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ANNUAL REPORT

AND ACCOUNTS 1999 · FAN MILK LTD.

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Financial Highlights

Amounts in Million Cedis except per share

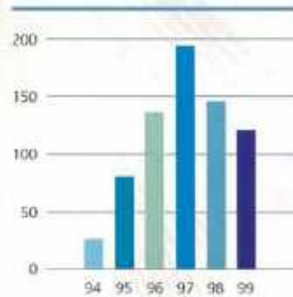
	1999	1998	1997	1996
Profit After Taxation	2,400	2,907	3,852	2,742
Net Earnings Per Share	121.31	146.9	194.70	138.59
Total Shares Issued	19,784,548	19,784,548	19,784,548	19,784,548
Dividend Per Share	90.00 €	75.00 €	55.00 €	35.00 €
Year End				
Assets	28,504	24,566	18,910	9,758
Shareholders Equity	10,667	10,048	8,625	5,861
Staff (Permanent)	384	374	344	262
Stock price range				
High	1,680	2,400	525	408
Low	900	486	380	310

Distribution of Gross Sales

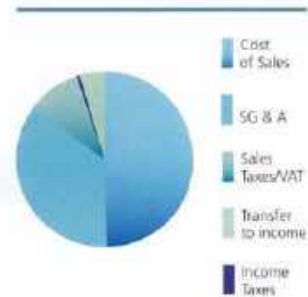
Amounts in Million Cedis

	%	1999	%	1998
Cost of Sales	50.0	25,708	49.9	22,388
SG & A	35.4	18,212	31.7	14,218
Sales Taxes/VAT	9.8	5,029	12.9	5,801
Income Taxes	0.5	242	0.0	0
Transfer to Income				
Surplus Acct.	4.7	2,400	6.5	2,907
Other (Inc)/Exp.	(0.3)	(132)	(1.1)	(482)

Net Earnings per share – Cedis



Distribution of Gross Sales 1999





Corporate Information

Board of Directors

John Sackah Addo (Chairman)
Jesper Bjorn Jeppesen (Managing Director)
Henning Plenge Jacobsen
Kate Abbam (Mrs.)
Papa Kwesi Nduom (Dr.)
Kodjo Biamawu Aziagbe
Einar Mark Christensen
Jens Jørgen Kollerup

Secretary

Lennap & Co, P.O.Box 37, Accra

Bankers

Barclays Bank of Ghana Limited, Accra
EcoBank Ghana Limited, Accra
SSB Bank Limited, Accra
Standard Chartered Bank, Accra
Prudential Bank Limited, Accra

Solicitors

Quist, Brown, Wontumi & Mills, Solicitors
P.O.Box 7566, Accra

Auditors

Pannell Kerr Forster
Chartered Accountants,
Farrar Avenue
P.O.Box 1219, Accra

Registered Office

Fan Milk Ltd.
No. 1 Dadeban Road
North Industrial Area
P.O.Box 6460, Accra

Registrar & Transfer Office

National Trust Holding
Company Limited
Martco House
P.O.Box 9563, Airport
Accra





Number of Shareholders

The Company had 3,007 shareholders as at December 31, 1999 with equal voting rights distributed as follows:

Holding	No. of Holders	Total Holding	% Holding
1-1,000	1,879	481,676	2.43
1,001-5,000	990	2,425,425	12.26
5,001-10,000	93	753,293	3.81
Over-10,000	45		81.5
Total	3,007	19,784,548	100.00

Details of the twenty (20) largest Shareholders as at December 31, 1999:

Name of Shareholder	No. of Shares held	% Holding
Fan Milk International A/S, DK	7,365,955	37.23
Industrialisation Fund for Developing Countries, DK	4,954,420	25.04
Enterprise Insurance Company Limited	2,250,672	11.38
Ghana Properties Limited	378,000	1.91
United Africa Trust Limited	200,000	1.01
Social Security and National Insurance Trust	147,800	0.75
Barclays Bank Nominees Limited	90,425	0.46
Gold Coast Securities	88,726	0.45
BBG Nom Limited/Chase Manhattan	57,725	0.29
Brown Major	50,372	0.25
Asare James Kwadwo	50,000	0.25
United Securities Trust Limited	38,500	0.19
Nduom, Papa Wasa (Dr)	35,100	0.18
Sterling Securities Limited	30,790	0.16
CDM Securities Limited	30,635	0.15
State Insurance Company Limited	30,000	0.15
New World Investment Limited	29,050	0.15
Ababio, Alex Ransford (Dr)	25,200	0.13
Safo Nyame, Emmanuel Ntiri	25,100	0.13
Nduom, Kwesi P.	24,907	0.13
Total	15,903,377	80.39

Notice of Meeting

Notice is hereby given that the thirty-ninth Annual General Meeting of Fan Milk Limited will be held at the National Theatre, Liberia Road, Accra on Friday, August 18, 2000 at 10:30 a.m. in order to transact the following business:

1. To receive the Report of the Directors, the Balance Sheet as at December 31, 1999 together with the Accounts for the year ended on that date and the Report of the Auditors thereon.
2. To declare a dividend on the Company's shares in respect of the year ended December 31, 1999.
3. To re-elect as a Director, Mrs. Kate Abbam.
4. To re-elect as a Director, Dr. Papa Kwesi Nduom.
5. To elect as a Director, Mr. Jens Jørgen Kollerup.
6. To fix the remuneration of the Directors.
7. To authorise the Directors to fix the remuneration of the auditors.
8. To pass a special resolution which will amend the Company's Regulations as follows:
 1. Resolved that Clause 13 (a) of the Company's Regulations be and is hereby amended to read as follows:

13(a) Share Certificates shall be issued in accordance with Section 53 of the

Companies Code 1963 (ACT 179) except that the said Share Certificates shall be issued under the SECURITIES SEAL of the Company*.

2. Resolved that Clause 80 of the Company's Regulations be and is hereby amended to read as follows:

80(a) The Directors shall provide for the custody of the Common Seal which shall only be used by the authority of the Board of Directors or of a Committee of the Directors authorised by the Board of Directors in that behalf, and every instrument to which the Common Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

(b) The Directors may request the Registrar of the Company to provide for the safe custody of the Securities Seal which shall only be used by the authority granted to the Registrar by the Board of Directors in relation to the issuance of Share Certificates of the Company and every Share Certificate to which the Securities Seal shall be affixed shall not require any signature*.

By order of the Board · Lennap & Co. · Farrar Avenue · May 25, 2000

Note: A member entitled to attend and vote at this meeting is entitled to appoint a proxy who need not be a member of the Company to attend the meeting and vote in his stead. The completed proxy form must reach the registered office of the Company not less than 48 hours before the time fixed for holding the meeting.



Directors Report 1999

1. Introduction

It is with great pleasure that the Directors present to the members of Fan Milk Limited, the Annual Report and the Audited Accounts of the Company for the year ended December 31, 1999.

2. Economic Environment

The economic environment remained difficult in 1999. In spite of a single digit year-on-year inflation recorded in May, and decreases in interest rates during the first half of the year, the positive trends were short-lived. In the second half of the year under review, cocoa and gold prices tumbled while prices of crude oil went up. Especially during the last quarter of 1999, the Ghanaian economy witnessed a significant pent-up demand for foreign currency as a result of declining net foreign exchange receipts. This in turn, resulted in a precipitous fall in the value of the Cedi. The Cedi recorded a year-on-year depreciation of 49.2% compared to 4.3% in 1998, whereas inflation settled at approximately 13.8% as at the end of 1999. GDP that was forecast to grow by 5.5% grew by 4.4% only compared with a GDP growth of 4.7% in 1998.

The nationwide power curtailment that commenced in 1998 unfortunately had a spill-over into 1999. A significant section of the Company's distributors, especially in the rural areas, continued to experience irregular power cuts. The situation was further aggravated by the increases in tariffs for electricity and water.

It was against this background that your Company operated in 1999.



Directors Report 1999



3. Financial Highlights

The above-mentioned developments impacted negatively on the operations of your Company in many ways, including, particularly:

1. Higher manufacturing expenses on products due to higher costs for imported raw materials.
2. Higher operational costs as a result of higher prices on spare parts, fuel, electricity and water.
3. In an attempt to support our agents and distributors in our business, commissions and discounts were increased in the second half of the year.
4. Significant extraordinary exchange losses of €1.6 billion and €63 million were incurred respectively on the principal and interest of the foreign loan as a result of depreciation of the Cedi.

The operational results are summarised below:

<i>Amounts in Million Cedis</i>	1999	1998	Difference	Increase + Decrease - %
Turnover	46,430	39,031	7,399	+19
Cost of Sales	(25,708)	(22,388)	3,320	+15
Selling, General and Administration Expenses	(18,212)	(14,218)	3,994	+28
Operating Profit	2,510	2,425	85	+4
Other Income	132	482	(350)	-73
Profit Before Tax	2,642	2,907	(265)	-9
Profit After Tax	2,400	2,907	(507)	-17

4. Dividend

Members may recall that for the trading year 1998, the Board recommended the payment of a dividend of seventy-five Cedis (€75.00) per share. Even though the net profit for 1999 was lower than that of 1998, we would still like to recommend a higher dividend of ninety Cedis (€90.00) per share. The total amount payable in respect of the proposed dividend will be one billion, seven hundred and eighty million, six hundred and nine thousand, three hundred and twenty Cedis (€1,780,609,320.00), an increase of twenty (20) percent..



Directors Report 1999

5. Directors

In accordance with Section 298 of the Companies Code 1963 (ACT 179), Mrs. Kate Abbam and Dr. Papa Kwesi Nduom retire from the Board by rotation, and being eligible, they offer themselves for re-election.

In June 1999, Mr. Jens Jorgen Kollerup was appointed the Managing Director of Fan Milk International of Denmark to replace Mr. Henning Plenge Jacobsen, who continues as a Director of both Fan Milk International A/S and Fan Milk Limited. In view of this, the Directors appointed Mr. Kollerup as an additional member to the Board. Being eligible, Mr. Jens Jorgen Kollerup offers himself for election in accordance with the Company's Regulation 60.

The change necessitated the raising of the number of Directors on the Board and the Board accordingly passed a resolution to that effect.

6. Directors' Fees

In accordance with the Company's Regulation 67 (3), fees payable to the Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.

In line with this, the Directors wish to recommend the following monthly fees for 2000:

The Chairman	€850,000.00
Other Directors	€600,000.00

The fees paid in the previous year were:

The Chairman	€700,000.00
Other Directors	€500,000.00

7. Auditors

The Auditors of the Company, Messrs. Pannell Kerr Forster, Chartered Accountants, will continue in office in accordance with Section 134 (5) of the Companies Code 1963 (ACT 179). Members are requested, as is customary, to authorise the Board to fix their remuneration for the year 2000.

8. Amendment of Company's Regulations - Securities Seal System

As at now, Fan Milk Limited's Regulation 13 (a) and Section 53 of the Companies Code 1963 (ACT 179) state the following:

"..... within two months after the issue of any of its shares or after the registration of the transfer of any share, Fan Milk Limited shall deliver to the registered holder thereof, a certificate under the Common Seal of the Company.....".

Regulation 80 stipulates that any time the Common Seal of the Company is used on a document, that document must be signed by, at least, a Director and the Company Secretary. As



Directors Report 1999



at now, all share certificates issued by the Company have the Common Seal embossed on them and in addition, they are signed by the Chairman of the Board, the Managing Director and the Company Secretary.

Trading in shares of Fan Milk Limited has increased over the years, and as a result, significant time is spent signing share certificates.

To save this time, the Directors are proposing to use the system known as the "SECURITIES SEAL SYSTEM" under which no signatures are required. The use of the Securities Seal on a share certificate is sufficient to make the transaction valid.

The Company's Regulations, as they stand now, do not make provision for the use of the Securities Seal on share certificates. Shareholders will, in the course of the Annual General Meeting, be asked to pass a special resolution to amend the Company's Regulations to permit the introduction of the Securities Seal System.

Approval letters have already been received from the Ghana Stock Exchange as well as from the Registrar of Companies for the use of the new system.

9. Environmental and Safety Commitments

During the year under review, Fan Milk Limited further committed itself to consolidate the gains in the previous years as far as the environmental and occupational health and safety issues are concerned. Much activity was centered on the monitoring of environmental media and the assessment of occupational health and safety conditions in the factory. Fan Milk Limited conducted training programmes on first aid administration and fire fighting drill. In view of the increasing cost of water and electricity, Fan Milk

Limited's efforts were intensified to inculcate in the staff the need to conserve these resources. Consequently 1999 total annual water consumption at the factory reduced by 45% as compared to 1998.

Furthermore, Fan Milk Limited made significant efforts to reduce plastic waste pollution of the environment in the whole country by mobilising NGOs and first and second cycle students to pick the waste. The activities create environmental consciousness in the students for better future citizens. Plastic waste from the factory is sent to City Waste and Management Company Limited for recycling.

In its annual audit report for 1999 the Environmental Protection Agency (EPA) expressed satisfaction with the significant environmental practices that have been implemented by Fan Milk Limited.





Directors Report 1999

10. New Products

During the year under review your Company introduced the new milk drink, Fan White in 250ml Pure Pak cartons. In addition, Tampico was launched in 500ml and 1 litre cartons.

11. Future Prospects

With the significant capital investments that your Company has made over the past three years, Fan Milk Limited is geared towards the challenges of the future. Your Directors are confident that the Company will continue to achieve profitable result in the coming years provided the macro economic development in the Country is stable.

12. Acknowledgement

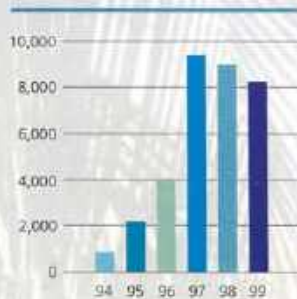
The Board of Directors wish to express their appreciation to our shareholders, customers, distributors, agents, vendors and employees for their loyal support and invaluable contributions during the year.

On Behalf of the Board

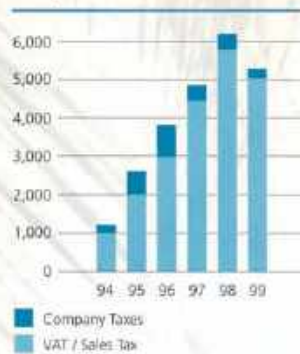
John Sackah Addo
Chairman

Jesper Bjorn Jeppesen
Managing Director

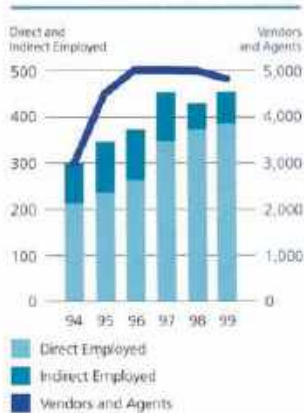
Investments – Cedis in Million



Taxes paid – Cedis in Million



Employed



Responsibilities of the Directors



The Companies Code 1963 requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit of the company for that period.

In preparing the financial statements, the Directors are required to:

- ▶ select suitable accounting policies and apply them consistently
- ▶ make judgements and estimates that are reasonable and prudent
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company which enable them to ensure that the financial statements comply with the Companies Code 1963 (Act 179).

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above statement which should be read in conjunction with the statement of the Auditors' responsibilities set out on page 14, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements.





Auditors Report

Report of the auditors to the members of Fan Milk Limited on the financial statements for the year ended December 31, 1999:

We have audited the financial statements on pages 15-24, which have been prepared under the accounting policies set out on page 18.

Respective Responsibilities of Directors and Auditors.

The company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to shareholders.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, are consistently applied and are adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at December 31, 1999 and of the profit for the year to that date and have been properly prepared in accordance with the Companies Code 1963.

Accra, March 3, 2000

Pannell Kerr Forster
Chartered Accountants



Profit and Loss Account

for the year ended December 31, 1999

Amounts in Million Cedis	Note	1999	1998
Turnover	2	46,430	39,031
Cost of Sales	3	(25,708)	(22,388)
		20,722	16,643
Selling, General and Administrative Expenses	4	(18,212)	(14,218)
Operating Profit		2,510	2,425
Other Income	5	132	482
		2,642	2,907
Taxation	6	(242)	0
Profit after taxation transferred to Income Surplus Account		2,400	2,907

Income Surplus Account

for the year ended December 31, 1999

Amounts in Million Cedis	1999	1998
Balance at 1 January	4,048	4,625
Transfer to Stated Capital	0	(2,000)
	4,048	2,625
Net profit for the year transferred from profit and loss account	2,400	2,907
	6,448	5,532
Dividend proposed €90.00 per share (1998 - € 75.00 per share)	(1,781)	(1,484)
Balance at 31 December	4,667	4,048



Balance Sheet

as at December 31, 1999

Amounts in Million Cedis

	Note	1999	1998
Fixed Assets	7	19,433	17,061
Current Assets			
Stocks	8	5,622	5,330
Accounts Receivable	9	2,393	1,559
Bank and Cash Balances	10	1,056	616
Total Current Assets		9,071	7,505
Current Liabilities			
Bank Overdraft	11	2,406	1,608
Accounts Payable	12	8,804	7,677
Taxation	6	(92)	(92)
Dividend		1,915	1,571
Total Current Liabilities		13,033	10,764
Net Current Liabilities		(3,962)	(3,259)
Long Term Loan	13	(4,804)	(3,754)
Net Assets		10,667	10,048
Represented by:			
Stated Capital	14	6,000	6,000
Income Surplus	15	4,667	4,048
Total Equity		10,667	10,048

Approved by the Board on March 3, 2000

John Sackah Addo
Chairman

Jesper Bjorn Jeppesen
Managing Director

Cash Flow Statement



Amounts in Million Cedis	Note	1999	1998
Net Cash Inflow from Operating activities	16	10,175	8,590
Returns on Investment and Servicing of Finance:			
Interest Received		23	34
Interest Paid		(757)	(1,069)
Dividend Paid		(1,437)	(1,054)
Net Cash Outflow from Returns on Investments and Servicing of Finance		(2,171)	(2,099)
Taxation:			
Tax Paid		(242)	(337)
Investing Activities:			
Payment to Acquire Tangible Fixed Assets		(8,142)	(8,944)
Receipts from Sale of Tangible Fixed Assets		22	454
Net Cash (Outflow) before financing		(8,120)	(8,490)
		(358)	(2,336)
Financing:			
Loan received		0	1,293
(Decrease) / Increase In Cash and Cash Equivalent	17/18	(358)	(1,043)



Notes

to Financial Statements

1. ACCOUNTING POLICIES

The significant accounting policies adopted by the company and which have been used in preparing these accounts are as follows:

a. Basis of accounting

These accounts have been prepared under the historical cost convention as modified by the revaluation of fixed assets.

b. Depreciation

Depreciation is provided on straight line basis at rates calculated to write off the cost/valuation of each asset over its estimated useful life.

The principal annual rates used for this purpose are:

Buildings	5% - 10%
Plant and Machinery	10%
Deep Freezers and Bicycles	33.3%
Motor Vehicles	33.3%
Computer Systems	33.3%
Furniture and Fittings	20%

c. Stocks

- I. Raw Materials and Other Stocks are stated at the lower of cost and net realisable value and in general includes all expenses incurred in bringing the stocks to their present location.
- II. Finished Products and Work-In-Progress are valued at average cost of raw material consumed.
- III. Spare Parts are written off in the year of purchase.

d. Accounts Receivable

Debtors are stated after provisions have been made for specific debts considered to be doubtful.

e. Foreign Currencies

Assets and liabilities in foreign currencies have been translated into cedis at the rate of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.



Notes

to Financial Statements

Amounts in Million Cedis

	1999	1998
2. TURNOVER		
Gross Sales Value	51,459	44,832
Less Sales Tax / Value Added Tax collected for Government	(5,029)	(5,801)
	46,430	39,031
3. COST OF GOODS SOLD		
This item includes the following:		
Depreciation of Factory Buildings and Plant and Machinery	1,877	1,608
4. SELLING, GENERAL AND ADMINISTRATIVE EXPENSE		
includes the following:		
Depreciation – Other Assets	3,892	2,577
Directors Fees	46	31
Remuneration as Managers	145	111
Auditors Remuneration	18	14
Voluntary Contributions to Charities and Other Funds	10	22
Interest on Loans and Overdraft	757	1,069
5. OTHER INCOME		
Profit on Sale of Fixed Assets (7D)	21	345
Interest on Current Accounts	23	34
Sale of Empty Bags and Scraps	85	100
Technical Service Income	0	3
Bad debts recovered	3	0
	132	482



Notes

to Financial Statements

Amounts in Million Cedis

6. TAXATION

	Balance 01.01.99	Paid in the Year	Charge to P&L Account	Balance 31.12.99
A)				
Income Tax:				
1994 – Over provision	(33)	0	0	(33)
1997	(1)	0	0	(1)
1998	(57)	0	0	(57)
1999	0	(242)	242	0
Tax Credit	(1)	0	0	(1)
	(92)	(242)	242	(92)
Capital Gain Tax:				
1999	0	0	0	0
Total	(92)	(242)	242	(92)

B)

The amount provided for income tax is calculated at the rate of 35% of adjusted profit.



Notes

to Financial Statements

Amounts in Million Cedis

7. FIXED ASSETS

	Buildings and Roads	Leasehold Land	Motor Vehicles	Plant Machinery	Total
A) Cost / Valuation					
Balance at 01.01.99					
Cost	5,740	381	3,928	17,351	27,400
Revaluation	293	0	0	7	300
	6,033	381	3,928	17,358	27,700
Additions	397	0	3,158	4,587	8,142
Disposal	0	0	(63)	(24)	(87)
Balance at 31.12.99	6,430	381	7,023	21,921	35,755
B) Depreciation					
Balance at 01.01.99					
Cost	1,104	0	2,748	6,487	10,339
Revaluation	293	0	0	7	300
	1,397	0	2,748	6,494	10,639
Charge for the year:					
Cost	577	0	1,784	3,408	5,769
Disposal – Cost	0	0	(63)	(23)	(86)
Balance at 31.12.99	1,974	0	4,469	9,879	16,322
Net Book Value 31.12.99	4,456	381	2,554	12,042	19,433
Net Book Value 31.12.98	4,636	381	1,180	10,864	17,061

C)

Buildings, Plant, Equipment and Vehicles were professionally revalued in January 1983 by Mr. G.M. Mensah, a Valuer at open market value on existing use basis. Buildings were again revalued in November 1988 by Mr. G.M. Mensah, a Valuer at open market value on existing use basis.

D)

Profit on disposal of fixed assets has been calculated as follows:

	1999	1998
Gross Value	105	465
Less Accumulated Depreciation	104	356
Net Book Value	1	109
Sales Proceeds	22	454
	21	345



Notes

to Financial Statements

Amounts in Million Cedis

8. STOCKS

Raw Materials in Stock	2,714	3,294
Work-In-Progress	49	43
Finished Goods	383	266
Goods in Transit	2,052	1,639
Other Stocks	424	88
	5,622	5,330

9. ACCOUNTS RECEIVABLE

Trade Debtors	1,711	1,236
Other Debtors	451	153
Staff Debtors	28	25
Payments in Advance	203	145
	2,393	1,559

A) Payments in Advance represent the unexpired portion of certain expenditure spread on a time basis.

10. BANK AND CASH BALANCES

Current Account:				
Deutsche Marks	DEM	28,638.00	52	111
U.S. Dollars	USD	97,711.94	342	98
CFA	XOF	147,184.32	1	1
Cedis			211	176
			606	386
Cash on Hand:				
Cedis			413	221
Deutsche Marks	DEM	1,630.00	3	2
U.S. Dollars	USD	9,394.00	32	4
CFA	XOF	10,000.00	0	0
French Franc	FFR	3,950.00	2	0
Pound Sterling	GBP	10.00	0	3
			450	230
			1,056	616

11. BANK OVERDRAFT

The company has been granted overdraft facilities by its bankers as follows:

An amount at the balance sheet date not exceeding at any time €4,000 (1998 - €4,000 million).
€3,000 of the amount is secured by a fixed and floating charge over the assets of the company.



Notes

to Financial Statements

Amounts in Million Cedis

	1999	1998
12. ACCOUNTS PAYABLE		
Trade Creditors	3,867	4,219
Other Creditors	2,322	1,403
Accrued Expenses	213	178
IFU Loan	2,402	1,877
	8,804	7,677
13. LONG TERM LOAN		
This represents a loan of 4 million DEM (1998: 4 million DEM) granted by the Industrialization Fund for Developing Countries. The portion due for payment on June 2000 is shown under Accounts Payable.		
14. STATED CAPITAL		
A) Authorised Ordinary Shares of no par value	40,000,000	40,000,000
B) Issued Shares of no par value	19,784,548	19,784,548
	€	€
C) Proceeds of issue for Cash	194	194
Capitalisation of Surplus	5,806	5,806
	6,000	6,000

15. INCOME SURPLUS

The Income Surplus includes the sum of €246 (1998 - €246) which relates to depreciation on revalued fixed assets which has not been realised. This amount is not available for distribution.



Notes

to Financial Statements

Amounts in Million Cedis

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999	1998
Operating Profit	2,642	2,907
Depreciation	5,769	4,185
Exchange Loss on IFU Loan	1,575	570
Profit from Sale of Fixed Assets	(21)	(345)
(Increase) in Stocks	(292)	(1,086)
(Increase) in Debtors	(834)	(667)
Increase in Creditors	602	1,991
Interest Received	(23)	(34)
Interest Paid	757	1,069
Net Cash Inflow from Operations	10,175	8,590

17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENT

Balance at 1 January	(992)	51
Net Cash (Outflow) / Inflow	(358)	(1,043)
Balance at 31 December	(1,350)	(992)

18. ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENT AS SHOWN IN THE BALANCE SHEET

	<i>Changes during the year</i>		
Cash at Bank:	219	605	386
Cash on Hand	221	451	230
Bank Overdraft	(798)	(2,406)	(1,608)
	(358)	(1,350)	(992)







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