



2011 FINANCIAL STATEMENTS

We have not had sight of the Title Deeds for the sheds and buildings ceded to the company by Ghana Cocoa Board as stated in the Company's books to establish the company's ownership of these assets. However as stated in Note 25, the Government has undertaken to ensure that Ghana Cocoa Board takes all steps required of it under the Ceding Agreement of June 30, 1999 to effectuate the cession of assets to Produce Buying Company Limited.

Opinion

In our opinion, subject to any adjustment that might have been found to be necessary had we been able to satisfy ourselves as to the title deeds referred to above, the financial statements give a true and fair view of *the* financial position of Produce Buying Company Limited as of September 30, 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Code, 1963 (Act 179), Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

Report on Other Legal and Regulatory Requirements

The Companies Code, 1963, (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i. Except for the Title Deeds of the sheds and buildings ceded to the _____ company by Ghana Cocoa Board, we have obtained all the information _____ and explanations which to the best of our knowledge and belief were _____ necessary for the purpose of our audit.

ii In our opinion proper books of accounts have been kept by the company, _____ so far as appears from our examination of those books, and _____

iii The company's statement of financial position and statement of _____ comprehensive income are in agreement with the books of accounts.

Farrar Avenue, Accra

PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS

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22nd December, 2011

2011 FINANCIAL STATEMENTS



PRODUCE BUYING COMPANY LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2011

	NOTES	2,011 GH¢	2,010 GH¢
Revenue	6	1,301,776,645	632,902,845
Cost of Sales		(1,166,973,347)	(556,674,076)
Gross Profit		134,803,298	76,228,769
Other Income	8	5,617,754	2,349,911
Direct Operating Expenses		(43,684,525)	(22,975,080)
General and Administrative Expenses	7	(24,738,066)	(17,944,870)
Operating profit before financing		71,998,461	37,658,730
Net Finance Expenses	9	(34,563,628)	(18,402,286)
Profit before Taxation		37,434,833	19,256,444
Income Tax Expense	10a	(9,779,907)	(5,143,902)
Profit for the year transferred to Income Surplus Account		27,654,926	14,112,542
Other Comprehensive Income			
Available -for-Sale Financial Assets		370,909	872,728
Deferred tax on revaluation		(18,545)	(43,636)
Total Other Comprehensive Income		352,364	829,092
Total Comprehensive Income for the		28,007,290	14,941,634
Basic earning per share		GH¢0.0576	GH¢0.0294
Diluted earning per share		GH¢0.0576	GH¢0.0294



PRODUCE BUYING COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	NOTES	2,011 GH¢	2,010 GH¢
Non-Current Assets			
Property, plant and equipment	13a	37,135,863	29,427,640
Intangible assets	14	21,260	34,782
Available for sale financial asset	12	1,825,455	1,454,546
Total non-current		38,982,578	30,916,968
Current Assets			
Inventories	15	117,572,674	97,204,708
Trade and other receivables	16	60,754,697	32,555,979
Short term investments	17	24,900,039	5,120,954
Cash and cash	18	32,128,303	3,232,870
Total current assets		235,355,713	138,114,511
Total assets		274,338,291	169,031,479
Equity			
Stated capital	24a	15,000,000	15,000,000
Retained earnings	24c	30,778,491	7,381,947
Other reserves	24d	1,595,012	1,242,648
Total equity		47,373,503	23,624,595
Non-current liabilities			
Deferred tax liability	11a	3,278,676	2,472,541
Finance lease	23	2,104,668	2,685,168
Medium term loan	22a	5,264,290	3,314,548
Long term loan	22b	5,262,033	-
Preference share capital	24b	100	100
Total non-current liabilities		15,909,767	8,472,357
Current liabilities			
Bank overdraft	20	34,565,317	18,204,482
Income tax liability	10b	6,081,472	4,655,120
Short Term Loan	21	149,925,584	100,588,662
Medium term loan (current portion)	22a	2,167,788	3,677,228
Finance lease (current portion)	23	581,500	581,500
Trade and other payables	19	17,733,360	9,227,535
Total current liabilities		211,055,021	136,934,527
Total liabilities		226,964,788	145,406,884
Total liabilities and equity		274,338,291	169,031,479

Approved by the Board on 22nd December 2011

 Director

 Director

PRODUCE BUYING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2011

CAPITAL AND RESERVES	Share Capital	Retained Earnings	Share Deals	Other Reserves	Total Equity
2011	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 October	15,000,000	7,381,947	-	1,242,648	23,624,595
Dividend paid during the year	-	(4,208,382)	-	-	(4,208,382)
Transfer to Share Deals Account	-	(50,000)	50,000	-	-
Payment for Share Buy back	-	-	(50,000)	-	(50,000)
Total recognised Income and Expenses	-	27,654,926	-	-	27,654,926
Movement in available for sale asset	-	-	-	370,909	370,909
Deferred tax on Other Reserves	-	-	-	(18,545)	(18,545)
Balance at 30 September	15,000,000	30,778,491	-	1,595,012	47,373,503
	2,010				
Balance at 1 October	4,914,377	5,981,312	-	420,454	11,316,143
Dividend paid during the year	-	(1,769,434)	-	-	(1,769,434)
Transfer to Share Deals Account	-	(50,000)	50,000	-	-
Payment for Share Buy back	-	-	(50,000)	-	(50,000)
Total recognised Income and Expenses	-	14,112,542	-	-	14,112,542
Transfer from Retained Earnings	10,085,623	(10,085,623)	-	-	-
Tax on transfer to Stated Capital	-	(806,850)	-	-	(806,850)
Movement in available for sale asset	-	-	-	872,728	872,728
Deferred tax on Other Reserves	-	-	-	(50,534)	(50,534)
Balance at 30 September	15,000,000	7,381,947	-	1,242,648	23,624,595



**PRODUCE BUYING COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	2,011 GH¢	2,010 GH¢
Cash flows from operating activities		
Profit before taxation	37,434,833	19,256,444
<u>Adjustment for:</u>		
Depreciation and Amortisation charges	5,700,989	4,156,400
Interest Received	(1,364,353)	(735,305)
(Profit)/Loss on Property, Plant and Equipment	(423,393)	19,813
Interest expense	35,927,981	19,137,591
Operating profit before working capital changes	<u>77,276,057</u>	<u>41,834,943</u>
Change in inventories	(20,367,966)	(74,698,904)
Change in trade and other receivables	(28,198,718)	(290,365)
Change in trade and other payables	8,505,825	(3,752,292)
Cash generated from operations	<u>37,215,198</u>	<u>(36,906,618)</u>
Income taxes paid	(7,565,965)	(172,562)
Net cash flow from operating activities	<u>29,649,233</u>	<u>(37,079,180)</u>
Cash flow from investing activities		
Interest Received	1,364,353	735,305
Proceeds from disposal of Assets	436,119	67,618
Payments to acquire Property, Plant and Equipment	(13,408,416)	(8,161,942)
Net Cash used in Investing Activities	<u>(11,607,944)</u>	<u>(7,359,019)</u>
Cash flows from Financing Activities		
Interest paid	(35,927,981)	(19,137,591)
Payment for Share Buy Back	(50,000)	(50,000)
Dividend paid during the year	(4,208,382)	(1,769,434)
Short Term Loan Received	49,336,922	57,409,662
Finance Lease Repayment	(580,500)	(454,670)
Medium Term Loan (Repayment)/Received	440,302	(497,562)
Long Term Loan	5,262,033	-
Net Cash from Financing Activities	<u>14,272,394</u>	<u>35,500,405</u>
Net Increase/(Decrease) in Cash and Cash Cash and Cash equivalents at 1 October	<u>32,313,683</u> <u>(9,850,658)</u>	<u>(8,937,794)</u> <u>(912,864)</u>
Cash and Cash equivalents at 30	<u>22,463,025</u>	<u>(9,850,658)</u>
Cash and Cash Equivalents.		
Cash in Hand and at Bank	32,128,303	3,232,870
Bank overdraft	(34,565,317)	(18,204,482)
Treasury Bills/Call Deposits	24,900,039	5,120,954
	<u>22,463,025</u>	<u>(9,850,658)</u>