



Accountants &
business advisers

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PBC LIMITED
ON THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH SEPTEMBER 2012**

Report on the Financial Statements

We have audited the accompanying financial statements of PBC Limited which comprise the statement of financial position as of 30 September, 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as

evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 30th June, 1999 to effectuate the cession of assets to PBC 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 PBC Limited as of 30th September, 2012 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 beliefs 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.



Chartered Accountants
Farrar Avenue,
Accra.

18th December, 2012

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PBC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	NOTES	2012 GH¢	2011 GH¢
Revenue	6	1,162,927,098	1,301,776,645
Cost of Sales		(1,044,739,602)	(1,166,973,347)
Gross Profit		118,187,496	134,803,298
Other Income	8	12,948,894	5,617,754
Direct Operating Expenses General and Administrative Expenses	7	(43,773,858) (26,463,142)	(43,684,525) (24,738,066)
Operating profit before financing cost		60,899,390	71,998,461
Net Finance Expenses	9	(47,174,080)	(34,563,628)
Profit before Taxation		13,725,310	37,434,833
Income Tax Expense	10a	(3,652,269)	(9,779,907)
Profit for the year transferred to			
Income Surplus Account		10,073,041	27,654,926
Other Comprehensive Income			
Available -for-Sale Financial Assets		(370,909)	370,909
Deferred tax on revaluation		0	(18,545)
Total Other Comprehensive Income		(370,909)	352,364
Total Comprehensive Income for the year		9,702,132	28,007,290
Basic earning per share (GH¢)		0.0210	0.0576
Diluted earning per share (GH¢)		0.0210	0.0576

PBC LIMITED				
STATEMENT OF FINANCIAL POSITION				
AS AT 30TH SEPTEMBER 2012				
	NOTES	2012	2011	
		GH¢	GH¢	
Non-Current Assets				
Property, plant and equipment	13a	56,300,525	37,135,863	
Intangible assets	14	7,738	21,260	
Available for sale financial asset	12	1,454,546	1,825,455	
Total non-current assets		57,762,809	38,982,578	
Current Assets				
Inventories	15	71,706,756	117,572,674	
Trade and other receivables	16	136,786,594	60,754,697	
Short term investments	17	815,925	24,900,039	
Cash and cash equivalents	18	22,199,991	32,128,303	
Total current assets		231,509,266	235,355,713	
Total assets		289,272,075	274,338,291	
Equity				
Stated capital	24a	15,000,000	15,000,000	
Retained earnings	24c	32,692,630	30,778,491	
Other reserves	24d	1,224,103	1,595,012	
Total equity		48,916,733	47,373,503	
Non-current liabilities				
Deferred tax liability	11a	3,815,173	3,278,676	
Finance lease	23	1,210,580	2,104,668	
Medium term loan	22a	7,831,189	5,264,290	
Long term loan	22b	5,262,033	5,262,033	
Preference share capital	24b	100	100	
Total non-current liabilities		18,119,075	15,909,767	
Current liabilities				
Bank overdraft	20	89,899,782	34,565,317	
Income tax liability	10b	3,840,788	5,995,016	
Short Term Loan	21	110,635,902	149,925,584	
Medium term loan (current portion)	22a	6,522,071	2,167,788	
Finance lease (current portion)	23	737,794	581,500	
Trade and other payables	19	10,599,930	17,819,816	
Total current liabilities		222,236,267	211,055,021	
Total liabilities		240,355,342	226,964,788	
Total liabilities and equity		289,272,075	274,338,291	
Approved by the Board on2012				
.....Director	 Director		

PBC LIMITED			
STATEMENT OF CASH FLOW			
FOR THE YEAR ENDED 30TH SEPTEMBER 2012			
		2012	2011
		GH¢	GH¢
Cash flows from operating activities			
Profit before taxation		13,725,310	37,434,833
<u>Adjustment for:</u>			
Depreciation and Amortisation charges		6,845,467	5,700,989
Interest Received		(2,409,054)	(1,364,353)
Profit on Property, Plant and Equipment Disposals		(153,189)	(423,393)
Interest expense		49,583,134	35,927,981
Operating profit before working capital changes		67,591,668	77,276,057
Change in inventories		45,865,918	(20,367,966)
Change in trade and other receivables		(76,031,897)	(28,198,718)
Change in trade and other payables		(7,219,886)	8,505,825
Cash generated from operations		30,205,803	37,215,198
Income taxes paid		(5,270,000)	(7,565,965)
Net cash flow from operating activities		24,935,803	29,649,233
Cash flow from investing activities			
Interest Received		2,409,054	1,364,353
Proceeds from disposal of Assets		171,737	436,119
Payments to acquire Property, Plant and Equipment		(26,015,155)	(13,408,416)
Net Cash used in Investing Activities		(23,434,364)	(11,607,944)
Cash flows from Financing Activities			
Interest paid		(49,583,134)	(35,927,981)
Payment for Share Buy Back		0	(50,000)
Dividend paid during the year		(8,158,902)	(4,208,382)
Short Term Loan (Paid)/Received		(39,289,682)	49,336,922
Finance Lease Repayment		(737,794)	(580,500)
Medium Term Loan Received		6,921,182	440,302
Long Term Loan		0	5,262,033
Net Cash flows from Financing Activities		(90,848,330)	14,272,394
Net (Decrease)/Increase in Cash and Cash equivalents		(89,346,891)	32,313,683
Cash and Cash equivalents at 1 October		22,463,025	(9,850,658)
Cash and Cash equivalents at 30 September		(66,883,866)	22,463,025
Cash and Cash Equivalents.			
Cash in Hand and at Bank		22,199,991	32,128,303
Bank overdraft		(89,899,782)	(34,565,317)
Treasury Bills/Call Deposits		815,925	24,900,039
		(66,883,866)	22,463,025