PBC LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

ABA

Adom Boafo & Associates
Chartered Accountants and Management Consultants
Mango Street Avenue
P. O. Box CT 3960
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Accra

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CORPORATE INFORMATION

Board of directors	Hon. Kwabena Ohemang-Tinyase	Chairman
	Hon. Richard Akuoko Adiyia	CEO/ Director
	Mr. Stephen Baba Kumasi	Director
	Prof. Mohammed Salifu	Director
	Ms. Helen Maku Obeng	Director
	Mr. Prosper Kojo Amewu	Director
	Mr. Thomas Dzoleto Kwami	Director
	Mr. Imoro Sulemana	Director
	Dr. Benjamin Amoah	Director
	Mr. Mohammed Tahiru Nambe	Director
	Mr. Peter Eshun	Director
Secretary	Charles Nana Yaw Osei	
Top management	Hon. Richard Akuoko Adiyia	Chief Executive Officer
	Mrs. Vivian Boadi Apenteng	DCEO, Finance & Administration
	Mr. Alfred Ofori Annye	DCEO, Operations

Auditors

Adom Boafo & Associates
Chartered Accountants
Mango Street Avenue, Asylum Down
PMB CT 3960
Cantonments - Accra

Solicitor

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

Registered office

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

REPORT OF THE DIRECTORS

In accordance with the requirements of Section 132 of the Companies Act, 2019 (Act 992), 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, 2020.

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss and cash flows for that year. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2019 (Act 992).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

State of affairs of the Company

The directors consider the state of affairs of the company to be satisfactory. The board of directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not be a going concern in the year ahead.

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 shea nuts 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, shea nuts, 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.

Results of Operations

	Group		Company	
	2020	2019	**2020**	2019
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Revenue	**1,001,069**	1,162,861	**984,313**	1,140,120
Gross Profit	**107,882**	112,086	**103,955**	105,005
Profit/(Loss) after interest and tax	**(7,438)**	(146,488)	**763**	(139,288)

Trend Results (PBC Limited)

	Sept 2020	Sept 2019	Sept 2018	Sept 2017	Sept 2016
Gross Profit Margin	10.6%	9.2%	10.0%	9.8%	10.8%
Net Profit / (Loss) after tax ratio	0.1%	-12.2%	-9.5%	-3.9%	-0.8%
Return on Capital Employed (ROCE)	10.0%	2.4%	-8.3%	65.1%	114.0%
Administrative Expense / Revenue Ratio	11.1%	7.8%	8.3%	3.1%	2.5%
Net Finance Expense / Revenue Ratio	2.8%	13.0%	8.4%	6.5%	5.8%
Current Ratio (CA/CL)	91.6%	105.1%	77.9%	63.7%	51.5%
Current Ratio - Inventories Ratio	81.0%	88.0%	65.3%	49.0%	35.1%

Dividend

No dividends are recommended by the Directors for the year ended 30th September, 2020.

Corporate status

On the 15th of September, 1999, the company was incorporated as a Limited liability Company under the Companies Act, 1963 (Act 179). On the 19th of May, 2000 the company got listed on the Ghana Stock Exchange. The Social Security & National Insurance Trust and the Government of Ghana through the Ministry of Finance currently hold about 75% whilst various institutions and individuals hold the rest of the 25%.

Subsidiaries

Golden Bean Hotel Limited is a company incorporated in Ghana. The Company is permitted by its regulations to carry on the business of owning, operate and managing hotels, carry on the business of hoteliers and other activities related thereto, develop, operate and manage other tourist facilities, carry on the business of tour operators, promoters, contractors and travel agents and own, operate and manage transport in connection with its tourist and hotel operations.

The Financial Statements of Golden Bean Hotel Limited were audited by another firm of Chartered Accountants (Donaldy Associates). A review on the audit work done by this audit firm could not be conducted neither could Adom Boafo & Associates re-perform the audit of Golden Bean Hotel Limited in respect of the financial years ended 30th September 2020 and 30th September, 2019.

PBC Shea Limited is a limited liability company incorporated in Ghana under the Companies Act, 1963 (Act 179) and domiciled in Ghana. The company is permitted by its regulations to carry on, the business of buying sheanuts, other and oil plants processing, marketing and other related business.

Auditors

The auditors, Adom Boafo & Associates have expressed their willingness to continue as the Company's auditors in accordance with section 134 (5) of the Companies Act, 2019 (Act 992).

Audit Fee

Audit fee payable for the period is GH¢85,144.50 (2019: GH¢81,090)

Building Directors capacity

No specific steps were taken to build directors capacity to discharge their responsibilities during the year.

Events after reporting date

The Directors confirm that no matters have arisen since 30th September, 2020, which materially affect the consolidated financial statements of the Company for the year ended on that date.

Approval of the Financial Statement

The financial statements were approved by the Directors on the ………………………………………………… 2021, and signed on their behalf by:

………………………………	………………………………
Director	Director
24/11/2021	16/12/2021

Adom Boafo & Associates

Chartered Accountants & Management Consultants ▪ P. O. Box CT 3960 Cantonments-Accra ▪ Tel: +233 (0) 302 788324 ▪ Tel/Fax: +233 (0) 7011860

INDEPENDENT AUDITOR'S REPORT

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 2020, which comprise the consolidated and separate statements of financial position, the 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.

Basis for Disclaimer of Opinion

The liquidity position and total equity of both the company and the Group are negative.
PBC Limited and had a net profit after tax of GH¢762,848 as a result of other income and not from mainstream operations, but the Group had a loss of GH¢7.438million. It was a loss of GH¢139.2 million and GH¢146.8 million in the 2019 financial year for the Company and Group respectively.

The Company's working capital changed from a positive amount of GH¢9.3million in 2019 to a negative amount of GH¢21.72million. The Group's working capital also worsened from a positive GH¢19.75 million in 2019 to GH¢11.57 million in the 2020 financial year
We have not been able to obtain sufficient appropriate audit evidence from the trend analysis to conclude positively on the going concern of the company. The trend analysis shows complete reliance on loans for continuous operations, the absence of which operations will grind to a halt with huge liabilities that cannot be settled with existing assets.

Responsibility of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the 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, 2019 (Act 992), and for such internal control as the directors determine is necessary to enable the preparation of the consolidation 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.

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 and auditor's report.
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Directors.

• Conclude on the appropriateness of The Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with The Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide The Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

The companies Act, 2019 (Act 992) 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.

ADOM BOAFO & ASSOCIATES
CHARTERED ACCOUNTANTS & MGT. CONSULTANTS
L027/3 MANGO TREE AVENUE, ASYLUM DOWN
P. O. BOX CT 3960, CANTONMENTS, ACCRA

Partner Signing & Membership Number:
Prof. Kwame Adom-Frimpong – ICAG/P/1109
Name of Firm: Adom Boafo & Associates - Lic. No. ICAG/F/2021/041
Chartered Accountants
Mango Street Avenue
Asylum Down
Accra, Ghana
Date: 21/12/2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Company	
		2020	2019	**2020**	2019
		GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Revenue	5	**1,001,069**	1,162,861	**984,313**	1,140,120
Cost of Sales		**(893,187)**	(1,050,775)	**(880,358)**	(1,035,115)
Gross Profit		**107,882**	112,086	**103,955**	105,005
Other Income	6	**48,122**	6,519	**47,668**	6,493
Direct Operating Expenses		**(13,020)**	(16,887)	**(10,438)**	(14,207)
General and Administrative Expenses	7	**(119,769)**	(100,718)	**(109,467)**	(88,627)
Operating profit before financing cost		**23,214**	1,000	**31,719**	8,664
Net Finance Expenses	8	**(27,199)**	(147,747)	**(27,375)**	(147,952)
Profit/(Loss) before Taxation		**(3,985)**	(146,747)	**4,344**	(139,288)
Income Tax Expense	9	**(3,453)**	(69)	**(3,581)**	-
Profit/(Loss) for the period transferred to					
Income Surplus Account		**(7,438)**	(146,816)	**763**	(139,288)
Available-for-sale Financial Assets		-	327		327
Total Comprehensive Income for the year		**(7,438)**	(146,488)	**763**	(138,961)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Non-Current Assets					
Property, plant and equipment	10	**339,108**	362,521	**295,864**	314,888
Intangible Assets	11	**28**	37	-	-
Investment in Subsidiaries	12	-	-	**39,7533**	39,752
Available for Sale Financial Assets	13	**4,181**	4,181	**4,181**	4,181
Leasehold Prepayment	14	**1,009**	1,050	-	-
Medium Term Investments	27	-	1,686	-	-
Total non-current assets		**344,326**	369,476	**339,796**	358,821
Current Assets					
Inventories	15	**30,644**	34,142	**27,651**	31,653
Trade and other receivables	16	**152,580**	161,402	**146,011**	153,852
Short term investments	17	**4,947**	1,930	**3,067**	330
Current Tax	9	-	304	-	22
Cash and cash equivalents	18	**64,577**	11,387	**61,122**	8,797
Total current assets		**252,748**	209,165	**237,851**	194,653
Total assets		**597,073**	578,641	**577,647**	553,474
Equity					
Stated Capital	19	**15,000**	15,000	**15,000**	15,000
Retained earnings		**(401,768)**	(395,584)	**(414,855)**	(415,618)
Preference share capital	19	-	-	-	-
Other reserves		**3,624**	3,624	**2,524**	2,524
Revaluation Reserves		**207,034**	207,034	**207,361**	207,361
Total equity		**(176,110)**	(169,926)	**(189,970)**	(190,733)
Non-Current Liabilities					
Deferred tax liability		**100**	228	-	-
Income Tax Liability		**4,277**	-	**3,559**	
Finance Lease	20	**194**	194	**194**	194
Medium term loan	21	**(9)**	(9)	**(9)**	(9)
Long term loan	22	**504,299**	558,739	**504,299**	558,739
Total non-current liabilities		**508,862**	559,152	**508,043**	558,924

Current Liabilities					
Bank Overdraft	23	**7,572**	8,363	**7,752**	8,363
Short Term Loan	24	**138,754**	132,131	**138,754**	132,131
Finance Lease (current portion)	20	-	-	-	-
Trade and other payables	25	**117,816**	48,922	**113,068**	44,789
Total current liabilities		**264,322**	189,415	**259,574**	185,282
Total liabilities		**773,184**	748,567	**767,617**	744,207
Total liabilities and equity		**597,073**	578,641	**577,647**	553,474

Director

Director

16/12/2021

Date: 24/11/2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group

2020	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 01.10.19	15,000	(395,584)	3,624	207,034	(169,926)
Adjustment in subsidiary		1,255			1,255
Profit / (Loss) for the year	-	(7,438)	-	-	(7,438)
Balance at 30.09.20	**15,000**	**(401,768)**	**3,624**	**207,034**	**(176,110)**

2019	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 01.10.18	15,000	(363,287)	3,624	207,034	(137,629)
Adjustment in subsidiary		114,191			114,191
Loss for the year	-	(146,488)	-	-	(146,488)
Balance at 30.09.19	15,000	(395,584)	3,624	207,034	(169,926)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Company

2020	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Balance at 01.10.19	15,000	(415,618)	2,524	207,361	(190,733)
Profit / (Loss) for the year		763			763
Movement in available for sale asset/ Debt Reserve	-	-	-	-	-
Balance at 30.09.20	15,000	(414,855)	2,524	207,361	(189,970)

2019	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Balance at 01.10.18	15,000	(276,330)	3,624	207,034	(50,672)
Loss for the year		(139,288)			(139,288)
Movement in available for sale asset/ Debt Reserve	-	-	(1,100)	327	(773)
Balance at 30.09.19	15,000	(415,618)	2,524	207,361	(190,733)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
Cash Flows from Operating Activities	**2020**	2019	**2020**	2019
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Profit/(loss) before taxation	**3,985**	(146,816)	**4,344**	(139,288)
Adjustment for:				
Adjustment of subsidiary	**1,255**	114,191	-	-
Change in revaluation surplus	-	-	-	327
Depreciation and amortization charges	**25,298**	26,252	**20,682**	21,351
Interest Received	**(539)**	(2,051)	-	-
Profit on Property, Plant and Equipment disposal	**(37)**	304	-	-
Interest expense	**27,736**	149,798	-	-
Operating Profit Before Working Capital Changes	**49,730**	141,679	**25,026**	(117,610)
Change in inventories	**3,497**	32,067	**4,002**	31,376
Change in trade and other receivables	**8,822**	(4,486)	**7,841**	114,681
Change in available for sale financial asset	-	(327)	-	(327)
Change in trade and other payables	**68,894**	(19,557)	**68,279**	(21,548)
Cash generated from operations	**130,941**	149,375	**105,147**	6,572
Income taxes paid	**(16)**	(59)	-	-
Net cash flow from operating activities	130,925	149,316	**105,147**	6,572
Cash flow from investing activities				
Interest Received	**539**	2,051	-	-
Leasehold prepayment	**42**	-	-	-
Changes in Medium Term Loan	**1,686**	(1,686)	-	-
Proceeds from disposal of assets	**1,016**	519	-	304
Payments to acquire Property, Plant and Equipment	**(1,838)**	(14,298)	**(1,656)**	(13,539)
Net Cash used in Investing Activities	**1,445**	(13,414)	**(1,656)**	(13,235)
Cash flows from Financing Activities				
Interest paid	**(27,736)**	(149,798)	-	-
Changes in Other Reserves	-	-	-	(1,100)
Changes in Short Term Loan	**6,623**	(27,869)	**6,623**	(27,869)
Changes in Finance Lease	-	(12,559)	-	(12,559)
Changes in EDAIF Term Loan	-	(6,582)	-	(6,582)

Changes in Long Term Loan	**(54,440)**	488,162	**(54,440)**	488,162
Changes in Medium Term Loan	**-**	(216,516)	**-**	(216,516)
Net Cash used in Financing Activities	**(75,553)**	74,838	**(47,817)**	223,536
Net Increase in Cash and Cash equivalents	**56,817**	210,740	**55,674**	216,873
Cash and Cash equivalents at 1 October	**4,954**	(205,786)	**763**	(216,110)
Cash and Cash equivalents at 30 September	**61,771**	4,954	**56,437**	763

Analysis of changes in cash and cash equivalents.

	2020	2019	**2020**	2019
	GH ¢	GH ¢	**GH¢000**	GH¢000
Cash in Hand and at Bank	**64,577**	11,387	**61,122**	8,797
Bank overdraft	**(7,752)**	(8,363)	**(7,752)**	(8,363)
Treasury Bills/Call Deposits	**4,947**	1,930	**3,067**	330
	61,771	4,954	**56,437**	763

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Corporate information

PBC Limited is a company registered and domiciled in Ghana. The corporate information of PBC Limited is found on page 2 of the annual report. The following are operations that PBC Limited is authorized to carry out;

- to acquire and take over as a going concern the activities and business of the Produce Buying Division of the Ghana Marketing Board and all or any of the assets and liabilities of the said Produce Buying Division of Ghana 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, 2019, (Act 992) 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 of 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 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 subsidies are included in the consolidated annual financial statements from the 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 interest in the net assets of consolidated subsidiaries are identified and recognized separately from the group's interest therein, and are recognized 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 recognized 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 recognized directly in the statements 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 recognized in equity attributable to the owners of the parent.

Where subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value recognized 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 recognized at their fair values at acquisition date, except for non-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 recognized 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 amortized 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 International Financial Reporting Standards (IFRSs)

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Council. PBC Limited intends to adopt these standards, if applicable when they become effective.

IFRS 9 "Financial Instruments"

(Effective for annual periods beginning on or after 1 January 2018), issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.
Classification and Measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.
Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a more timely basis
Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.
Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss.
Except for impairment losses, PBC Limited does not expect a significant effect on the financial statement.

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Amendments to IFRS 11 "Joint Arrangements"

Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2011.
IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

IFRS 15 "Revenue from Contracts with Customers"

(Effective for annual periods beginning on or after 1 January 2017), published by IASB on 28 May 2014.
IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

IFRS 2 Share-based Payment

The amendments are effective for annual periods effective January 2018 or after. This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

a. A performance condition must contain a service condition
b. A performance target must be met while the counterparty is rendering service
c. A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
d. A performance condition may be a market or non-market condition
e. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

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IFRS 14 "Regulatory Deferral Accounts"

(Effective for annual periods beginning on or after 1 January 2016), published by IASB on 30 January 2014.

This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognize regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by PBC Company Limited.

4.1 Foreign Currency

Foreign currency transactions and balances
Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction. At each reporting date, assets and liabilities denominated in currencies different from the functional currency are translated into the functional currency at the rate at that date. Foreign exchange gains and losses are recognized in the income statement.

4.2 Property, plant and equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Land and buildings are measured at fair value less accumulated depreciation on leasehold land and on buildings and impairment losses recognized after the date of the revaluation. Valuations are to be performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.
Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case, the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.
Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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Equipment is reflected at cost less accumulated depreciation and accumulated impairment losses.
An item of property and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

c) Depreciation

Depreciation is provided on the straight-line basis at rates considered appropriate to reduce the cost to net realizable value over the estimated useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that, future economic benefits associated with the term will flow to the Company and the cost of the item can be reliably measured. Land is not depreciated.
The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. Gains and losses on disposal are determined by comparing the asset's proceeds to its carrying amount and are included in the income statement. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to income surplus. Depreciation methods, useful lives and residual values are reassessed at the reporting date.
The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.
Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses on non-revalued assets are recognized in the income statement as an expense, while reversals of impairment losses are also stated in the income statement.

Impairment losses on revalued assets are recognized in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset

The estimated useful lives are as follows:

Buildings	- 3%
Furniture and equipment	- 20%
Plant and Machinery	- 20%
Motor Vehicles	- 20%
Operational Vehicles	- 10%

4.3 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company

NOTES TO THE FINANCIAL STATEMENTS
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estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.. In respect of revalued non-current assets, impairment losses are recognized in other comprehensive income and presented in the revaluation reserve within equity, to the extent that it reverses a previous revaluation surplus relating to the same asset. Any excess is recognized in profit or loss

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

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The following criteria are also applied in assessing impairment of specific assets:

4.4 Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually at 31 December, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.6 Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognized initially at fair value plus, in the case of investments at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, Trade and other receivables, quoted and unquoted financial investment.

NOTES TO THE FINANCIAL STATEMENTS
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Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortised cost, using the Effective Interest Rate (EIR), less impairment. The EIR amortisation is included in 'investment income' in the income statement. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortisation process.

Held to maturity financial assets in the Company include investment in debt securities (Treasury Bills) issued by state government and other corporate entities.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
  Or
- The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Company has transferred substantially all the risks and rewards of the asset
  Or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.
In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability the debtor will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in payment status or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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The interest income is recorded as part of investment income in the income statement.

Financial assets carried at cost

For financial assets carried at cost, if there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

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The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

4.7 Revenue

a) 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 recognized 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.

b) Revenue from services

Revenue from services rendered is recognized in the income statement when the service is performed and the revenue can be reliably measured.

4.8 Finance income and expense

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

4.9 Accounts receivables

Accounts receivables are recognized when due and measured on initial recognition at the fair value of the consideration receivable. The carrying value of accounts receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement.

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4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

4.11 Foreign currency translation

The Company's financial statements are presented in Ghana Cedis and items included in the financial statements are measured using Ghana Cedis as the functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All exchange differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

4.12 Financial liabilities – initial recognition and subsequent measurement

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, minus directly attributable transaction costs.
The company's financial liabilities include trade and other payables.

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Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement. Gains and losses are recognized in the income statement when the liabilities are derecognized.

4.13 Taxation

The company provides for income taxes at the current tax rates on the taxable profits of the company. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 statement of financial position 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 recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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 realized.

4.14 Leases

IFRS 16 provides the complete model for leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are stated as assets of the company at the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance lease. Finance costs are charged to the income statement over the term of the lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

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Leases where significant portions of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

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 recognized as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between finance expense and a 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.

4.15 Provisions and contingent liabilities

Provisions are recognized where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. A disclosure is made where the existence of the obligations will only be confirmed by an unknown future event, or where the amount of the obligation cannot be reliably measured.

4.16 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 recognized as an expense in the income statement when they are due.

Pensions (Social Security Fund)

PBC Limited contributions to social security fund are charged to the income statement in the period to which the contributions relate.

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Tier 1 – Social Security Scheme (Mandatory contributions scheme) – 13%

Under a national deferred benefits pension scheme, the company contributes 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, to be settled on due dates.

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 administered privately by the Enterprise Trustees limited, a nation pension regulatory authority. This obligation under the scheme is limited to the relevant contribution and settled by the fund manager.

Tier 3 – Provident Fund Pension scheme – 10%

The company has a provident fund scheme for it staff under which the company deduct 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.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.17 Dividend

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

4.18 Earnings per share

PBC Limited presents basic and diluted earnings per share for its ordinary shares. The basic EPS is computed by dividing the profit or loss due ordinary shareholders by the weighted average number of ordinary shareholders outstanding at the end of the financial year. Diluted EPS is computed by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all diluted potential ordinary shares.

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4.19 Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services or in providing products or services within a specified economic environment which is subject to risks and rewards that are different from those of other segments. Segmental information is presented in respect of the company's business segments. The primary format is based on the company's management and internal reporting structure.

The two main business segments are:

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

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5. Revenue

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Sale of Produce	**979,555**	1,135,037	**970,792**	1,124,222
Services (Haulage)	**13,472**	15,802	**13,472**	15,802
Services (Hotel)	**8,042**	12,022	**50**	96
	1,001,069	1,162,861	**984,313**	1,140,120

6. Other Income

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Rent Income	**207**	237	**207**	237
Recoveries from Shortages	**780**	730	**780**	730
Sundry Income *	**49,079**	467	**45,625**	441
Certification Programme Income		-	-	-
Asset Disposal Gain	**426**	646	**426**	646
Peripheral Earnings	**598**	672	**598**	672
Cocoa Sweeping Proceeds	-	3,728	-	3,728
Exchange Gain	**32**	39	**32**	39
	48,122	6,519	**47,668**	6,493

* Sundry Income (PBC)

This relates materially to investments in First Allied and Savings Loan Company, previously written off now recovered.

7. **General and administrative expenses** include the following:

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Depreciation and amortization	**25,298**	26,252	**20,682**	21,351
Auditors Remuneration	**155**	387	**85**	317
Directors emoluments	**722**	816	**462**	639
Subscriptions and Donations	**100**	317	**85**	234
Other Expenses	**93,494**	72,947	**88,152**	66,086
	119,769	100,718	**109,467**	88,627

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8. Net Finance Expenses

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Interest Income	**539**	2,051	**292**	1,765
Bank and Produce loan interest	**(27,738)**	(149,798)	**(27,667)**	(149,717)
	(27,199)	(147,747)	**(27,375)**	(147,952)

9. Income tax expense

	Group		Company	
	2020	2019	**2020**	**2019**
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Current tax expense	(3,581)	(69)	(3,581)	-
Deferred tax expense	-	-	-	-
Deferred tax credit	128	-	-	-
	(3,453)	(69)	(3,581)	-

9b. Current Tax

Group

	Balance at 1st October	Tax paid / refund	Charge for the year	Balance at 30th September
	GH ¢'000	GH ¢'000	GH ¢'000	GH ¢'000
2015 - 2018	283	331	(1,381)	767
2019	-	33	-	33
2020	-	16	-	16
2020	22	-	(3,581)	(3,559)
	305	380	(4,962)	(4,277)

Company

	Balance at 1st October	Tax paid / refund	Charge for the year	Balance at 30th September
	GH ¢'000	GH ¢'000	GH ¢'000	GH ¢'000
2017	1	-	-	1
2018	-	21	-	21
2019	-	-	-	-
2020	-	-	(3,581)	(3,581)

1	21	(3,581)	(3,559)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. Property, Plant and Equipment

Group

	Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture & Fitting	Building W.I.P	Total
Cost	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**
Balance at 1.10.2019	271,122	63,385	106,498	17,321	62,617	520,943
Additions during the period	86	145	1,069	458	80	1,838
Released on disposals	-	-	(1,994)	(248)	-	(2,242)
Balance at 30.09.2020	**271,208**	**63,530**	**105,573**	**17,532**	**62,697**	**520,539**
Depreciation						
Balance at 1.10.2019	22,968	42,579	76,643	16,232	-	158,422
Charge for the period	7,630	5,7888	11,236	594	-	25,247
Released on Disposals			(1,994)	(244)	-	(2,238)
Balance at 30.09.2020	**30,597**	**48,368**	**85,885**	**16,582**	**-**	**181,431**
Net Book Value as at 30.09.20	**240,611**	**15,162**	**19,688**	**950**	**62,697**	**339,108**
Net Book Value as at 30.09.19	**248,155**	**20,806**	**29,855**	**1,089**	**62,617**	**362,521**

Company

	Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture & Fitting	Building W.I.P	Total
Cost	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**	**GH ¢'000**
Balance at 1.10.2019	236,626	25,057	105,346	5,541	62,617	435,188
Additions during the period	86	45	1,069	378	80	1,658
Released on disposals	-	-	(1,994)	-	-	(1,994)
Balance at 30.09.2020	**236,712**	**25,102**	**104,420**	**5,919**	**62,697**	**434,851**
Depreciation						
Balance at 1.10.2019	19,099	20,603	75,727	4,870	-	120,300
Charge for the period	7,101	1,957	11,160	464	-	20,682
Released on Disposals			(1,994)	-	-	(1,994)
Balance at 30.09.2020	**26,200**	**22,560**	**84,893**	**5,334**	**-**	**138,988**
Net Book Value as at 30.09.20	**210,512**	**2,541**	**19,527**	**585**	**62,697**	**295,863**
Net Book Value as at 30.09.19	217,527	4,454	29,619	671	62,617	314,888

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. Intangible assets

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Cost				
Balance at 1 October	**850**	804	-	-
Additions during year	-	46	-	-
Balance at 30 September	**850**	850	-	-
Amortisation				
Balance at 1 October	**813**	667	-	-
Additions during year	**9**	146	-	-
Balance at 30 September	**822**	813	-	-
Carrying amount at 30th September	**28**	37	-	-

12. Investment in Subsidiaries

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
PBC Shea Limited	-	-	**6,000**	6,000
Golden Bean Hotel Limited	-	-	**33,753**	33,753
Balance at 30 September	-	-	**39,753**	39,753

This represents PBC Limited investment in two subsidiaries, namely PBC Shea ltd and Golden Bean Hotel limited. The PBC Shea ltd is a state of the art factory established to process sheanuts into shea butter for export and it is located at Buipe in the Central Gonja District. The Golden Bean Hotel is 50 Room hospitality facility located at Nyiaeso in the Kumasi Metropolis.

13. Available for sale assets

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Quoted Equity Investment				
Balance at 1 October	**3,854**	3,854	**3,854**	3,854
Fair Value movement	**327**	327	**327**	327
Balance at 30 September	**4,181**	4,181	**4,181**	4,181

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. Leasehold Prepayment

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Cost	**1,246**	1,246	-	-
Additions during the year	-	-	-	-
Balance at 30 September	**1,246**	1,246	-	-
Amortisation	**196**	154	-	-
Charge for the year	**42**	42	-	-
Balance at 30 September	**238**	196	-	-
Carrying amount at 30th September	**1,009**	1,050	-	-

This relates to lease of Mesonic Temple Parking lot for thirty (30) years commencing 2014 and amortization is recognized in general and administrative expenses.

15. Inventories

	Group		Company	
	2020	2019	**2020**	2019
Trading	**GH ¢'000**	GH ¢'000	**GH ¢'000**	GH ¢'000
Cocoa	**395**	9,393	**395**	9,393
Shea butter & Sheanuts	**20,982**	20,021	**18,738**	18,738
Agro Inputs	**1,042**	1,138	**1,042**	1,138
Fertilizer Stock	**696**	(4,885)	**696**	(4,885)
Food and beverage	**77**	148	-	-
Non-Trading				
Spare Parts	**3,663**	4,508	**3,663**	4,508
Tarpaulin Stocks	**385**	380	**385**	380
Technical Stores	**1,357**	1,451	**770**	743
Printing and Stationery	**479**	379	**479**	379
Fuel and lubricants	**1,059**	998	**974**	649
Tyres and Batteries	**509**	611	**509**	611
Stencil Ink	-	-	-	-
	30,644	34,142	**27,651**	31,653

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. Trade and Other Receivables

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Trade receivables due from customers	**3,907**	11,455	**1,850**	8,438
Other receivables	**2,395**	2,477	**(2)**	-
intercompany receivables	**-**	-	**(1,968)**	(1,976)
Staff Loans and Advances	**1,381**	1,681	**1,344**	1,649
Prepayments	**144,898**	145,789	**144,786**	145,741
	152,580	161,402	**146,011**	153,852

Details of Company's prepayments (2020):		GH¢'1000
Rent prepaid	-	126
Ghana Nuts Limited	-	8,600
Vehicle Insurance prepaid	-	584
PBC Shea Current Account	-	123,746
Sundry receivables	-	11,730
		144,786

17. Short Term Investments

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Fixed Deposit (CBG)	**1,879**	1,600	**-**	-
Call	**3,067**	330	**3,067**	330
	4,947	1,930	**3,067**	330

18. Cash and Cash Equivalents

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Bank Balances	**64,451**	11,361	**61,001**	8,782
RCPA Account and Cash Balances	**126**	27	**121**	15
	64,577	11,387	**61,122**	8,797

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. Stated Capital

a. Ordinary shares

	2020		2019	
	No. of Shares	Proceeds	No. of Shares	Proceeds
	000	GH ¢'000	000	GH ¢'000
Authorised ordinary shares of no par value	20,000,000		20,000,000	
Issued and fully paid for in cash	2,005	1,587	2,005	1,587
For consideration other than cash	477,995	13,416	477,995	13,416
	480,000	15,003	480,000	15,003

b. Preference shares

	2020		2019	
	No. of Shares	Proceeds	No. of Shares	Proceeds
	000	GH ¢'000	000	GH ¢'000
No. of preference shares	1,000	100	1,000	100

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

20. Finance Lease

	Group		Company	
	2020	2019	2020	2019
	GH ¢'000	GH ¢'000	GH ¢'000	GH ¢'000
Current portion payable within 12 months	-	-	-	-
Long term portion payable after 12 months	194	194	194	194
	194	194	194	194

21. Medium Term Loan

	Group		Company	
	2020	2019	2020	2019
	GH ¢'000	GH ¢'000	GH ¢'000	GH ¢'000
Standard Chartered Bank	-	-	-	-
Societe Generale	(9)	(9)	(9)	(9)
	(9)	(9)	(9)	(9)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Standard Chartered Bank Ghana Limited

The Company issued a convertible commercial paper for an amount of GH¢400,000,000 dated 11th October, 2016 on the 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.

22. Long Term Loan

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Restructured Loan (OD)	**433,721**	488,162	**433,721**	488,162
Ghana Cocoa Board	**70,577**	70,577	**70,577**	70,577
	504,299	558,739	**504,299**	558,739

Ghana Cocoa Board

The company was granted a long term loan of US$10,000,000 by Ghana Cocoa Board towards the establishment of the PBC Shea Ltd. a subsidiary of the Company at Buipe. The facility is for a period of eight year with a two year moratorium, and it was secured by Cocoa stock, receivables, Butter proceeds from the factory and takeover of the Plant and equipment of PBC Shea Limited. Interest rate is at 8.5% on reducing balance basis. The facility expires on 30th September, 2019 but has not been paid as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
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Restructured Loan (OD)

The following bank overdraft balances were restructured into a long term loan payable in eight (8) years at a zero (0) annual interest rate with 6 months moratorium effective 2019 financial year:

Bank	Amount (GH¢)
Cal Bank	101,549,776
UMB Bank	59,211,069
SG SSB Bank	15,748,093
ADB Bank	68,957,768
UBA Bank	16,690,552
Bank of Africa	15,941,009
Ecobank Ghana limited	20,676,288
Ghana Commercial Bank	189,387,138
	488,161,693

23. Bank Overdraft

	Group		Company	
	2020	2019	2020	2019
	GH ¢'000	GH ¢'000	GH ¢'000	GH ¢'000
Ecobank Ghana Limited	-	-		-
GCB Bank Limited		609		609
Societe Generale		-		-
Cal Bank Ghana Limited		-		-
UMB Bank Ltd		-		-
United Bank for Africa Ghana Limited		-		-
ADB Bank Ghana Limited		-		-
NIB Bank Limited	467	467	467	467
Bank of Africa Ghana Limited		-	-	-
GCB-Sheanuts Tamale	7,285	7,285	7,285	7,285
Others	-	2	-	2
	7,752	8,363	7,752	8,363

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. Short Term Loan

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Standard Chartered Bank (Gh) Limited	**138,722**	132,099	**138,722**	132,099
Sahel Sahara Bank	**32**	32	**32**	32
	138,754	132,131	**138,754**	132,131

SCB Consortium Loan

The Company was granted a loan facility of GH¢ 154 million following a bond issued to a Consortium of banks and pension Funds Institutions led by Fidelity bank with Standard Chartered Bank as the escrow account holder. This was classified as a medium term loan in the 2018 financial year but was re-classified as a short term loan because it was expected to be paid off by the end of the 2018 financial year.

25. Trade and Other Payables

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Trade Payables	**13,315**	4,218	**12,979**	3,634
Non-Trade Payables	**9,758**	1,010	**9,151**	144
Accrued Expenses	**94,742**	43,694	**90,938**	41,010
	117,816	48,922	**113,068**	44,789

26. Related party transactions

	2020	2019
Receivable	**GH ¢'000**	GH ¢'000
PBC Shea Limited **	**116,538**	116,538
Golden Bean Hotel	**47**	47
	116,585	116,585
Payable		
Golden Bean Hotel	**2,287**	2,287

**** PBC Shea Limited (GH¢116,538)**

This represents additional investments made by PBC Limited in PBC Shea limited exclusive of the stated capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. Medium Term Investment

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Consolidated Bank of Ghana	-	1,686	-	-
	-	-	-	-
	-	1,686	-	-

This represents investments previously with All Time Finance in the books of Golden Bean Hotel Limited and converted into a 5year bond after taken over by Consolidated Bank of Ghana.

28. 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 previous reports, we have not had sight of the Title Deeds of the sheds and buildings as stated in the Company's books to establish ownership by the Company of these assets. The Government of Ghana (GOG) has however given the following undertaken:

a.1) "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 Cocobod and PBC including but not limited to the perfection of all interest and the execution of all documents to effectuate the cession of assets to PBC Limited".

a.2) "The government assures the investing public that in the event of Cocobod failing its obligations un 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 firm the interest of PBC Limited in the said assets"

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. Accounting Classifications and Fair Values

Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the balance sheet:

September 30, 2020	Designated at FVTPL	Other amortized cost	Total carrying amount	Fair value
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Trade and other receivables	7,683	-	7,683	7,572
Cash and cash equivalents	64,577	-	64,577	64,577
Short term investments	4,947	-	4,947	4,947
Total	77,207	-	77,207	77,096
Available for sale				
Available for sale financial assets	4,181		4,181	4,181
	4,181		4,181	4,181
Financial Liabilities held at amortized cost				
Bank Loan	643,247	-	643,247	643,247
Trade and other payables	13,315	-	13,315	13,315
Bank overdraft	7,752	-	7,752	7,752
Total	664,314	-	664,314	664,314

September 30, 2019	Designated at FVTPL	Other amortized cost	Total carrying amount	Fair value
	GH¢	GH¢	GH¢	GH¢
Trade and other receivables	15,613	-	15,613	15,613
Cash and cash equivalents	11,387	-	11,387	11,387
Short term investments	1,930	-	1,930	1,930
Total	28,930	-	28,930	28,930
Available for sale				
Available for sale financial assets	4,181		4,181	4,181
	4,181		4,181	4,181
Financial Liabilities held at amortized cost				
Bank Loan	691,064	-	691,064	691,064
Trade and other payables	4,218	-	4,218	4,218
Bank overdraft	8,363	-	8,363	8,363

Total	703,645	-	703,645	703,645

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

30. Financial and Operations risk

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has the overall responsibility for the establishment and oversight of the company's risk management framework. The note below 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.

Credit Risk

This the risk of financial loss to PBC Limited if a customer or counter party to a financial instrument fails to meet its contractual obligation obligations, arises principally from the company's accounts receivables.

Trade and other receivables

The company's exposure to credit risk is very minimal because all sales are made mainly to one individual customer (Cocobod) and except for the sales by the subsidiaries. Over the period of the company's operations with this customer, there has not been any material default in payment of outstanding debts.

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimates of incurred losses in respect of risk and other account 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 similar assets in respect of losses that have been incurred but not yet been identified. The loss allowance is determined based on historic data for similar financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at September 30, 2019 was:

	Group		Company	
	2020	2019	**2020**	2019
	GH ¢'000	GH ¢'000	**GH ¢'000**	GH ¢'000
Available for sale Financial Assets	**4,181**	4,181	**4,181**	4,181
Investment in Subsidiaries	-	-	**39,752**	39,752
Trade and Receivables	**7,683**	15,613	**3,194**	10,087
Cash and Bank Balances	**64,577**	11,387	**61,122**	8,797

76,441	31,181	**108,249**	62,817

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Liquidity risk

Liquidity risk is the risk that the company does not have sufficient financial resources available to pay obligations when due at a reasonable cost, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that adequate liquidity is maintained to meet its obligations when due. GH¢488.162 million of overdraft facility has been restructured into a long term loan to improve working capital.

Interest rate risk

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate instruments. The Company has restructured substantial amount of overdraft balances into a long term loan of 8 years. The financial trend shows the company is borrowing at a high interest rate.

Currency risk

The Company has financial Liabilities which are denominated in foreign currencies. These Liabilities are exposed to currency translation risk, primarily the US Dollar. Adverse changes in the foreign currency are material to the Company.

Operational risk

It is the risk that there is a loss as a result of inadequate or failed processes, people or systems and external events. This risk includes information and technology risk: the risk of obsolescence of infrastructure, deficiency in integration, failures/ inadequacies in systems/ networks and the loss of accuracy, confidentiality, availability and integrity of data.

Compliance risk

The risk of not complying with laws and regulations, as well as investment management mandates. PBC Limited has been delisted from the Stock exchange because of failure to comply with regulatory requirements.

Fraud risk:

The risk of financial crime and unlawful conduct occurring within the Company.

The Company mitigates these risks through its culture and values, a comprehensive system of internal controls, internal audit, compliance functions and other measures such as back-up facilities, contingency planning and insurance. The initiation of transactions and their administration is conducted on the basis of the segregation of duties, designed to ensure the correctness, completeness and validity of all transactions.

The internal control unit need to be more resourced and recommendations implemented to avert or minimize any possible risk

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Expense risk

Expense risk is the risk of loss in future periods due to actual expense experience being worse than in executing of projects or carrying of out of operations.

Expense are monitored and managed through the Company's budgeting process. Fixed costs are distributed over a variable number of projects and so a decrease in business volumes may negatively influence the business. Fluctuations in variable acquisition costs are monitored to ensure consistency with new business volumes. Experience has demonstrated that it is impossible to anticipate all expenses during the budget process. Therefore, negative impacts on future surpluses are prevented by making allowance for once-off costs in the projection of future expenses.

Staff incentives are dependent on achieving income targets and so this ensures that staff is aware of the need to manage expenses. For example, the company's staff related cost keeps increasing even though operations and revenue have seen a downturn.

Legal risk

Legal risk is the risk that the Company will be exposed to contractual obligations which have not been provided for. There is a risk that practices established in the past may be unacceptable in changing legislative environments.

The risk is managed through clear contracting. The Company monitors and influences events to the extent possible by participation in discussions with legislators.

Reputation risk

Reputation risk is the risk that the Company is prevented from applying mitigating risk management policies due to the potential reputation impact on the Company. Actions with a potential reputation impact are escalated to the appropriate level of senior management.

Working Capital adequacy risk

Working Capital adequacy risk is the risk that there are insufficient reserves to provide for variations in actual future experience that is worse than what has been assumed in the financial soundness valuation. The Company must maintain a working capital balance that will be at least sufficient to meet obligations in the event of substantial deviations from the main risk assumptions affecting the Company's business.

NOTES TO THE FINANCIAL STATEMENTS
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31. Going Concern / Business Continuity

PBC Limited and had a net profit after tax of GH¢2.536 million, but the Group had a loss of GH¢5.665million. It was a loss GH¢138.9 million and GH¢146.4 million in the 2019 financial year.
The Company's working capital however changed from a positive amount of GH¢9.3million in 2019 to a negative amount of GH¢15.79million. The Group's working capital also worsened from a positive GH¢19.75 million in 2019 to GH¢5.64 million in the 2020 financial year. The adverse changes in working capital was as a result of trade payable increases and services benefited from third parties not paid for at the end of the financial year.
The equity and reserves (net worth) of PBC Limited has however improved because of the marginal profit, from a negative amount of GHc190.73 in 2019 to a negative amount of GH¢188.19 2020 however the Group's net worth worsened from a negative amount of GH¢169.92 in 2019 to a negative amount of GH¢174.33 in 2020.

32. Contingencies and commitments

There were no contingencies or commitments for capital expenditure at the balance sheet date and at 30th September, 2019

33. 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%
5001 - 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%
Excess of 50,000	4	442,954,631	92.28%
		480,000,000	100.00%

Mr. Thomas Dzoleto Kwami (Director) held 184,637 shares as at 30th September, 2019 (2018 – 184,637 shares)

NOTES TO THE FINANCIAL STATEMENTS
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34. TWENTY LARGEST SHAREHOLDERS

	Shareholders	Number of Shares	Percentage Holding (%)
1	Social Security & National Insurance Trust (SSNIT)	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	GCCSFA/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, Michael 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 other Shareholders		**40,210,399**	8.38%
		480,000,000	**100%**