

PBC LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021



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

Tel | 0302 788324
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CORPORATE INFORMATION

Board of directors	Mr. Yaw Agyemang-Duah Hon. Kwabena Ohemang-Tinyase Hon. Richard Akuoko Adiyia Mr. Stephen Baba Kumasi Prof. Mohammed Salifu Ms. Helen Maku Obeng Mr. Prosper Kojo Amewu Mr. Thomas Dzoletso Kwami Mr. Imoro Sulemana Dr. John Kwabena Kwakye Mr. Mohammed Tahiru Nambe Mr. Peter Eshun	Chairman (Appointed 9 th Feb, 2022) Chairman (Retired 9 th Feb, 2022) CEO/ Member (Appointed 14 th Feb, 2020) Member (Appointed 24 th June, 2015) Member (Appointed 13 th July, 2017) Member (Appointed 5 th October, 2017) Member (Appointed 5 th October, 2017) Member (Appointed 28 th March, 2014) Member (Appointed 1 st March, 2019) Member (Appointed 18 th May, 2021) Member (Appointed 12 th Feb, 2020) Member (Appointed 26 th November, 2019)
Secretary	Charles Nana Yaw Osei	
Top management	Hon. Richard Akuoko Adiyia Mrs. Vivian Boadi Apenteng Mr. Alfred Ofori Annye	Chief Executive Officer DCEO, Finance & Administration 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 2021.

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 company to be in a state that requires improvement to turn the business around. The Board of Directors have assessed the company's ability to continue as a going concern and have decided that equity injection and restructuring of the company and its subsidiaries are required to improve its financials and going concern status. Proposals on this are being worked on.

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, firm or any person or group of persons with the view to carrying on the business of the company.

Results of Operations

	Group		Company	
	2021	2020	2021	2020
	GHC'000	GHC'000	GHC'000	GHC'000
Revenue	1,255,600	1,001,069	1,240,906	984,313
Gross Profit	119,369	107,882	112,013	103,955
Profit/(Loss) after interest and tax	(5,654)	(7,438)	1,567	763

Trend Results (PBC Limited)

	Sept 2021	Sept 2020	Sept 2019	Sept 2018	Sept 2017
Gross Profit Margin	9.0%	10.6%	9.2%	10.0%	9.8%
Net Profit / (Loss) after tax ratio	0.1%	0.1%	-12.2%	-9.5%	-3.9%
Return on Capital Employed (ROCE)	2.8%	10.0%	2.4%	-8.3%	65.1%
Administrative Expense / Revenue Ratio	8.1%	11.1%	7.8%	8.3%	3.1%
Net Finance Expense / Revenue Ratio	0.5%	2.8%	13.0%	8.4%	6.5%
Current Ratio (CA/CL)	83.6%	91.6%	105.1%	77.9%	63.7%
Current Ratio - Inventories Ratio	77.5%	81.0%	88.0%	65.3%	49.0%

Dividend

No dividends are recommended by the Directors for the year ended 30th September, 2021.

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 (BNA Chartered Accountants). 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 2021 and 30th September 2020.

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¢ 99,401.72 (2020: GH¢85,145)

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 08/08/ 2022, and signed on their behalf by:



.....
Director



.....
Director



Adom Bofo & 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 2021, 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 had a net profit after tax of GH¢1,567,203 as a result of increased turnover and reduction in general and administrative cost and finance charges, the Group had a loss of GH¢5.654million. PBC recorded a profit of GH¢0.762million in the 2020 financial year but a group loss of GH¢7.438 million. Even though the group's loss has reduced comparatively, the loss is very significant with reference to the continuous operations of the company.

The Company's working capital has further worsened from a negative amount of GH¢21.72million in the 2020 financial year to GH¢45.9million in the current year. The Group's working capital also worsened from a negative GH¢11.57 in the 2020 financial year to GH¢172.53 in 2021 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 an 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
1027/3 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 Bofo & Associates - Lic. No. ICAG/F/2022/041

Chartered Accountants

Mango Street Avenue

Asylum Down

Accra, Ghana

Date: 08/08/2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Company	
		2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Revenue	5	1,255,600	1,001,069	1,240,906	984,313
Cost of Sales		<u>(1,136,231)</u>	<u>(893,187)</u>	<u>(1,128,893)</u>	<u>(880,358)</u>
Gross Profit		119,369	107,882	112,013	103,955
Other Income	6	2,800	48,122	2,747	47,668
Direct Operating Expenses		<u>(9,043)</u>	<u>(13,020)</u>	<u>(7,218)</u>	<u>(10,438)</u>
General and Administrative Expenses	7	<u>(110,940)</u>	<u>(119,769)</u>	<u>(99,916)</u>	<u>(109,467)</u>
Operating profit before financing cost		2,186	23,214	7,626	31,719
Net Finance Expenses	8	<u>(6,748)</u>	<u>(27,199)</u>	<u>(6,059)</u>	<u>(27,375)</u>
Profit/(Loss) before Taxation		(4,562)	(3,985)	1,567	4,344
Income Tax Expense	9	<u>(1,092)</u>	<u>(3,453)</u>	=	<u>(3,581)</u>
Profit/(Loss) for the period transferred to					
Income Surplus Account		<u>(5,654)</u>	<u>(7,438)</u>	<u>1,567</u>	<u>763</u>
Available-for-sale Financial Assets		=	=	=	=
Total Comprehensive Income for the year		<u>(5,654)</u>	<u>(7,438)</u>	<u>1,567</u>	<u>763</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	2021 GH¢'000	Group 2020 GH¢'000	2021 GH¢'000	Company 2020 GH¢'000
Non-Current Assets					
Property, plant and equipment	10	305,869	339,108	265,696	295,863
Intangible Assets	11	318	28	-	-
Investment in Subsidiaries	12	-	-	48,249	39,752
Available for Sale Financial Assets	13	3,912	4,181	3,912	4,181
Leasehold Prepayment	14	-	1,009	-	-
Total non-current assets		<u>310,099</u>	<u>344,325</u>	<u>317,858</u>	<u>339,795</u>
Current Assets					
Inventories	15	17,974	30,644	17,056	27,651
Trade and other receivables	16	27,021	152,580	155,696	146,011
Short term investments	17	5,531	4,947	446	3,067
Current Tax	9b	284	-	-	-
Cash and cash equivalents	18	64,014	64,577	61,389	61,122
Total current assets		<u>114,825</u>	<u>252,748</u>	<u>234,587</u>	<u>237,851</u>
Total assets		<u>424,924</u>	<u>597,073</u>	<u>552,445</u>	<u>577,647</u>
Equity					
Stated Capital	19	15,000	15,000	15,000	15,000
Retained earnings		(546,221)	(401,768)	(410,764)	(414,855)
Preference share capital	19	-	-	-	-
Other reserves		-	3,624	-	2,524
Revaluation Reserves		207,361	207,034	215,859	207,361
Total equity		<u>(315,632)</u>	<u>(176,110)</u>	<u>(180,175)</u>	<u>(189,970)</u>
Non-Current Liabilities					
Deferred tax liability		1,192	100	-	-
Income Tax liability	9	3,559	4,277	3,559	3,559
Finance Lease	20	194	194	194	194
Medium term loan	21	(9)	(9)	(9)	(9)
Long term loan	22	448,298	504,299	448,298	504,299
Total non-current liabilities		<u>453,234</u>	<u>508,862</u>	<u>452,042</u>	<u>508,043</u>
Bank Overdraft	23	7,780	7,752	7,780	7,752
Short Term Loan	24	166,950	138,754	166,950	138,754
Trade and other payables	25	112,592	117,816	105,847	113,068

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Total current liabilities	<u>287,321</u>	<u>264,322</u>	<u>280,577</u>	<u>259,574</u>
Total liabilities	<u>740,556</u>	<u>773,184</u>	<u>732,619</u>	<u>767,617</u>
Total liabilities and equity	<u>424,924</u>	<u>597,073</u>	<u>552,445</u>	<u>577,647</u>

The financial statements on pages 9 to 15 were approved by the Board of Directors and signed on its behalf by:



Director



Director

Date:



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group

2021	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 01.10.20	15,000	(517,599)	3,624	207,361	(291,614)
Adjustment in subsidiary	-	(26,592)	-	-	(26,592)
Profit / (Loss) for the year	-	(5,654)	-	-	(5,654)
Movement from reserves	-	3,624	(3,624)	-	-
Loss on share price (GCB)	-	-	-	(269)	(269)
Appreciation of subsidiary investment (GB)	=	=	=	<u>8,497</u>	<u>8,497</u>
Balance at 30.09.21	<u>15,000</u>	<u>(546,221)</u>	<u>=</u>	<u>215,589</u>	<u>(315,632)</u>
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	(502,917)	3,624	207,361	(276,932)
Adjustment in subsidiary		1,255			1,255
Profit / (Loss) for the year	=	<u>(7,438)</u>	=	=	<u>(7,438)</u>
Balance at 30.09.20	<u>15,000</u>	<u>(517,599)</u>	<u>3,624</u>	<u>207,361</u>	<u>(291,614)</u>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Company

2021	Share Capital	Retained Earnings	Other Reserves	Revaluation Reserves	Total Equity
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Balance at 01.10.20	15,000	(414,855)	2,524	207,361	(189,970)
Profit / (Loss) for the year	-	1,567	-	-	1,567
Movement from reserves	-	2,524	(2,524)	-	-
Loss on share price (GCB)	-	-	-	(269)	(269)
Appreciation of subsidiary investment (GB)	=	=	=	<u>8,497</u>	<u>8,497</u>
Balance at 30.09.21	<u>15,000</u>	<u>(413,288)</u>	<u>=</u>	<u>215,859</u>	<u>(180,175)</u>
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	<u>15,000</u>	<u>(414,855)</u>	<u>2,524</u>	<u>207,361</u>	<u>(189,970)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	2021	2020	2021	2020
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash Flows from Operating Activities				
Profit/(loss) before taxation	(4,562)	(3,985)	1,567	4,344
<u>Adjustment for:</u>				
Adjustment of subsidiary & Reserves	(134,670)	1,255	-	-
Change in revaluation surplus	8,228	-	-	-
Depreciation and amortization charges	18,893	25,298	15,525	20,682
Interest Received	(943)	(539)	-	-
Profit on Property, Plant and Equipment disposal	-	(37)	-	-
Interest expense	7,692	<u>27,739</u>	-	-
Operating Profit Before Working Capital Changes	(105,363)	49,730	17,092	25,026
Change in inventories	12,670	3,497	10,595	4,001
Change in trade and other receivables	125,560	8,822	(9,685)	7,841
Change in available for sale financial asset	269	-	269	-
Change in trade and other payables	(5,224)	<u>68,894</u>	(7,220)	<u>68,279</u>
Cash generated from operations	27,912	130,943	11,050	105,147
Income taxes paid	(39)	<u>(16)</u>	-	-
Net cash flow from operating activities	<u>27,873</u>	<u>130,927</u>	<u>11,050</u>	<u>105,147</u>
Cash flow from investing activities				
Interest Received	943	539	-	-
Leasehold prepayment	1,009	42	-	-
Changes in Medium Term Loan	-	1,686	-	-
Proceeds from disposal of assets	-	1,016	-	-
Restatement (WIP)	16,295	-	16,295	-
Payments to acquire Property, Plant and Equipment	(2,401)	<u>(1,838)</u>	(1,654)	<u>(1,657)</u>
Net Cash used in Investing Activities	<u>15,846</u>	<u>1,445</u>	<u>14,641</u>	<u>(1,656)</u>
Cash flows from Financing Activities				
Interest paid	(7,692)	(27,739)	-	-
Changes in Short Term Loan	28,196	6,623	28,196	6,623
Change in capital surplus	(8,228)	-	(269)	-
Changes in Long Term Loan	(56,001)	<u>(54,440)</u>	(56,001)	<u>(54,440)</u>
Net Cash used in Financing Activities	<u>(43,725)</u>	<u>(75,556)</u>	<u>(28,074)</u>	<u>(47,817)</u>

Net Increase in Cash and Cash equivalents	(6)	56,817	(2,383)	55,674
Cash and Cash equivalents at 1 October	<u>61,771</u>	<u>4,954</u>	<u>56,437</u>	<u>763</u>
Cash and Cash equivalents at 30 September	<u>61,765</u>	<u>61,771</u>	<u>54,055</u>	<u>56,437</u>

Analysis of changes in cash and cash equivalents.

	2021	2020	2021	2020
	GH ¢	GH ¢	GH¢000	GH¢000
Cash in Hand and at Bank	64,014	64,577	61,389	61,122
Bank overdraft	(7,780)	(7,752)	(7,780)	(7,752)
Treasury Bills/Call Deposits	<u>5,531</u>	<u>4,947</u>	<u>446</u>	<u>3,067</u>
	<u>61,765</u>	<u>61,771</u>	<u>54,055</u>	<u>56,437</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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, firm 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 2021**

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 subsidiaries 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-

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.

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

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.

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

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

4.19 (B) Segment Reporting

SEGMENT REPORTING	PRODUCE (COCOA)		HAULAGE		PBC SHEA		HOTEL		TOTALS	TOTALS
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Segment Revenue	1,225,517	970,792	15,219	13,472	2,898	8,763	11,966	8,042	1,255,600	1,001,069
Segment Cost	(1,128,893)	(880,358)			(2,885)	(8,419)	(4,453)	(4,410)	(1,136,231)	(893,187)
Segment Results	96,624	90,434	15,219	13,472	13	344	7,513	3,632	119,369	107,882
Unallocated expenses to segments									(119,983)	(132,790)
Results from Operating activities									(614)	(24,908)
Other Income									2,800	48,122
Net Finance Cost									(6,748)	(27,199)
Corporate tax expense									-	-
Profit/(Loss) for the year									(4,562)	(3,985)

5. Revenue

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Sale of Produce	1,228,415	979,555	1,225,517	970,792
Services (Haulage)	15,219	13,472	15,219	13,472
Services (Hotel)	<u>11,966</u>	<u>8,042</u>	<u>169</u>	<u>50</u>
	<u>1,255,600</u>	<u>1,001,069</u>	<u>1,240,906</u>	<u>984,313</u>

6. Other Income

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Rent Income	124	207	124	207
Recoveries from Shortages	947	780	947	780
Sundry Income *	636	49,079	583	45,625
Asset Disposal Gain	132	426	132	426
Peripheral Earnings	959	598	959	598
Exchange Gain	<u>2</u>	<u>32</u>	<u>2</u>	<u>32</u>
	<u>2,800</u>	<u>48,122</u>	<u>2,747</u>	<u>47,668</u>

* Sundry Income (PBC - GHc45,625)

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	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Depreciation and amortization	18,893	25,298	15,525	20,682
Auditors Remuneration	170	155	99	85
Directors emoluments	800	722	417	462
Subscriptions and Donations	<u>141</u>	<u>100</u>	<u>82</u>	<u>85</u>

8. Net Finance Expenses

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Interest Income	943	539	462	292
Bank and Produce loan interest	<u>(7,692)</u>	<u>(27,738)</u>	<u>(6,521)</u>	<u>(27,667)</u>
	<u>(6,748)</u>	<u>(27,199)</u>	<u>(6,059)</u>	<u>(27,375)</u>

9. Income tax expense

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Current tax expense	-	(3,581)	-	(3,581)
Deferred tax expense	-	-	-	-
Deferred tax credit	<u>(1,092)</u>	<u>128</u>	=	=
	<u>(1,092)</u>	<u>(3,453)</u>	=	<u>(3,581)</u>

9b. Current Tax

Group

	Balance at 1st October	Tax paid / refund	Charge for the year	Balance at 30 th September
	GH c'000	GH c'000	GH c'000	GH c'000
2015 - 2018	283	331	(1,381)	767
2019	-	33	-	33
2020	-	16	-	16
2020/21	<u>22</u>	-	<u>(3,581)</u>	<u>(3,559)</u>
	<u>305</u>	<u>380</u>	<u>(4,962)</u>	<u>(4,277)</u>

Company

	Balance at 1st October	Tax paid / refund	Charge for the year	Balance at 30 th September
	GH c'000	GH c'000	GH c'000	GH c'000
2017	1	-	-	1
2018	-	21	-	21
2019	-	-	-	-
2020/21	-	-	<u>(3,581)</u>	<u>(3,581)</u>
	<u>1</u>	<u>21</u>	<u>(3,581)</u>	<u>(3,559)</u>

10. Property, Plant and Equipment

GROUP

	Land and Buildings GH c'000	Plant and Machinery GH c'000	Motor Vehicles GH c'000	Furniture & Fitting GH c'000	Building W.I.P GH c'000	Total GHc'000
COST						
Balance at 1.10.2020	272,455	63,530	105,573	17,532	62,697	521,786
Additions during the period	716	428	176	816	264	2,401
Restatement	-	-	-	-	(16,295)	(16,295)
Released on disposals	-	-	(421)	-	-	(421)
Balance at 30.09.2021	<u>273,171</u>	<u>63,958</u>	<u>105,328</u>	<u>18,348</u>	<u>46,666</u>	<u>507,470</u>
Depreciation						
Balance at 1.10.2020	30,835	48,368	85,885	16,582	-	181,669
Charge for the period	7,746	5,206	6,624	777	-	20,353
Released on Disposals	-	-	(421)	-	-	(421)
Balance at 30.09.2021	<u>38,581</u>	<u>53,574</u>	<u>92,088</u>	<u>17,358</u>	<u>-</u>	<u>201,601</u>
Net Book Value as at 30.09.21	<u>234,590</u>	<u>10,384</u>	<u>13,240</u>	<u>989</u>	<u>46,666</u>	<u>305,869</u>
Net Book Value as at 30.09.20	<u>241,620</u>	<u>15,162</u>	<u>19,688</u>	<u>950</u>	<u>62,697</u>	<u>339,108</u>

COMPANY

	Land and Buildings GH c'000	Plant and Machinery GH c'000	Motor Vehicles GH c'000	Furniture & Fitting GH c'000	Building W.I.P GH c'000	Total GH c'000
COST						
Balance at 1.10.2020	236,712	25,102	104,420	5,919	62,697	434,851
Additions during the period	404	171	176	639	264	1,654
Restatement	-	-	-	-	(16,295)	(16,295)
Released on disposals	-	-	(421)	-	-	(421)
Balance at 30.09.2021	<u>237,116</u>	<u>25,272</u>	<u>104,176</u>	<u>6,558</u>	<u>46,666</u>	<u>419,788</u>
Depreciation						
Balance at 1.10.2020	26,200	22,560	84,893	5,334	-	138,988
Charge for the period	7,108	1,299	6,538	580	-	15,525
Released on Disposals	-	-	(421)	-	-	(421)
Balance at 30.09.2021	<u>33,308</u>	<u>23,859</u>	<u>91,010</u>	<u>5,915</u>	<u>-</u>	<u>154,092</u>
Net Book Value as at 30.09.21	<u>203,809</u>	<u>1,413</u>	<u>13,166</u>	<u>643</u>	<u>46,666</u>	<u>265,696</u>
Net Book Value as at 30.09.20	<u>210,512</u>	<u>2,541</u>	<u>19,527</u>	<u>585</u>	<u>62,697</u>	<u>295,863</u>

11. Intangible assets

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Cost				
Balance at 1 October	850	850	-	-
Additions during year	<u>310</u>	-	-	-
Balance at 30 September	<u>1,160</u>	<u>850</u>	-	-
Amortization				
Balance at 1 October	822	813	-	-
Additions during year	<u>20</u>	<u>9</u>	-	-
Balance at 30 September	<u>842</u>	<u>822</u>	-	-
Carrying amount at 30th September	318	28	-	-

12. Investment in Subsidiaries

	Group		Company	
	2020	2019	2020	2020
	GH c'000	GH c'000	GH c'000	GH c'000
PBC Shea Limited	-	-	6,000	6,000
Golden Bean Hotel Limited	-	-	<u>42,250</u>	<u>42,250</u>
Balance at 30 September	-	-	<u>48,250</u>	<u>48,250</u>

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	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Quoted Equity Investment				
Balance at 1 October	3,912	4,181	3,912	4,181
Fair Value movement	-	-	-	-
Balance at 30 September	<u>3,912</u>	<u>4,181</u>	<u>3,912</u>	<u>4,181</u>

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

14. Leasehold Prepayment

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Cost	-	1,246	-	-
Additions during the year	=	=	=	=
Balance at 30 September	=	<u>1,246</u>	=	=
Amortisation	-	196	-	-
Charge for the year	=	<u>42</u>	=	=
Balance at 30 September	=	<u>238</u>	=	=
Carrying amount at 30th September	-	1,009	-	-

This relates to lease of Mesonic Temple Parking lot for thirty (30) years commencing 2014 and amortization is recognized in general and administrative expenses. This was written off in 2021.

15. Inventories

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Trading				
Cocoa	542	395	542	395
Shea butter & Sheanuts	4,551	20,982	4,406	18,738
Agro Inputs	1,032	1,042	1,032	1,042
Fertilizer Stock	6,570	696	6,570	696
Food and beverage	170	77	-	-
Non-Trading				
Spare Parts	1,939	3,663	1,939	3,663
Tarpaulin Stocks	305	385	305	385
Technical Stores	1,270	1,357	685	770
Printing and Stationery	211	479	211	479
Fuel and lubricants	1,134	1,059	1,132	974
Tyres and Batteries	233	509	233	509
Others	18	=	=	=
	<u>17,974</u>	<u>30,644</u>	<u>17,055</u>	<u>27,651</u>

16. Trade and Other Receivables

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Trade receivables due from customers	4,079	3,907	2,154	1,850
Other receivables	487	2,395	(2)	(2)
intercompany receivables	-	-	131,361	(1,968)
Staff Loans and Advances	1,124	1,381	1,099	1,344
Prepayments **	<u>21,332</u>	<u>144,898</u>	<u>21,084</u>	<u>144,786</u>
	<u>27,021</u>	<u>152,580</u>	<u>155,696</u>	<u>146,011</u>

**** Details of Company's prepayments**

	2021	2020
	GH c'000	GH c'000
Rent prepaid	71	126
Ghana Nuts Limited	8,600	8,600
Vehicle Insurance prepaid	683	584
PBC Shea Current Account	-	123,746
Sundry receivables	<u>11,730</u>	<u>11,730</u>
	<u>21,084</u>	<u>144,786</u>

17. Short Term Investments

	Group		Company	
	2021	2020	2020	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Fixed Deposit (CBG)	5,085	1,879	-	-
Call	<u>446</u>	<u>3,067</u>	<u>446</u>	<u>3,067</u>
	<u>5,531</u>	<u>4,947</u>	<u>446</u>	<u>3,067</u>

18. Cash and Cash Equivalents

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Bank Balances	16,814	64,451	14,219	61,001
RCPA Account and Cash Balances	<u>47,200</u>	<u>126</u>	<u>47,170</u>	<u>121</u>
	<u>64,014</u>	<u>64,577</u>	<u>61,389</u>	<u>61,122</u>

19. Stated Capital

a. Ordinary shares

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

b. Preference shares

	2020		2019	
	No. of Shares 000	Proceeds GH c'000	No. of Shares 000	Proceeds GH c'000
No. of preference shares	<u>1,000</u>	<u>100</u>	<u>1,000</u>	<u>100</u>

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

20. Finance Lease

	Group		Company	
	2021 GH c'000	2020 GH c'000	2021 GH c'000	2020 GH c'000
Current portion payable within 12 months	-	-	-	-
Long term portion payable after 12 months	<u>194</u>	<u>194</u>	<u>194</u>	<u>194</u>
	<u>194</u>	<u>194</u>	<u>194</u>	<u>194</u>

21. Medium Term Loan

	Group		Company	
	2021 GH c'000	2020 GH c'000	2021 GH c'000	2020 GH c'000
Standard Chartered Bank	-	-	-	-
Societe Generale	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>
	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>

22. Long Term Loan

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Restructured Loan (OD)	377,720	433,721	377,720	433,721
Ghana Cocoa Board	<u>70,577</u>	<u>70,577</u>	<u>70,577</u>	<u>70,577</u>
	<u>448,298</u>	<u>504,299</u>	<u>448,298</u>	<u>504,299</u>

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 Buiepe. 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.

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 (GHc)
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	<u>189,387,138</u>
	<u>488,161,693</u>

23. Bank Overdraft

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Societe Generale	28	-	28	-
NIB Bank Limited	467	467	467	467
GCB-Sheanuts Tamale	<u>7,285</u>	<u>7,285</u>	<u>7,285</u>	<u>7,285</u>
	<u>7,780</u>	<u>7,752</u>	<u>7,780</u>	<u>7,752</u>

24. Short Term Loan

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Consolidated Bank of Ghana	40,000	-	40,000	-
Standard Chartered Bank (Gh) Limited Cocobod	-	138,722	-	138,722
Sahel Sahara Bank	126,918	-	126,918	-
	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>
	<u>166,950</u>	<u>138,754</u>	<u>166,950</u>	<u>138,754</u>

25. Trade and Other Payables

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Trade Payables	55,615	13,315	55,331	12,979
Non-Trade Payables	12,758	9,758	11,805	9,151
Accrued Expenses	44,219	94,742	38,711	90,938
	<u>112,592</u>	<u>117,816</u>	<u>105,847</u>	<u>113,068</u>

26. Related party transactions

	2021	2020
	GH c'000	GH c'000
Receivable		
PBC Shea Limited	133,218	116,538
Golden Bean Hotel	-	47
	<u>133,218</u>	<u>116,585</u>
Payable		
Golden Bean Hotel	2,000	2,287

27. Title Deeds

a) Included in the ordinary shares issued for consideration other than cash is an amount of GHc954,000 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 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 firm the interest of PBC Limited in the said assets"

28. 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 statement of financial position:

	Designated at FVTPL	Other amortized cost	Total carrying amount	Fair value
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
September 30, 2021				
Trade and other receivables	5,689	-	5,689	5,689
Cash and cash equivalents	64,014	-	64,014	64,014
Short term investments	<u>5,531</u>	-	<u>5,531</u>	<u>5,531</u>
Total	<u>75,234</u>	<u>-</u>	<u>75,234</u>	<u>75,234</u>
Available for sale				
Available for sale financial assets	<u>3,912</u>		<u>3,912</u>	<u>3,912</u>
	<u>3,912</u>		<u>3,912</u>	<u>3,912</u>
Financial Liabilities held at amortized cost				
Finance Lease and Loans	615,442	-	615,442	615,442
Trade and other payables	112,592	-	112,592	112,592
Bank overdraft	<u>7,780</u>	-	<u>7,780</u>	<u>7,780</u>
Total	<u>735,814</u>	<u>-</u>	<u>735,814</u>	<u>735,814</u>
	Designated at FVTPL	Other amortized cost	Total carrying amount	Fair value
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
September 30, 2020				
Trade and other receivables	7,683	-	7,683	7,572
Cash and cash equivalents	64,577	-	64,577	64,577
Short term investments	<u>4,947</u>	-	<u>4,947</u>	<u>4,947</u>
Total	<u>77,207</u>	<u>-</u>	<u>77,207</u>	<u>77,096</u>
Available for sale				
Available for sale financial assets	<u>4,181</u>		<u>4,181</u>	<u>4,181</u>
	<u>4,181</u>		<u>4,181</u>	<u>4,181</u>
Financial Liabilities held at amortized cost				
Finance Lease and Loans	643,247	-	643,247	643,247
Trade and other payables	13,315	-	13,315	13,315
Bank overdraft	<u>7,752</u>	-	<u>7,752</u>	<u>7,752</u>
Total	<u>664,314</u>	<u>-</u>	<u>664,314</u>	<u>664,314</u>

29. 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, 2021 was:

	Group		Company	
	2021	2020	2021	2020
	GH c'000	GH c'000	GH c'000	GH c'000
Available for sale Financial Assets	3,912	4,181	3,912	4,181
Investment in Subsidiaries	-	-	48,249	39,752
Trade and Receivables	5,689	7,683	3,253	3,194
Cash and Bank Balances	64,014	64,577	61,389	61,122
	<u>73,615</u>	<u>76,441</u>	<u>116,803</u>	<u>108,249</u>

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

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.

30. Going Concern / Business Continuity

PBC Limited and had a net profit after tax of GH¢1,567,203 as a result of increased turnover and reduction in general and administrative cost and finance charges, the Group had a loss of GH¢5.654million. PBC recorded a profit of GH¢0.762million in the 2020 financial year but a group loss of GH¢7.438 million.

The Company's working capital has worsened from a negative amount of GH¢21.72million in the 2020 financial year to GH¢45.9million in the current year. The Group's working capital also worsened from a negative GH¢11.57 in the 2020 financial year to GH¢172.53 in 2021 financial year. The adverse changes in

working capital was as a result of short term loans obtained the Consolidated Bank of Ghana and Cocobod not paid for at the end of the financial year.

The equity and reserves (net worth) of PBC Limited has improved marginally from a negative amount GH¢189.97 million in 2020 to a negative amount GH¢179.91 million in the current year. The Group's net worth worsened from a negative amount of GH¢176.11 in 2020 to a negative amount of GH¢315.41 in 2021.

31. Contingencies and commitments

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

32. 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	<u>442,954,631</u>	<u>92.28%</u>
		<u>480,000,000</u>	<u>100.00%</u>

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

33. 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%
	<u>480,000,000</u>	<u>100%</u>

APPENDIX

Tax Computation

	2021	2020
	GH c'000	GH c'000
Net Profit /(Loss) before tax	1,567	4,344
Non-deductible expenses	<u>15,525</u>	<u>20,682</u>
Adjusted Profit	17,092	25,026
Capital Allowance	<u>(25,903)</u>	<u>(10,702)</u>
Chargeable income	<u>(8,811)</u>	<u>14,324</u>
Taxation @ 25%	-	3,581