



PBC LIMITED

**UNAUDITED FINANCIAL STATEMENTS FOR FIRST QUARTER
FOR THE PERIOD ENDING
31ST DECEMBER, 2020**

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PBC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR FIRST QUARTER ENDED 31ST DECEMBER, 2020

1. ACCOUNTING POLICIES

A. REPORTING ENTITY

PBC Limited is a company registered and domiciled in Ghana.

The company is authorised to buy, collect, store, transport and otherwise deal in cocoa, coffee and sheanuts produced in Ghana on behalf of Ghana Cocoa Board.

B. BASIS OF PREPARATION

(i) Statement of Compliance

The financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standard Boards (IASB).

(ii) Basis of measurement

The financial statements were prepared on the historical cost basis except for financial instruments and other assets that are stated at fair value.

(iii) Functional and presentational currency

The financial statements are presented in Ghana cedis (GH¢) which is the company's functional currency.

(iv) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

C. DEPRECIATION

Items of property, plant and equipment are measured at Cost less accumulated depreciation and impairment losses.

The estimated rates of depreciation are as follows:

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

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

D. INTANGIBLE ASSETS

Software acquired by the Company is stated at cost less accumulated impairment losses.

E. INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

F. TRADE AND OTHER RECEIVABLES

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

G. CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise Cash on hand and bank balances and these are carried at amortised Cost in the balance sheet.

H. REVENUE

(i) Sale of goods

Revenue from the Sale of goods is measured at the fair value of the consideration received or receivable net of returns, trade discounts, taxes and volume rebates and is recognised when the significant risk and rewards of the ownership have been transferred to the buyer.

(ii) Sale of Services

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

I. SEGMENT REPORTING

Segmental information is presented in respect of the Company's business segments and is based on the Company's management and internal reporting structure.

The two main business segments are:

Produce - Sale of Cocoa beans and sheanut.

Haulage - transporting of Cocoa beans.

PBC LIMITED
INCOME STATEMENT
FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

INCOME STATEMENT	NOTE	2020 GH¢000	2019 GH¢000
Revenue	4	614,484	592,576
Cost of Sales		565,387	(543,306)
Gross Profit		49,097	49,270
Other Income	6	1,896	626
Direct Operating Expenses		3,239	(655)
General and Administrative Expenses	5	31,883	(30,185)
Operating profit before financing cost		15,871	19,056
Net Finance Expenses	7	(10,486)	(13,657)
Profit/(Loss) before Taxation		5,385	5,399
Income Tax Expense	8a	-	-
Profit/(Loss) for the period transferred to Income Surplus Account		5,385	5,399

INCOME SURPLUS ACCOUNT	2020 GH¢	2019 GH¢
Balance at 1 October	(477,551)	(415,618)
Net Profit for the period	5,385	5,399
Balance at 31 December	(472,166)	(410,219)

The Financial statements do not contain any untrue statement, misleading facts or omitted material facts to the best of our knowledge.

.....
HON. RICHARD AKUOKO ADIYIA
CHIEF EXECUTIVE OFFICER

.....
VIVIAN BOADI APENTENG
AG. DEPUTY CEO (F&A)

PBC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

STATEMENT OF FINANCIAL POSITION	NOTE	2020 GH¢000	2019 GH¢000
Non-Current Assets			
Property, plant and equipment	10	290,304	310,276
Investment in Subsidiaries	20	39,752	39,752
Available for Sale Financial Assets	22	4,181	3,855
Long term investment	9	-	5,389
Total non-current assets		334,237	359,272
Current Assets			
Inventories	11	244,916	160,188
Trade and other receivables	12	316,072	724,184
Group Current Account			117,925
Short term investments	13	784	319
Current Tax			22
Cash and cash equivalents	14	9,910	63,972
Total current assets		571,682	1,066,610
Total assets		905,919	1,425,882
Equity			
Stated Capital	23	15,000	15,000
Retained earnings		(472,166)	(144,149)
Other reserves		3,624	3,624
Revaluation Reserves		207,034	207,034
Total equity		(246,508)	81,509
Liabilities			
Deferred tax liability	8b	-	-
Income Tax liability	8a	-	-
Finance Lease	21	194	15,666
Medium term loan	18	237,454	119,818
EDAIF Loan			511,962
Long term loan	19	512,738	-
Preference share capital	22		-
Total non-current liabilities		750,386	647,446
Bank Overdraft	16	-	-
Short Term Loan	17	138,722	600,000
Medium term loan (current portion)	18	-	21,100
Long term loan (current portion)		-	33,000
Finance Lease (current portion)	21	-	194
Trade and other payables	15	263,319	42,633
Total current liabilities		402,041	696,927
Total liabilities		1,152,427	1,344,373
Total liabilities and equity		905,919	1,425,882

PBC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

2 **CAPITAL AND RESERVES**

Reconciliation of movement in capital and reserves

	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	(477,551)	3,624	207,034	(251,893)
Total recognised Income and Expenses		5,385			5,385
Movement in available for sale asset			-		-
Balance at 31.12.20	15,000	(472,166)	3,624	207,034	(246,508)

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

	2020	2019
	GH ₵'000	GH ₵'000
4 REVENUE		
Sale of Cocoa	607,101	1,780,305
Services (Haulage)	7,383	25,414
	614,484	1,805,719
5 ADMINISTRATIVE AND GENERAL EXPENSES		
including the following:		
Depreciation and amortisation	21,266	21,425
Auditors Remuneration	316	225
Directors emoluments	150	-
Subscriptions and Donations	234	228
	21,966	21,878
6 OTHER INCOME		
Rent Income		217
Sundry Income	1,896	2,993
Sale of Unserviceable items		144
Input Sales - Surplus	-	11,511
	1,896	14,865
7 NET FINANCE EXPENSES		
Interest Income		1,760
Bank and Produce loan interest	(10,486)	(152,743)
	(10,486)	(150,983)

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

8a TAXATION

Year of Assessment Corporate Tax	Balance at 1 October GH ¢	Payments during the year GH ¢	Charge for the period GH ¢	Balance at 30-Jun GH ¢
First Quarter 2020	0	-	-	-
	-	-	-	-

8b DEFERRED TAX

	2018	2017
Balance at June	5,389,783	-1,166,584

PBC LIMITED
NOTE TO THE FINANCIAL STATEMENT
FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

9	LONG TERM INVESTMENTS	2020 GH¢000	2019 GH¢000
		<u> </u>	<u> </u>
	Quoted Equity Investments	<u>3,854</u>	<u>3,854</u>

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

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

10 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings GH ₵	Plant and Machinery GH ₵	Motor Vehicles GH ₵	Furniture & Fitting GH ₵	Building W.I.P GH ₵	Total GH ₵
COST						
Balance at 1.10.2020	236,715,770	25,141,315	104,120,147	5,962,480	62,841,316	434,781,028
Additions during the period	69,177	435,903		51,088		556,168
Transfer to Asset						-
Balance at 31.12.2020	236,784,947	25,577,218	104,120,147	6,013,569	62,841,316	435,337,196
Depreciation						
Balance at 1.10.2020:	26,200,406	22,559,617	84,905,002	5,276,018		138,941,043
Charge for the period	1,775,887	1,278,861	2,736,572	300,678		6,091,998
Released on Disposals						-
Balance at 31.12.2020	27,976,293	23,838,478	87,641,574	5,576,696	-	145,033,041
Carrying amounts						
At 31.12.20	208,808,654	1,738,740	16,478,572	436,873	62,841,316	290,304,155
At 30.09.19	224,016,000	4,348,000	32,481,000	1,140,000	61,019,000	323,004,000

PBC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

11 INVENTORIES	2020	2019
	GH ₵000	GH ₵000
<u>Trading:</u>		
Cocoa	219,503	35,618
Sheanut	18,738	18,738
Agro input	1,044	2,098
Non-Trading	5,631	6,575
	<u>244,916</u>	<u>63,029</u>

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

	2020 GH ₺000	2019 GH ₺000
12 ACCOUNTS RECEIVABLE		
Trade receivables due from customers	166,788	122,109
Other receivables	20,330	24,344
Staff Loans and Advances	2,454	1,461
Intercompany receivables	125,742	117,971
Prepayments	758	2,648
	316,072	268,533

a. Prepayments represent the unexpired portion of certain expenditure spread on time basis.

b. The maximum amount due from employees of the Company during the period did not exceed GH₺1,743(2018- GH₺2,648)

	2020 GH ₺000	2019 GH ₺000
13 SHORT TERM INVESTMENTS		
Call & Fixed Deposits	784	3,981
Treasury Bills	-	-
	784	3,981
14 CASH AND CASH EQUIVALENTS		
Bank Balances	7,868	14,776
Cash Balances	2,042	40,272
	9,910	55,048
15 ACCOUNTS PAYABLE		
Trade payables	248,632	50,190
Non-trade payables and accrued expenses	14,687	5,382
Accrued Charges		10,765
	263,319	66,337

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16	BANK OVERDRAFT	2020 GH ₵000	2019 GH ₵000
	Ecobank Ghana Limited	-	-
	UMB	-	45,741
	Ghana Commercial Bank	-	88,662
	Cal Bank	-	34,988
	SG-GH Limited	-	10,221
	ADB	-	68,020
	Bank of Africa	-	12,775
	UBA	-	14,265
	NIB Bank Limited	-	467
		-	275,139

PBC LIMITED
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	2020 GH ¢	2019 GH ¢
17 SHORT TERM LOANS		
CAL BANK	-	50,000
Stanchart Note Programme	138,722	
GCB	-	50,000
ECOBANK	-	60,000
	<u>138,722</u>	<u>160,000</u>

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 Standard Chartered Bank. The facility is for a period of twelve months with an interest rate of of 24% per annum fixed over the period.

18 MEDIUM TERM LOAN

Produce Loan (Seed Fund)	237,445	-
SCB CONSORTIUM	237,454	216,516
Societe Genrale	9	(9)
EDAIF	-	-
GCB Ltd	-	-
	<u>474,908</u>	<u>216,507</u>

19 LONG TERM LOAN

	2020 GH¢000	2019 GH¢000
Restructured Loan (OD)	442,161	
Ghana Cocoa Board	70,577	
	<u>512,738</u>	<u>61,779</u>

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 is secured by Cocoa Taken Over receivables, Butter proceeds from the factory and take over of the Plant and equipment of PBC Shea Limited. Interest rate is at 8.5% on reducing basis.

20a INVESTMENT IN SUBSIDIARIES

	2020 GHc000	2019 GHc000
PBC Shea Ltd	6,000	6,000
Golden Bean Hotel Ltd	33,752	33,752
Balance at 30 September	<u>39,752</u>	<u>39,752</u>

This represents PBC Limited investment in two subsidiaries, namely PBC Shea Ltd and Golden Bean Hotel. The PBC Shea Ltd is a state of the art factory established to process sheanut into shea butter for export and 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.

20b INVESTMENT IN PBC SHEA LIMITED

The company's investment in PBC Limited as indicated in the the previous year's financial statement had been restated as follow;

	2020 GHc	2019 GHc
Balance as 01 october	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

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	2020 GH¢000	2019 GH¢000
21 FINANCE LEASE		
Current portion payable within 12 months	-	194
Long term portion payable after 12 months	194	15,666
	<u>194</u>	<u>15,860</u>

22 Available for sale assets

	2020 GH ¢'000	GH ¢'000
Quoted Equity Investment		
Balance at 1 October	3,854	3,854
Fair Value movement	<u>327</u>	<u>327</u>
Balance at 31st December 2020	<u>4,181</u>	<u>4,181</u>

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

PBC LIMITED
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FOR FIRST QUARTER ENDED 31ST DECEMBER , 2020

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STATED CAPITAL

	2020		2019	
	No. of Shares	Proceeds GH¢	No. of Shares	Proceeds GH¢
a				
Ordinary shares				
Authorised Ordinary Shares of no par value	20,000,000,000		20,000,000,000	
	<u>20,000,000,000</u>		<u>20,000,000,000</u>	
Issued and fully paid				
For cash	2,005,000	1,586,800	2,005,000	1,586,800
For consideration other than cash	477,995,000	13,413,200	477,995,000	13,413,200
	<u>480,000,000</u>	<u>15,000,000</u>	<u>480,000,000</u>	<u>15,000,000</u>
<p>The holders of the ordinary shares are entitled to receive dividend declared from time to time and are entitled to one vote per share at meetings of the company.</p>				
b				
Preference shares	No. of Shares	Proceeds	No. of Shares	Proceeds
No. of preference shares	1	100	1	100
Total stated capital		<u>15,000,100</u>		<u>15,000,100</u>

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

PBC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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c Share in treasury

Shares in Treasury as at 30 June 2019:-(1,877,370) 2017:(1,877,370).

d Income surplus (Retained earning)

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

e Share deals

This represents the net effect of shares which the company repurchased into treasury that are available for reissue for the consideration of GH¢1,982 and reclassification of the proceeds of redeemable preference shares of GH¢100 from equity.

f Other reserves

This represents the gain arising from fair value changes of long term investment in Ghana Commercial Bank Limited shares