - continued

Auditor's Responsibility

Our responsibility is to conduct an audit of the Company's consolidated and separate financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Report on Other Legal and Regulatory Requirements

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

We confirm that:

i) Except for the matter described in the basis of disclaimer opinion of our report, we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) Except for the matter described in the basis of disclaimer opinion of our report, the Group have kept proper books of account, so far as appears from our examination of those books.

iii) Except for the matter described in the basis of disclaimer opinion of our report, the Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

The engagement partner on the audit resulting in this independent auditor's report is **Daniel Kwadwo Owusu (ICAG/P/1327)**

Deloitte & Touche

For and on behalf of Deloitte & Touche (ICAG/F/2019/129)
Chartered Accountants
Plot No. 71, Off George Walker Bush Highway
North Dzorwulu

Accra Ghana....31 December.... ***2019***

CLASSIFICATION: CONFIDENTIAL

PBC Limited

Consolidated Statement of Comprehensive Income
As at 30 September 2018

		Group		Company	
			Restated		Restated
		2018	2017	**2018**	2017
	Notes	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Revenue	6	**1,830,507**	2,370,541	**1,805,719**	2,360,025
Cost of Sales		**(1,647,318)**	(2,137,985)	**(1,624,999)**	(2,128,406)
Gross Profit		**183,189**	232,556	**180,720**	231,619
Other Income	8	**15,230**	6,413	**14,865**	11,778
Direct Operating Expenses		**(67,868)**	(89,037)	**(67,570)**	(88,478)
Exceptional Item		**-**	(19,510)	**-**	(19,510)
General and Administrative Expenses	7	**(153,972)**	(88,089)	**(149,285)**	(73,751)
Operating Profit Before Financing Cost		**(23,421)**	42,333	**(21,270)**	61,658
Net Finance Expenses	9	**(151,026)**	(154,481)	**(150,983)**	(152,950)
Loss Before Taxation		**(174,447)**	(112,148)	**(172,253)**	(91,292)
Income Tax Credit	10a	**-**	1,666	**-**	(7)
Loss for the year transferred to Income Surplus Account		**(174,447)**	(110,482)	**(172,253)**	(91,299)
Other Comprehensive Income					
Available-For-Sale Financial Assets	12	**945**	44	**945**	44
Total Other Comprehensive Income		**945**	44	**945**	44
Total Comprehensive Income for the year		**(173,502)**	(110,438)	**(171,308)**	(91,255)
Basic Earnings per Share (GH¢)	28	**(0.3649)**	(0.2311)	**(0.3603)**	(0.1909)
Diluted Earnings per Share (GH¢)		**(0.3649)**	(0.2311)	**(0.3603)**	(0.1909)

The accompanying notes form an integral part of these financial statements.

PBC Limited

Consolidated Statement of Financial Position

As at 30 September 2018

		Group		Company	
			Restated		Restated
		2018	2017	**2018**	2017
	Notes	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Non-Current Assets					
Property, Plant and Equipment	13	**374,640**	300,465	**323,004**	243,506
Intangible Asset	15	**136**	297	**-**	-
Investment In Subsidiaries	14	**-**	-	**39,752**	48,250
Available for Sale Financial Assets	12	**3,854**	2,909	**3,854**	2,909
Lease prepayment	16	**1,092**	1,133	**-**	-
Deferred tax Asset	11a	**-**	-	**-**	-
Total Non-Current Assets		**379,722**	304,804	**366,610**	294,665
Current Assets					
Inventories	17	**66,209**	83,734	**63,029**	80,696
Account Receivables	18	**156,916**	114,130	**268,533**	219,461
Short Term investments	19	**8,171**	21,259	**3,981**	18,949
Current Tax	10b	**208**	31	**22**	1
Cash and bank balances	20	**61,308**	33,792	**55,048**	31,439
Total Current Assets		**292,812**	252,946	**390,613**	350,546
Total Assets		**672,534**	557,750	**757,223**	645,211
Equity					
Stated Capital	26	**15,000**	15,000	**15,000**	15,000
Retained Earnings		**(363,287)**	(206,065)	**(276,330)**	(117,010)
Preference shares		**-**	-	**-**	-
Other Reserves		**3,624**	2,679	**3,624**	2,679
Revaluation Reserves		**207,034**	122,418	**207,034**	122,418
Total Equity		**(137,629)**	(65,968)	**(50,672)**	23,087
Non-Current Liabilities					
Deferred tax liability			-	**-**	-
Finance lease	25	**12,559**	188	**12,559**	188
Medium term loan	24a	**216,507**	1,061	**216,507**	1,061
EDAIF Loan	24b	**6,582**	9,588	**6,582**	9,588
Long term loan	24c	**70,577**	60,823	**70,577**	60,823
Total Non-Current Liabilities		**306,225**	71,660	**306,225**	71,660

PBC Limited

Consolidated Statement of Financial Position

As at 30 September 2018

Current Liabilities					
Bank Overdraft	22	**275,265**	297,867	**275,139**	297,749
Short Term Loan	23	**160,000**	218,636	**160,000**	218,636
Medium term Loan (current portion)	24a	-	12,822	-	12,822
Finance lease (current portion)	25	**194**	1,167	**194**	1,167
Account payables	21	**68,479**	21,566	**66,337**	20,090
Total current liabilities		**503,938**	552,058	**501,670**	550,464
Total Liabilities		**810,163**	623,718	**807,895**	622,124
Total Liabilities and Equity		**672,534**	557,750	**757,223**	645,211

Director

Date: 31st DECEMBER 2019

Director

Date:

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 September 2018

Group 2018	Stated Capital GH¢'000	Retained Earnings GH¢'000	Other Reserves GH¢'000	Revaluation Reserves GH¢'000	Total Equity GH¢'000
Balance at 1st October	15,000	(206,065)	2,679	122,418	(65,968)
Prior year adjustment	-	4,465	-	-	4,465
Adjustment in subsidiary	-	12,760	-	-	12,760
Loss for the year	-	(174,447)	-	-	(174,447)
Movement in Available for Sale assets	-	-	945	-	945
Revaluation Surplus	-	-	-	84,616	84,616
Balance at 30th September	**15,000**	**(363,287)**	**3,624**	**207,034**	**(137,629)**
Restated 2017					
Balance at 1st October	15,000	(82,823)	2,635	-	(65,188)
Adjustment in subsidiary	-	(12,760)	-	-	(12,760)
Loss for the year	-	(110,482)	-	-	(110,482)
Movement in Available for Sale assets	-	-	44	-	44
Revaluation Surplus	-	-	-	122,418	122,418
Balance at 30th September	15,000	(206,065)	2,679	122,418	(65,968)

Consolidated Statement of Changes in Equity

For the Year Ended 30 September 2018

Company 2018	Stated Capital GH¢'000	Retained Earnings GH¢'000	Other Reserves GH¢'000	Revaluation Reserves GH¢'000	Total Equity GH¢'000
Balance at 1st October	15,000	(117,010)	2,679	122,418	23,087
Prior year adjustment	-	173	-	-	173
Adjustment in subsidiary	-	12,760	-	-	12,760
Loss for the year	-	(172,253)	-	-	(172,253)
Movement in Available for Sale assets	-	-	945	-	945
Revaluation Surplus	-	-	-	84,616	84,616
Balance at 30th September	**15,000**	**(276,330)**	**3,624**	**207,034**	**(50,672)**
Restated 2017					
Balance at 1st October	15,000	(14,118)	2,635	-	3,517
Adjustment in subsidiary	-	(12,760)	-	-	(12,760)
De-recognition of deferred tax	-	1,167	-	-	1,167
Loss for the year	-	(91,299)	-	-	(91,299)
Movement in Available for Sale assets	-	-	44	-	44
Revaluation Surplus	-	-	-	122,418	122,418
Balance at 30th September	15,000	(117,010)	2,679	122,418	23,087

The accompanying notes form an integral part of these financial statements.

PBC Limited

Consolidated Statement of Cash Flows

For the Year Ended 30 September 2018

	Group		Company	
	2018	Restated 2017	**2018**	Restated 2017
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Cash flows from operating activities				
Loss before taxation	**(174,447)**	(112,148)	**(172,253)**	(91,292)
Adjustment for:				
Prior year adjustment	**4,465**	-	**173**	-
Adjustment of subsidiary	**12,760**	3,324	**12,760**	**(12,760)**
Change in revaluation surplus	**84,616**	-	**84,616**	-
Depreciation and Amortisation charges	**28,436**	21,697	**21,425**	14,284
Interest Received	**(2,645)**	(30,861)	**(1,760)**	(30,279)
Profit on Property, Plant and Equipment Disposals	**(155)**	(128)	**(145)**	(5,553)
Interest expense	**153,671**	185,342	**152,743**	183,229
Operating profit before working capital changes	**106,701**	67,226	**97,559**	57,629
Changes in inventories	**17,525**	(19,137)	**17,667**	(18,509)
Changes in trade and other receivables	**(42,786)**	(44,530)	**(49,072)**	(146,283)
Changes in Investment in Subsidiaries	-	-	**8,498**	99,404
Changes in trade and other payables	**46,913**	10,058	**46,247**	9,415
Cash generated from operations	**128,353**	13,617	**120,899**	1,656
Income taxes paid	**(177)**	(8)	**(21)**	(8)
Net cash flow from operating activities	**128,176**	13,609	**120,878**	1,648
Cash flow from investing activities				
Interest Received	**2,645**	30,861	**1,760**	30,279
Proceeds from disposal of assets	**768**	376	**748**	5,801
Payments to acquire Property, Plant and Equipment	**(103,022)**	(22,757)	**(101,526)**	(19,114)
Net Cash used in Investing Activities	**(99,609)**	8,480	**(99,018)**	16,966
Cash flows from Financing Activities				
Interest paid	**(153,671)**	(185,342)	**(152,743)**	(183,229)
Changes in Short Term Loan	**(58,636)**	148,571	**(58,636)**	148,571
Changes in Finance Lease (Current and Non-current)	**11,398**	(1,703)	**11,398**	(1,703)
Changes in EDAIF Term Loan	**(3,006)**	588	**(3,006)**	588
Changes in Long Term Loan	**9,754**	1,309	**9,754**	1,309
Changes in Medium Term Loan (Current and Non-current)	**202,624**	153	**202,624**	153
Net Cash flows from Financing Activities	**8,463**	(36,424)	**9,391**	(34,311)

PBC Limited

Consolidated Statement of Cash Flows

For the Year Ended 30 September 2018

Net Decrease in Cash and Cash equivalents	**37,030**	(14,335)	**31,251**	(15,697)
Cash and Cash equivalents at 1st October	**(242,816)**	(228,481)	**(247,361)**	(231,664)
Cash and Cash equivalents at 30th September	**(205,786)**	(242,816)	**(216,110)**	(247,361)
Cash and Cash Equivalents.				
Cash in Hand and at Bank	**61,308**	33,792	**55,048**	31,439
Bank overdraft	**(275,265)**	(297,867)	**(275,139)**	(297,749)
Treasury Bills/Call Deposits	**8,171**	21,259	**3,981**	18,949
	(205,786)	(242,816)	**(216,110)**	(247,361)

The accompanying notes form an integral part of these financial statements.

1. Corporate information

PBC Limited is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 2 of the annual report. The company is authorised;

- 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 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 and
- to appoint agents or enter into arrangement with any company, form or any person or group of persons with the view to carrying on the business of the company.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by the Companies Act, 1963, (Act 179) is included where appropriate.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Consolidated Financial Statements are presented in Ghana Cedi (GH₵) which is also the functional currency.

3. Consolidation

3.1. Basis of Consolidation

The consolidated annual financial statements incorporate the annual financial statements of the group and all investees which are controlled by the group.
The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.
The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.
Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

3.2 Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date. Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

3.3 Application of new and revised standards, amendments and interpretations

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The company plans to adopt the new standard on the required effective date and will not restate comparative information.

Overall, the company expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9. The company expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. In addition, the company will implement changes in classification of certain financial instruments.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The company plans to adopt the new standard on the required effective date using the ***full retrospective method or the modified retrospective method***. During 2017, the company performed a preliminary assessment of IFRS 15, which was continued with a more detailed analysis completed in 2017.

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.
The company will apply these amendments when they become effective.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2

The IASB issued amendments to IFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.
On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2018, the company will continue to assess the potential effect of IFRS 16 on its financial statements.

IFRS 17 *Insurance Contracts*

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective,
IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general
model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the company.

Transfers of Investment Property — Amendments to IAS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments.
An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight.

Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

This standard is not applicable to the company.

Annual Improvements 2014-2016 Cycle (issued in December 2016)

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose.
The amendment is effective from 1 January 2018. This amendment is not applicable to the company.

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or

- joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact.

These amendments are not applicable to the company.

Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts* - Amendments to IFRS 4

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 *Insurance Contracts*, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018.
An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on transition to IFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying IFRS 9.
These amendments are not applicable to the company.

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis.
Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

i. The beginning of the reporting period in which the entity first applies the interpretation Or
ii. The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the company's current practice is in line with the Interpretation, the company does not expect any effect on its financial statements.

IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.
The Interpretation specifically addresses the following:

Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The company will apply Interpretation from its effective date.

The Entity has elected not to adopt these new standards and amendments to existing standards in advance of their effective date. The Entity anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Entity in the period of initial application.

4.0 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company.

4.1 Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investment in shares and treasury bills, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

Non-derivative financial instruments are categorised as follows:
· Loans and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost using the effective interest rate method, less any impairment losses.

· Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss.

· Available-for-sale financial assets - The Company's investments in shares are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Summary of significant accounting policies (continued)

(ii) Off setting
Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(iii) Amortised cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(iv) Stated capital (Share capital)

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference shares
Preference share capital is classified as equity if it is non-redeemable or is redeemable but only at the company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by Board of Directors.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if dividend payments are not discretionary.

Dividends thereon are recognised as distributions within equity upon approval by the Board of Directors.

Repurchase of stated capital (treasury shares)
When stated capital recognised as equity is repurchased, the amount of the consideration paid which includes directly attributable costs, is net of any tax effects, and is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on transaction is transferred to/from retained earnings.

Summary of significant accounting policies (continued)

4.2 Leases

(i) Classification

Leases that the company assumes substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

(ii) Lease Payments

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between the finance expense and as reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

4.3 Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost/revaluation less accumulated depreciation and impairment losses.
Cost/revaluation includes expenditures that are directly attributable to the acquisition of the asset. The cost/revaluation amount of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will □ow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods 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. Gains and losses on disposal of property, plant and equipment are included in the income statement.

4.4 Intangible Assets

Software

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is five years.

4.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

4.6 Trade and Other Receivables

Trade receivables are stated at amortised costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful.

Other receivables are stated at their cost less impairment losses.

4.7 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.

4.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the income statement when they are due.

4.9 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. Revenue is recognised when the significant risks and rewards of the ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably.

(ii) Sale of services

Revenue from services rendered is recognised in the income statement when the service is performed.

4.10 Finance income and expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets) and dividend income. Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in the statement of comprehensive income statement on the date that the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method.

4.11 Impairment

(i) Financial assets

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-forsale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

4.12 Income tax

Income tax expense comprises current and deferred tax. The company provides for income taxes at the current tax rates on the taxable profits of the company.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.13 Dividend

Dividend payable is recognised as a liability in the period in which they are declared.

4.14 Event after reporting date

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

4.15 Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment information based on the internal reports regularly reviewed by the company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the company presents segment information in respect of its business segments (see note 5). Under the management approach, the company will present segment information in respect of marketing and haulage.

4.16 Earnings per share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.17 Borrowing cost

Borrowing costs shall be recognised as an expense in the period in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset.

The capitalisation of borrowing costs as part of the cost of a qualifying asset shall commence when expenditures for the asset are being incurred; borrowing costs are being incurred; and activities that are necessary to prepare the asset for its intended use or sale are in progress

Capitalisation of borrowing cost shall be suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

4.18 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the current market rate of instruments with similar credit risk profile and maturity at the reporting date. Receivables due within a 6-month period are not discounted as the carrying values of approximate their fair values.

4.19 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity period of 6 months are not discounted as their carrying values approximate their fair values.

4.20 Investments in equity

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

5 Segment reporting

Segmental information is presented in respect of the company's business segments. The primary format and business segments, is based on the company's management and internal reporting structure.

The company's results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses which are managed centrally.

The two main business segments are:

- Produce – purchase and sale of cocoa beans and shea nuts
- Haulage – transporting of cocoa beans

The company does not have a geographical segment.

PBC Limited

Notes to the Consolidated Financial Statements
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(a) Segment information

Class of Business	Cocoa		Sheanut		Haulage		Hotel		Totals	
	2018 GH¢'000	2017 GH¢'000	**2018 GH¢'000**	2017 GH¢'000	**2018 GH¢'000**	2017 GH¢'000	**2018 GH¢'000**	2017 GH¢'000	**2018 GH¢'000**	Restated 2017 GH¢'000
Segment Revenue	1,780,305	2,328,319	14,873	559	25,414	31,706	9,915	9,957	1,830,507	2,370,541
Segment Cost	(1,602,085)	(2,103,162)	(16,108)	(3,237)	(22,914)	(25,244)	(6,210)	(6,342)	(1,647,318)	(2,137,985)
Segment Results	178,220	225,157	(1,235)	(2,678)	(2,500)	6,462	3,705	3,615	183,189	232,556
Unallocated Expenses									(221,840)	(196,636)
Results from Operating activities									(38,651)	35,920
Other Income									15,230	6,413
Net Finance Cost									(151,026)	(154,481)
Corporate tax expense									-	1,666
Loss for the year									(174,447)	(110,482)

	Produce		Haulage		Hotel		Totals	
Total Assets	566,933	462,745	71,218	58,145	34,383	36,860	672,534	557,750
Total Liabilities	801,136	616,131	8,297	6,381	630	1,156	810,063	623,668
Other Segment Items								
Depreciation and Amortisation	15,357	11,067	10,225	7,369	2,854	3,261	28,436	21,687

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Notes to the Consolidated Financial Statements

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6. Revenue

	Group 2018 GH¢'000	Group Restated 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Sale of Produce	**1,795,178**	2,328,878	**1,780,305**	2,328,319
Services (Haulage)	**25,414**	31,706	**25,414**	31,706
Services (Hotel)	**9,915**	9,957	**-**	-
	1,830,507	2,370,541	**1,805,719**	2,360,025

7. General & administrative expenses include the following:

	Group 2018	Group Restated 2017	Company 2018	Company Restated 2017
Depreciation and amortisation	**28,436**	21,697	**21,425**	14,284
Auditors Remuneration	**310**	135	**225**	65
Directors emoluments	**186**	674	**-**	595
Impairment of financial assets	**53,488**	-	**61,986**	-
Subscriptions and Donations	**271**	558	**228**	480

8. Other income

	Group 2018 GH¢'000	Group Restated 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Rent Income	**217**	90	**217**	90
Recoveries from Shortages	**1,992**	2,331	**1,992**	2,331
Sundry Income	**218**	154	**132**	94
Certification Programme Income	**11,511**	3,400	**11,511**	3,400
Dividend Income	**-**	254	**-**	254
Asset Disposal Gain	**155**	128	**144**	5,553
Peripheral Earnings	**869**	-	**869**	-
Cocoa Sweeping Proceeds	**-**	-	**-**	-
Exchange Gain	**268**	49	**-**	49
Staff Loan Discount Recycle	**-**	7	**-**	7
	15,230	6,413	**14,865**	11,778

9. Net finance expense

	Group 2018 GH¢'000	Group Restated 2017 GH¢'000	Company 2018 GH¢'000	Company Restated 2017 GH¢'000
Interest Income	**2,645**	30,861	**1,760**	30,279
Bank and Produce loan interest	**(153,671)**	(185,342)	**(152,743)**	(183,229)
	(151,026)	(154,481)	**(150,983)**	(152,950)

PBC Limited

Notes to the Consolidated Financial Statements
For the Year Ended 30 September 2018

10a. Income tax expense

	Group 2018 GH¢'000	Group Restated 2017 GH¢'000	Company 2018 GH¢'000	Company Restated 2017 GH¢'000
Current tax expense	-	7	-	7
De-recognition of deferred tax	110	8,018	-	6,556
Deferred tax credit	(110)	(9,661)	-	(6,556)
	-	(1,666)	-	7

10b. Current tax
Group

Year of Assessment Corporate Tax	Balance at 1st October GH¢'000	Tax paid /refund GH¢'000	Charge for the year GH¢'000	Balance at 30th September GH¢'000
2015	18	-	-	18
2016	12	-	-	12
2017	1	-	-	1
2018	-	177	-	177
	31	177	-	208

Company

Year of Assessment Corporate Tax	Balance at 1st October GH¢'000	Tax paid /refund GH¢'000	Charge for the year GH¢'000	Balance at 30th September GH¢'000
2015	-	-	-	-
2016	-	-	-	-
2017	1	-	-	1
2018	-	21	-	21
	1	21	-	22

Tax liabilities up to and including the 2012 year of assessment have been agreed with the tax authorities. The remaining liabilities are however subject to agreement with the tax authorities.

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10c. Reconciliation of effective tax rate

The tax charge in the Income Statement differs from the hypothetical amount that would arise using the statutory income tax rate. This is explained as follows:

	Group		Company	
	2018 GH¢'000	Restated 2017 GH¢'000	**2018 GH¢'000**	Restated 2017 GH¢'000
Loss before tax	**(174,447)**	(112,148)	**(172,253)**	(91,292)
Income tax using the domestic tax rate	**(43,612)**	(28,037)	**(43,063)**	(22,823)
Non-deductible expenses	-	4,358	-	4,266
Tax exempt revenue	-	(1,033)	-	(1,388)
Tax effect of negative chargeable income not taxable	**43,612**	4,370	**43,063**	4,370
Tax effect on rent income	-	(7)	-	(7)
Deferred tax credit	-	-	-	-
Current tax credit	-	(20,349)	-	(15,582)
Effective tax rate (%)	**Nil**	(18.03)	**Nil**	(22.59)

11a. Deferred tax

	Group		Company	
	2018 GH¢'000	Restated 2017 GH¢'000	**2018 GH¢'000**	Restated 2017 GH¢'000
Balance at 1st October	-	4,572	-	1,167
De-recognition of deferred tax	-	5,119	-	5,389
Credit to the Income Statement	-	(9,691)	-	(6,556)
Balance at 30th September	-	-	-	-

PBC Limited did not recognise deferred tax asset of GH¢112,289,000 (GH¢6,696,000). The Deferred tax was not recognised because the entity does not anticipate to recover it in the future due to current losses.

CLASSIFICATION: CONFIDENTIAL

Notes to the Consolidated Financial Statements
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11b. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

	Assets GH¢'000	Liabilities GH¢'000	2018 Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	2017 Net GH¢'000
PPE	57,374	-	57,374	11,059	(4,406)	6,653
Others	54,915	-	54,915	43	-	43
	112,289	-	112,289	11,102	(4,406)	6,696

Company

	Assets GH¢'000	Liabilities GH¢'000	2018 Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	2017 Net GH¢'000
PPE	53,671	-	53,671	9,501	(4,112)	5,389
Others	54,810	-	54,810	43	-	43
	108,481	-	108,481	9,544	(4,112)	5,432

12. Available for sale financial assets

	Group 2018 GH¢'000	Group 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Quoted Equity Investments				
Balance at 1 October	**2,909**	2,865	**2,909**	2,865
Fair value movement	**945**	44	**945**	44
Balance at 30 September	**3,854**	2,909	**3,854**	2,909

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

Notes to the Consolidated Financial Statements
For the Year Ended 30 September 2018

13a. Property, Plant and Equipment
Group

2018	Land and Buildings	Plant and machinery	Motor Vehicle	Furniture/ fittings Equipment	Capital WIP	Total
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Cost/Revaluation						
Balance at 1 October 2017	184,306	58,628	87,482	16,340	61,551	408,307
Additions during the year	86,192	1,868	14,086	876	-	103,022
Released on disposals	-	-	(440)	-	(532)	(972)
Balance at 30 September 2018	270,498	60,496	101,128	17,216	61,019	510,357
Accumulated depreciation						
Balance at 1 October 2017	7,240	30,392	56,825	13,385	-	107,842
Charge for the year	7,693	5,950	11,831	2,760	-	28,234
Released on disposals	-	-	(359)	-	-	(359)
Balance at 30 September 2018	14,933	36,342	68,297	16,145	-	135,717
Net Book value 30 September 2018	255,565	24,154	32,831	1,071	61,019	374,640
Restated Net Book value 30 September 2017	177,066	28,236	30,657	2,955	61,551	300,465

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2018

13b. Property, plant and equipment
Company

2018	Land and Buildings	Plant and machinery	Motor Vehicle	Furniture/ fittings Equipment	Capital WIP	Total
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Cost/Revaluation						
Balance at 1 October 2017	149,844	21,655	86,618	5,034	61,551	324,702
Additions during the year	86,174	985	13,881	486	-	101,526
Released on disposals	-	-	(392)	-	(532)	(924)
Balance at 30 September 2018	**236,018**	**22,640**	**100,107**	**5,520**	**61,019**	**425,304**
Accumulated depreciation						
Balance at 1 October 2017	4,921	16,187	56,254	3,834	-	81,196
Charge for the year	7,081	2,105	11,693	546	-	21,425
Released on disposals	-	-	(321)	-	-	(321)
Balance at 30 September 2018	**12,002**	**18,292**	**67,626**	**4,380**	**-**	**102,300**
Net Book value 30 September 2018	**224,016**	**4,348**	**32,481**	**1,140**	**61,019**	**323,004**
Net Book value 30 September 2017	144,923	5,468	30,364	1,200	61,551	243,506

The Board of Directors commissioned a revaluation of the company's landed properties which had been incorporated in the company's financial statements for the financial year ending 30th September, 2018. The revaluation was done by Messrs. Prestige Property and the General Services Department of the Company.

13c. Profit on Disposal of Property, Plant and Equipment

	Group 2018 GH¢'000	Group Restated 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Cost	**972**	616	**924**	625
Accumulated Depreciation	**(359)**	(368)	**(321)**	(377)
Net Book Value	**613**	248	**603**	248
Sale proceeds	**(768)**	(376)	**(748)**	(5,801)
Profit on disposal	**(155)**	(128)	**(145)**	(5,553)

14a. Investment in Subsidiaries

	Group 2018 GH¢'000	Group Restated 2017 GH¢'000	Company 2018 GH¢'000	Company Restated 2017 GH¢'000
PBC Shea Limited	**-**	-	**6,000**	6,000
Golden Bean Hotel Limited	**-**	-	**33,752**	42,250
Balance at 30th September	**-**	-	**39,752**	48,250

This represents PBC Limited investment in two subsidiaries, namely PBC Shea Limited and Golden Bean Hotel Limited. The PBC Shea Limited 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 Metropolis.

14b. Investment in PBC Shea Limited

The Company's investment in PBC Shea Limited as indicated in the previous year's financial statement had been restated as follow:

	Group 2018 GH¢'000	Group Restated 2017 GH¢'000	Company 2018 GH¢'000	Company Restated 2017 GH¢'000
Balance at 1st October	-	-	**6,000**	115,404
Interest for the period	-	-	-	8,494
Reclassification	-	-	-	(105,138)
Adjustment in subsidiary	-	-	-	(12,760)
Balance at 30th September	-	-	**6,000**	6,000

Part of the loan from the Ghana Cocoa Board COCOBOD (US$6,696,741) was transferred directly for the purchase of the equipment without passing through PBC. This had previously been treated as a direct loan between the factory and COCOBOD. This has now been noted as erroneous since PBC had guaranteed the whole of the loan and also owns 100% of the factory. This note also relates to the long term loan in NOTE 24c. Also, in previous years material amount spent were included in other Receivables as a Current Account. The Board had resolved to include the current account into the investments.

15. Intangible assets

	Group		Company	
		Restated		
	2018	2017	2018	2017
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost				
Balance at 1 October	**803**	803	-	-
Additions during year	-	-	-	-
Balance at 30th September	**803**	803	-	-
Amortisation				
Balance at 1 October	**506**	345	-	-
Amortisation for the year	**161**	161	-	-
Balance at 30th September	**667**	506	-	-
Carrying amount at 30th September	**136**	297	-	-

This relates to Computer Software and amortisation is recognised in administrative and general expenses.

16. Leasehold prepayment

	Group		Company	
		Restated		
	2018	2017	2018	2017
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost	**1,246**	1,246	-	-
Additions during year	-	-	-	-
Balance at 30th September	**1,246**	1,246	-	-
Amortisation	**113**	72	-	-
Amortisation for the year	**41**	41	-	-
Balance at 30th September	**154**	113	-	-
Carrying amount at 30th September	**1,092**	1,133	-	-

This relates to lease of Mesonic Temple Parking lot for Thirty (30) years commencing 2014 and amortisation is recognised in general and administrative expenses.

PBC Limited

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17. Inventories

	Group		Company	
	2018	Restated 2017	**2018**	2017
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Trading				
Cocoa	**35,618**	49,598	**35,618**	49,598
Sheanut	**20,687**	20,033	**18,738**	18,738
Agro Inputs	**1,528**	2,913	**1,528**	2,913
Fertilizer Stock	**570**	-	**570**	-
Food and beverage	**192**	132	**-**	-
Non-Trading				
Spare Parts	**4,908**	4,624	**4,908**	4,624
Tarpaulin Stocks	**215**	620	**215**	620
Technical Stores	**1,065**	1,743	**94**	132
Printing and Stationery	**198**	563	**198**	563
Fuel and lubricants	**562**	2,051	**494**	2,051
Tyres and Batteries	**666**	1,452	**666**	1,452
Stencil Ink	**-**	5	**-**	5
	66,209	83,734	**63,029**	80,696

18. Account receivables

	Group		Company	
	2018	Restated 2017	**2018**	Restated 2017
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Trade receivables due from customers	**122,980**	85,852	**122,109**	84,563
Other receivables	**29,785**	25,732	**24,344**	22,657
Intercompany receivable	**-**	-	**117,971**	109,712
Staff Loans and Advances	**1,475**	1,688	**1,461**	1,671
Prepayments	**2,676**	876	**2,648**	876
Staff Loans Discounted	**-**	(18)	**-**	(18)
	156,916	114,130	**268,533**	219,461

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 year did not exceed **GH¢1,475,000** (2017 - GH¢1,688,000).

19. Short term investment

	Group		Company	
	2018	Restated 2017	**2018**	Restated 2017
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Fixed Deposit	**4,190**	17,991	**-**	15,681
Call	**3,981**	3,268	**3,981**	3,268
	8,171	21,259	**3,981**	18,949

20.Cash and bank balances

	Group		Company	
	2018	Restated 2017	2018	Restated 2017
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Bank Balances	21,033	12,606	14,776	10,254
RCPA Account and Cash Balances	40,275	21,186	40,272	21,185
	61,308	33,792	55,048	31,439

21. Account payables

	Group		Company	
	2018	Restated 2017	2018	Restated 2017
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Trade Payables	49,978	186	50,190	-
Non-Trade Payables and Accrued Expenses	5,408	18,305	5,382	17,819
Accrued expenses	13,093	3,075	10,765	2,271
	68,479	21,566	66,337	20,090

22. Bank Overdraft

	Group		Company	
	2018	Restated 2017	2018	2017
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Ecobank Ghana Limited	126	51,594	-	51,594
GCB Bank Limited	88,662	104,927	88,662	104,927
Societe Generale	10,221	14,952	10,221	14,952
Cal Bank Ghana Limited	34,988	17	34,988	17
UMB Bank Ltd.	45,741	40,606	45,741	40,606
United Bank for Africa Ghana Limited	14,265	13,859	14,265	13,859
ADB Bank Ghana Limited	68,020	61,319	68,020	61,319
NIB Bank Limited	467	337	467	337
Bank of Africa Ghana Limited	12,775	10,138	12,775	10,138
Others	-	118	-	-
	275,265	297,867	275,139	297,749

Ecobank Ghana Limited

The Company had an overdraft facility of GH¢5,000,000 with Ecobank Ghana Limited. The facility expired on 31st October, 2018 at an interest rate of 25.95%.

GCB Bank Limited

The Company had an overdraft facility of GH¢100,000,000 with GCB Bank Limited. The facility is to support Cocoa purchases. The facility expired on 30th September, 2018 at an interest rate of 20.5%.

Societe Generale

The Company had an overdraft facility of GH¢10,000,000 with Societe Generale. The facility expired on 30th September, 2018 at an interest rate of 22.5%.

Cal Bank Ghana Limited

The Company had an overdraft facility of GH¢100,000,000 with Cal Bank Ghana Limited. The interest rate was at 24.5% per annum. The facility expired on 1st October, 2018.

UMB Bank Limited

The Company had an overdraft facility of GH¢45,000,000 with Universal Merchant Bank Ghana Limited. The interest rate was at 26.2% per annum. The facility expires on 17th December, 2019.

United Bank for Africa Ghana Limited

The Company had an overdraft facility of GH¢15,000,000 with United Bank for Africa Ghana Limited. The interest rate was at 27.9% per annum. The facility expires on 30th September, 2019.

ADB Bank Ghana Limited

The Company had an overdraft facility of GH¢65,000,000 with ADB Bank Ghana Limited. The Interest rate was at 25.92% per annum. The facility expired on 30th September, 2018.

Bank of Africa Ghana Limited

The Company had an overdraft facility of GH¢10,000,000 with Bank of Africa Ghana Limited. The Interest rate was at 28.15% per annum. The facility expired on 30th September, 2019.

National Investment Bank Limited

The Company had an overdraft facility of GH¢40,000,000 with National Investment Limited. The Interest rate was at 28.0% per annum. The facility expired on 30th September, 2019

23. Short term loans

	Group		Company	
	2018	Restated 2017	**2018**	Restated 2017
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Ecobank Ghana Limited	**60,000**	-	**60,000**	-
Zenith Bank Ghana Limited	-	43,582	-	43,582
Calbank Ghana Limited	**50,000**	-	**50,000**	-
GCB Ghana Limited	**50,000**	-	**50,000**	-
Standard Chartered Bank Ghana Limited	-	5,934	-	5,934
Convertible Commercial Paper	-	169,335	-	169,335
	160,000	218,851	**160,000**	218,851
Processing fees	-	(215)	-	(215)
	160,000	218,636	**160,000**	218,636

Ecobank Ghana Limited

The Company had been granted a Revolving Short Term Loan facility of GH¢60,000,000 by Ecobank Ghana Limited. The facility expired on 31st October, 2018.

CAL Bank Ghana Limited

The Company has been granted a loan of GH¢150,000,000 by Calbank Ghana Limited. The facility expired on 24th September, 2018.

Zenith Bank Ghana Limited

The Company had been granted a Short Term Loan facility of GH¢40,000,000 by Zenith Bank Ghana Limited. The facility expired on 30th November, 2017.

GCB Ghana Limited

The Company had been granted a Revolving Short Term Loan facility of GH¢50,000,000 by GCB Ghana Limited. The facility expired on 30th September, 2018.

Standard Chartered Bank Ghana Limited

The Company had been granted a Credit facility of GH¢32,000,000 by Standard Chartered Bank Ghana Limited. The facility expired on 31st October, 2017.

24a. Medium Term loan

	Group		Company	
	2018	Restated 2017	**2018**	Restated 2017
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Standard Chartered Bank Ghana Limited	**216,516**	13,883	**216,516**	13,883
Societe Generale	**(9)**	-	**(9)**	-
	216,507	13,883	**216,507**	13,883

Standard Chartered Bank Ghana Limited (Note Programme)

The Company issued a convertible commercial paper for an amount of GH¢400,000,000 dated 11th October, 2016 on the Ghana Fixed Income Market which was arranged by Databank Brokerage Limited and was invested by SBGN/Databank Ark Fund for a period of 365 days at an interest/coupon rate of 26.85%. The purpose was to fund the purchase of cocoa.

Societe Generale

The company had a medium term facility of GH¢10,000,000 with the bank. The Interest rate was at 17.5% per annum. The facility expired on 30th September, 2017.

24b. Exim Bank Ghana Limited

	Group 2018 GH¢'000	Group 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
EDAIF Loan	6,582	9,588	6,582	9,588

The Company has a medium term facility of GH¢11,400,000 (equivalent of USD$3,000,000). The facility was to expire within 48 months from date of disbursement with a 6 months moratorium on the principal only. The loan was used to purchase and install the solvent extraction plant and Deoiled cake fired boiler at the PBC Shea Limited. The Interest rate was at 12.5% per annum.

24c. Long Term Loans

	Group 2018 GH¢'000	Group 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Ghana Cocoa Board	70,577	60,823	70,577	60,823

The company was granted a long term loan of US$10,000,000 by the Ghana Cocoa Board, towards the establishment of PBC Shea Limited, a subsidiary of the company. The facility was for a period of eight years with a two year moratorium, and it was secured by Cocoa Take Over Receivables, Butter proceeds from the factory and a charge over the plant and equipment of PBC Shea Limited. The Interest rate was at 8.5% on a reducing balance basis. The facility expires on 30th September, 2019.

25. Finance lease

	Group 2018 GH¢'000	Group 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Current portion payable within 12 months	194	1,167	194	1,167
Long term portion payable after 12 months	12,559	188	12,559	188
	12,753	1,355	12,753	1,355

Societe Generale

The Company was granted a Finance Lease by Societe Generale of GH¢6,191,946. The facility was used to re-financed the purchase of twenty (20) Articulated Tractor Unit Heads and twenty (20) Massey Ferguson Tractors and Trailers purchased by PBC Limited with their own Funds. The facility was for a period of (60) months from initial drawing of the facility with an interest rate of 24% per annum fixed over the tenor.

The Company was on 30th August, 2013 granted a Finance Lease by Societe Generale of GH¢4,000,000 for the purchase of 5 TGM (4x2) cargo trucks, 10 articulator trucks and 15 BMC cargo trucks. The facility was for a period of 7 years. The interest rate was 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 a 6 months moratorium for the repayment of the principal amount granted.

Ecobank Ghana Limited

The Company was granted a Finance Lease by Ecobank Ghana Limited of GH¢22,000,000. The facility was used to re-finance the purchase of twenty (24) Articulated trucks, one (1) cargo vehicle, twelve (12) tractors, five (5) pick-up trucks, ten (10) Articulated trailers, ten (10) tractor trailers and four (4) tractors to support PBC's business of transportation of Cocoa beans. The facility was for a period of (60) months from initial drawing of the facility.
The interest rate was at the bank's base rate of 25.95% less 0.45% (25.5%).

26. Stated Capital

a. Ordinary shares

	2018 No. of Shares 000	2018 Proceeds GH¢'000	2017 No. of Shares 000	2017 Proceeds GH¢'000
Authorised Ordinary Shares of no par value	20,000,000		20,000,000	
Issued and fully paid				
For cash	2,005	1,587	2,005	1,587
For consideration other than cash	477,995	13,413	477,995	13,413
	480,000	15,000	480,000	15,000

The holders of the ordinary shares are entitled to receive dividends declared from time to time and are entitled to one vote per share at meetings of the company.

b. Preference shares

	2018 No. of Shares	2018 Proceeds GH¢	2017 No. of Shares	2017 Proceeds GH¢'
No. of preference shares	1,000	100	1,000	100

The preference share is redeemable (golden cocoa share) allotted to the Ministry of Finance on behalf of Government of Ghana.

c. Retained earnings/(Income surplus)

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

d. Other reserves

This represent gains arising from fair value changes of available for sale financial asset held in Ghana Commercial Bank Limited

	2018 GH¢'000	2017 GH¢'000
Balance at 1st October	2,679	2,635
Revaluation	945	44
	3,624	2,679

e. Revaluation Reserves

This represent gains arising from revaluation of the company's landed properties at the various locations in the country. The revaluation were done by Messrs. Prestige Property and the General Services Department of the company.

	2018 GH¢'000	2017 GH¢'000
Balance at 1st October	122,418	-
Revaluation	84,616	122,418
	207,034	122,418

f. Shares in Treasury

Shares in Treasury as at 30th September 2018: (2017 - 1,427,370).

27. Title Deeds

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 Property, Plant and Equipment ceded to PBC Limited by Ghana Cocoa Board. As mentioned in our report, we have not had sight of the Title Deeds 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 18th November, 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 Limited and accordingly undertakes to ensure that Cocobod takes all steps required of it under the Ceding Agreement of 30th June, 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 Limited".

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 Limited in the said assets".

28. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the

	Group		Company	
	2018 GH¢'000	Restated 2017 GH¢'000	**2018 GH¢'000**	Restated 2017 GH¢'000
Loss attributable to equity holders (GH¢'000)	**(174,447)**	(110,482)	**(172,253)**	(91,299)
Weighted average number of ordinary shares ('000)	**478,123**	478,123	**478,123**	478,123
Basic earnings per share (Ghana cedi per share)	**(0.3649)**	(0.2311)	**(0.3603)**	(0.1910)

29. Dividend

No dividends are recommended by the Directors for the year ended 30th September, 2018.

30. Financial Risk Management

The company has exposure to the following risks from its use of financial instruments;

Credit risk
Liquidity risk
Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established the Audit and Finance committee, which is responsible for developing and monitoring the company's risk management policies in their specified areas. The team includes selected members of executive management and report regularly to the Board of Directors on their activities.

The company's Audit and Finance Committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of risk management framework in relation to the risks faced by the company.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Trade and other receivables

The company's exposure to credit risk is minimised as all sales are made to one individual customer. The company has transacted business with this customer over the years, there has not been much default in payment of outstanding debts.

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of risk and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for homogeneous assets in respect of losses that have been incurred but not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

Exposure to Credit Risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	Group		Company	
	2018 GH¢'000	Restated 2017 GH¢'000	**2018 GH¢'000**	Restated 2017 GH¢'000
Available for sale Financial Assets	**3,854**	2,909	**3,854**	2,909
Investment In Subsidiaries	-	-	**39,752**	48,250
Loans and Receivables	**154,240**	113,254	**265,885**	218,585
Cash and Bank Balances	**61,308**	33,792	**55,048**	31,439
	219,042	149,955	**364,539**	301,183

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was;

	Group		Company	
	2018 GH¢'000	2017 GH¢'000	**2018 GH¢'000**	2017 GH¢'000
Public Institutions	**122,980**	85,852	**122,108**	22,158

	2018		2017	
	Gross GH¢'000	**Impairment GH¢'000**	Gross GH¢'000	Impairment GH¢'000
Past due 0 - 180 days	**122,980**	-	85,852	-

The movement in the allowance in respect of trade receivables during the year was as follows

	2018 GH¢'000	2017 GH¢'000
Balance at 1st October	**122,980**	85,852
Impairment loss recognised	**-**	-
	122,980	85,852

Based on historical default rates, the Company believes that no impairment is necessary in respect of trade receivables past due up to 180 days.

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Liquidity risk

Liquidity risk is the risk that the Company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The Company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

The following are contractual maturities of financial liabilities;

Non-derivative financial liability	**Amount**	**Up to 12 mths**	**1-3 years**
30th September 2018	**GH¢'000**	**GH¢'000**	**GH¢'000**
Secured bank loans	466,419	160,194	306,225
Trade and other payables	49,978	49,978	-
Bank overdraft	275,265	275,265	-
Balance at 30th September 2018	**791,662**	**485,437**	**306,225**
Restated 30th September 2017			
Secured bank loans	304,285	232,625	71,660
Trade and other payables	186	186	-
Bank overdraft	297,867	297,867	-
Balance at 30th September 2017	**602,338**	**530,678**	**71,660**

Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Company is exposed to currency risk. Foreign currency risk refers to the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Company is exposed to foreign currency risk as a result of future transactions, foreign borrowings and investments in foreign companies, denominated in other foreign currencies.

The Company does not hedge foreign exchange fluctuations. Foreign exchange exposures are reviewed and controlled by management on a regular and frequent basis.

Interest rate risk

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was;

	Carrying amount	
		Restated
	2018	2017
Variable rate instrument	**GH¢'000**	GH¢'000
Financial liabilities	**741,684**	602,152

Fair value sensitivity analysis for fixed rate instrument

The company did not have a fixed rate instrument at 30th September 2018 nor at 30th September, 2017.

31. Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet are as follows;

	30th September 2018		Restated 30th September 2017	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets	**GH¢'000**	**GH¢'000**	GH¢'000	GH¢'000
Trade and Other Receivables	**154,240**	**154,240**	113,254	113,254
Cash and Cash Equivalents	**61,308**	**61,308**	33,792	33,792
Short Term Investments	**8,171**	**8,171**	21,259	21,259
	223,719	**223,719**	168,305	168,305
Available for Sale				
Available for sale financial assets	**3,854**	**3,854**	2,909	2,909
	3,854	**3,854**	2,909	2,909
Financial Liabilities held at amortised cost				
Secured Bank Loan	**466,419**	**466,419**	304,285	304,285
Trade and Other Payables	**49,978**	**49,978**	186	186
Bank Overdraft	**275,265**	**275,265**	297,867	297,867
	791,662	**791,662**	602,338	602,338

32. Capital commitments

There were no commitments for capital expenditure at the balance sheet date and at 30th September, 2018.

33. Employee benefits

Deferred Contribution Plans

Tier 1 - Social Security Scheme (Mandatory Contributions Scheme) - 13.0%

Under a National Deferred Benefit Pension Scheme, the company contributes 12.5% (under PNDCL 247) and 13% of employee basic salary to the Social Security and National Insurance Trust (SSNIT) in respect of Tier 1 under the new National Pension Scheme. The company's obligation was limited to the relevant contributions, which were to be settled on due date. The pension liabilities and obligation however rest with SSNIT.

Tier 2 - Occupational Pension Scheme - 5%

The Company has provident fund scheme for the staff under which the company contributes a total of 5% of staff basic salary. The scheme is being privately administered by the Enterprise Trustees Limited (ETL), a Nation Pension Regulatory Authority accredited company. This obligation under the scheme is limited to the relevant contribution and is settled by the fund manager.

Tier 3 - Provident Fund Pension Scheme - 10%

The Company has a provident fund scheme for its staff under which the company contributes a total of 10% of staff basic salary. The obligation under the plan is limited to the relevant contribution and these are settled on due dates by the fund manager.

34. Related Party Transactions

	2018 GH¢'000	Restated 2017 GH¢'000
Receivable		
PBC Shea Limited	117,924	105,138
Golden Bean Hotel	47	4,574
	117,971	109,712
Payable		
Golden Bean Hotel	287	-

This represents cumulative operational expenses on behalf of Golden Bean Hotel Limited which is a wholly owned subsidiary. The Company is into the hospitality industry. The amounts owed by the subsidiary are unsecured, interest free, and have no fixed term of repayment. The balance will be settled in cash. No guarantees have been given or received.

The receivable from PBC Shea Limited relates to an accrued interest on the COCOBOD loan facility.

Remuneration of Directors and other key management personnel

	2018 GH¢'000	2017 GH¢'000
Salaries and other short term benefits	642	365
Employer social security charges on emoluments	680	595
	1,322	960

35. Number of Shares in Issue

Earnings and dividend per share are based on 478,122,630 (2017; 478,122,630).

36. Contingent Liabilities

Claims that could arise from pending suits against the company at the year-end amounted to GH¢7,200,000.00 (2017; GH¢ 384,236.00)

Claims that could arise from pending suits in favor of the company at the year-end amounted to USD$2,351,297.70 (2017; GH¢ 562,480; USD$2,351,297.70)

37. Going concern

The Company and the group had suffered a net loss of GH¢172.25 million and GH¢174.45 million respectively for the year ended 30th September, 2018. At the balance sheet date the Company and the group had a net current liability of GH¢111.06 million and GH¢211.13 million respectively. However the Company and the group had a negative net worth of GH¢50.67 million and GH¢137.63 million respectively.

38. Restatement Note

Zenith loan

In November 2015, an amount of GH¢20 million loan was contracted from Zenith Bank (Gh) Limited but the draw down transaction was not recorded in the ledger.

However, repayment of both the principal and interest (GH¢38,449,381) were debited to the loan account, which created an outstanding debit balance in the ledger because the initial credit entry was omitted.

We discovered this during the audit and had to write it off against the prior year.

VAT on Bank facilities

This relates to the 17.5% VAT charges on financial service fees accumulated from prior years. These charges were however wrongly classified in the respective years it related to.

The implementation of the 17.5% VAT on fee-based financial services took effect from the beginning of 2015, following the Presidential assent given to the VAT Act 2013 (Act 870). This was subsequently abolished in 2017 following a directive from the Ghana Revenue Authority.

Interest on loans (SCB)

PBC Limited contracted a revolving loan of GH¢30 million from Standard Chartered Bank (Gh) Limited in November 2016. The interest component (GH¢8,694,065) was however debited to the loan amount instead of expensing it to the interest account.

We discovered it during the audit and had to write it off as prior year item.

Interest on overdraft (Unibank)
The adjustment relates to interest on bank overdraft for FY2015/16 which was omitted from the books.

Loan processing fees
Bank charges relating to the prior year was wrongly posted into loan processing fee deferred account.

National Reconstruction levy
This levy relates to 2007 and 2008, written off to bank charges.

39. Exceptional item

	2018 GH¢'000	2017 GH¢'000
	-	19,510

This relates to 2017 raw sheanuts purchased and delivered to the PBC Shea Limited in anticipation of its full operations after the technical challenges had been resolved. After some period of storage, the quality of the nuts deteriorated resulting in high Free Fatty Acid (FFA). A value of the sheanut stock worth GH¢19,510,027 was written off to reflect its net realizable value.

40. Shareholding distribution

Category	Number of Shareholders	Total Holding	Percentage Holding (%)
1 - 1,000	14,149	5,427,610	1.13
1,001 - 5,000	2,284	6,186,383	1.29
5,001 - 10,000	1,903	14,547,523	3.03
10,001 - 20,000	474	6,514,490	1.36
20,001 - 40,000	123	3,598,757	0.75
40,001 - 50,000	7	770,606	0.16
Over 50,001	46	442,954,631	92.28
		480,000,000	**100.00**

41. Directors shareholding

The Director named below held the following number of shares in the company as at 30th September, 2018.

Names	2018	2017
Mr. Thomas Dzoleto Kwami	**184,637**	184,637
	184,637	184,637

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42. Twenty largest shareholders

	Shareholders	Number of Shares	Percentage Holding (%)
1	Social Security & National Insurance Trust	182,879,412	38.10
2	Ministry of Finance - Government of Ghana	176,112,259	36.69
3	African Tiger Mutual Fund Limited	38,000,000	7.92
4	NTHC/Institutional Investor Consortium	14,050,719	2.93
5	STD Noms /BNYM SANV/New Century Partners, LP	11,008,105	2.29
6	Current PBC Employees/Commission Agents	5,140,575	1.07
7	NTHC Limited	4,891,934	1.02
8	GCCSFA/Farmers - Individuals	1,547,307	0.32
9	GCCFA/Farmers - Association	1,250,000	0.26
10	Equity Focus Company Limited	737,800	0.15
11	SCBN/SSB Eaton Vance Tax-Managed Emerging Market Fund	650,000	0.14
12	Oduro-Mintah Samuel	599,300	0.12
13	SCBN/SSB Eaton Vance Structured Emerging Market Fund	582,428	0.12
14	STD Noms TVL PTY/Databank Ark Fund.	540,000	0.11
15	Ansah, Micheal Owusu	411,725	0.09
16	Nanka-Bruce, Richard Henry Morton	315,400	0.07
17	Manu, Joseph Osei	300,000	0.06
18	Nana Agyenim Boateng I	300,000	0.06
19	STD Noms/BNYM SANV/Wilmington Multi-Manager INTL Fund	288,000	0.06
20	Kwami Thomas & Janet.	184,637	0.04
	Total Holding by twenty largest Shareholders	**439,789,601**	**91.62**
	Totals of others	**40,210,399**	**8.38**
		480,000,000	**100.00**

CLASSIFICATION: CONFIDENTIAL