



FAN MILK LIMITED

Un-Audited Financial Statements for the full year ended December 31, 2019

Statement of Comprehensive Income for the full year ended December 31, 2019

| | 2019 GH¢'000 | 2018 GH¢'000 |
|-----------------------------------|-----------------|-----------------|
| Revenue | 423,117 | 389,507 |
| Cost of Sales | (254,210) | (240,731) |
| Gross Profit | 168,907 | 148,776 |
| Sales and Distribution Costs | (91,309) | (76,366) |
| Administrative Expenses | (52,454) | (74,520) |
| Other Income | 10,039 | 18,001 |
| Operating Profit | 35,183 | 15,891 |
| Finance Income | 4,949 | 1,314 |
| Finance Cost | (1,397) | (1,134) |
| Net Profit before tax | 38,735 | 16,071 |
| Current Tax | (13,721) | (3,172) |
| Net Profit after tax | 25,014 | 12,899 |
| Other Comprehensive Income | - | - |
| Total Comprehensive Income | 25,014 | 12,899 |
| Number of Shares outstanding | 116,207,288 | 116,207,288 |
| Earnings per Share | 0.22 | 0.11 |

Statement of Financial Position as at December 31, 2019

| ASSETS | | |
|-------------------------------|----------------|----------------|
| Non-current assets | | |
| Property, Plant and Equipment | 191,973 | 196,921 |
| | 191,973 | 196,921 |
| Current Assets | | |
| Inventories | 96,607 | 50,400 |
| Tax | - | 9,343 |
| Trade and Other Receivables | 27,312 | 23,769 |
| Bank and Cash Balances | 39,110 | 45,969 |
| | 163,028 | 129,481 |
| TOTAL ASSETS | 355,001 | 326,402 |

COMMENTS TO THE FINANCIAL STATEMENTS:

FML delivered an annual Revenue growth of 8.6% . Growth driven by stronger innovation and renovation activities and improvement of the distribution network. Gross Profit improved by 13.5%, ahead of Revenue. This is due to efficiency projects across Cost of Sales, despite inflationary and exchange rate pressures. Operating costs improved versus prior year as a result of savings from reorganisation. Overall, FML achieved a strong growth in operating profit of 121%. Net Profit grew by 94% against prior year.

| | 2019 GH¢'000 | 2018 GH¢'000 |
|-------------------------------------|-----------------|-----------------|
| EQUITY | | |
| Stated capital | 10,000 | 10,000 |
| Retained earnings | 249,588 | 224,575 |
| TOTAL SHAREHOLDERS' EQUITY | 259,588 | 234,575 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Deferred Tax | 11,294 | 8,580 |
| | 11,294 | 8,580 |
| Current liabilities | | |
| Trade and Other Payables | 80,562 | 80,182 |
| Tax | 519 | - |
| Dividends | 3,038 | 3,065 |
| | 84,119 | 83,247 |
| TOTAL LIABILITIES | 95,413 | 91,827 |
| TOTAL EQUITY AND LIABILITIES | 355,001 | 326,402 |

Statement of Changes in Equity

| | 2019 GH¢'000 | 2018 GH¢'000 |
|--|-----------------|-----------------|
| Stated capital | 10,000 | 10,000 |
| Retained earnings - January 1 | 224,574 | 211,676 |
| Total comprehensive income | 25,014 | 12,899 |
| Dividend for previous year | - | - |
| Retained earnings - December 31 | 249,588 | 224,575 |
| Total equity | 259,588 | 234,575 |

Statement of Cash Flows for the full year ended December 31, 2019

| | 2019 GH¢'000 | 2018 GH¢'000 |
|---|-----------------|-----------------|
| Cash Flows from Operating Activities | | |
| Cash generated from Operations | 17,291 | 77,085 |
| Interest Paid | (1,397) | (1,134) |
| Interest Received | 4,949 | 1,299 |
| Tax Paid | (9,118) | (12,349) |
| Net Cash Generated from Operating Activities | 11,725 | 64,901 |
| Cash Flows from Investing Activities | | |
| Purchase of Property, Plant and Equipment | (23,832) | (53,875) |
| Right of Use - Lease Asset | (4,655) | - |
| Proceeds from sale of Property, Plant and Equipment | 9,934 | 14,283 |
| Net Cash used in Investing Activities | (18,553) | (39,592) |
| Cash Flows from Financing Activities | | |
| Dividends Paid | (31) | (39) |
| Net Cash used in Financing Activities | (31) | (39) |
| (Decrease) in Cash and Cash Equivalents | (6,858) | 25,270 |
| Cash and Cash Equivalents at January 1 | 45,969 | 20,699 |
| Cash and Cash Equivalents at December 31 | 39,110 | 45,969 |

Notes to the Financial Statement for the full year ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these quarterly financial statements are consistent to that of the most recent Annual Report and Accounts.

2. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

3. Administrative expenses include:

| | 2019 GH¢'000 | 2018 GH¢'000 |
|------------------------|-----------------|-----------------|
| Directors Remuneration | 2,913 | 2,555 |
| Auditors Remuneration | 240 | 237 |

4. Other Income

| | 2019 GH¢'000 | 2018 GH¢'000 |
|--------------------------------|-----------------|-----------------|
| Profit on Sale of Fixed Assets | 8,114 | 13,075 |
| Sale of Scraps & Sundry Income | 194 | 256 |
| Rent Income | 936 | 1,084 |
| Exchange Gain | - | 3,403 |
| Bad Debt Recovered | 795 | 183 |

TO THE BEST OF OUR KNOWLEDGE THE FINANCIAL STATEMENTS DO NOT CONTAIN UNTRUE STATEMENTS, MISLEADING FACTS OR OMIT MATERIAL FACTS

Dr. Charles Mensa
Board Chairman

Ziobeiton Yeo
Managing Director