



Annual Report

and accounts 2002

Fan Milk Ltd.





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Financial Highlights

(Amounts in millions cedis except per share)

	2002	2001	2000	1999
Profit/(Loss) after taxation	11,697	6,283	(1,936)	2,400
Net earnings per share	591	318	(98)	121
Total shares issued	19,784,548	19,784,548	19,784,548	19,784,548
Dividend per share	¢150.00	¢100.00	¢0.00	¢90.00
Year end:				
Assets	57,653	39,882	35,727	28,504
Shareholders' Fund	22,062	13,333	9,028	10,667
Staff (permanent)	340	358	334	384
Stock Price Range:				
High	1,785	1,000	1,200	1,680
Low	901	750	850	900

Distribution of Gross Sales

(Amounts in millions cedis)

	2002	%	2001	%
Gross sales	138,443	100.0	100,877	100.0
Net sales	123,060	89.9	89,657	89.9
Cost of sales	67,592	48.8	52,139	51.7
Selling, general and admin expenses	37,504	27.1	30,490	30.3
VAT	15,383	11.1	11,220	11.1
National reconstruction levy	456	0.3	186	0.0
Income tax	6,147	4.4	965	1.0
Transfer to income				
Surplus account	11,697	8.4	6,283	6.2
Other (income)/expenses	(273)	(0.2)	(406)	(0.0)



Corporate Information



Board of Directors

Charles Mensa (Dr.) (Chairman)
Jesper Bjørn Jeppesen (Managing Director)
Kate Abbam (Mrs.) (Resigned November 28, 2002)
Papa Kwesi Nduom (Dr.) (Resigned March 18, 2002)
Kodjo Biamawu Aziagbe
Einar Mark Christensen
Jens Jorgen Kollerup
Kim H. Rasmussen

Secretary

Lennap & Co
Post Office Box 37, Accra

Auditors

PricewaterhouseCoopers
Chartered Accountants
Gulf House, 4th Floor
Legon Road
PMB CT42
Cantonments, Accra

Solicitors

Quist, Brown, Wontumi & Mills Solicitors
Post Office Box 7566, Accra

Registered Office

Fan Milk Limited
No. 1 Dadeban Road
North Industrial Area
Post Office Box 6460, Accra-North

Registrar & Transfer Office

National Trust Holding Company Limited
Martco House
Post Office Box 9563
Airport, Accra

Bankers

Agricultural Development Bank Limited
Barclays Bank of Ghana Limited
Ecobank Ghana Limited
Prudential Bank Limited
SSB Bank Limited
Standard Chartered Bank Ghana Limited





Shareholding Distribution

The Company had 3,266 shareholders as at December 31, 2002

with equal voting rights distributed as follows:

Category Holding	No. of holders	Total holding	% Holding
1 to 1,000	2,155	524,342	2.65
1,001 to 5,000	980	2,380,795	12.03
5,001 to 10,000	91	737,852	3.73
Over 10,000	40	16,141,559	81.59
Total	3,266	19,784,548	100.00

Details of the twenty (20) largest Shareholders as at December 31, 2002

Name of shareholder	NO. of shares held	% Holding
Fan Milk International A/S, DK	7,365,955	37.23
Industrialization Fund For Developing Countries, DK	4,954,420	25.04
Enterprise Insurance Company Limited	1,978,472	10.00
Ghana Properties Limited	378,000	1.91
Social Security & National Insurance Trust	247,800	1.25
United Africa Trust Limited	200,000	1.01
BBG / Unilever Ghana Provident Fund	137,725	0.70
Epack Investment fund Limited	128,367	0.65
BBGN / Unilever Ghana Managers Pension Fund	100,000	0.51
Estate of Major Brown	50,372	0.25
Asare, James Kwadwo	50,000	0.25
DBL Investment Limited	43,220	0.22
Nduom Kwesi Papa Dr.	39,838	0.20
State Insurance Company Limited	30,000	0.15
Taylor, Theophilus Bonney	26,250	0.13
Ababio, Alex Ransford Dr.	25,200	0.13
Nii Kwabia Ayete	24,494	0.12
Lartey, Elizabeth L.	23,377	0.11
Gold Coast S. Limited ITF	22,071	0.11
Asubonteng Tuffuo Peter	22,022	0.11
Total	15,847,583	80.10



Notice of Meeting



Notice is hereby given that the forty-second Annual General Meeting of Fan Milk Limited will be held at the National Theatre, Liberia Road, Accra on Thursday May 22, 2003 in order to transact the following business:

AGENDA

1. To receive the report of the Directors, the Balance Sheet and Accounts as at December 31, 2002 and report of the Auditors thereon.
2. To declare a dividend on the Company's Share in respect of the year ended December 31, 2002.
3. To re-elect as a Director, Mr. Kodjo Biamawu Aziagbe who retires by rotation.
4. To re-elect as a Director, Mr. Einar Mark Christensen who retires by rotation.
5. To elect as a Director, Mrs. Peace P. Ayisi-Okyere .
6. To elect as a Director, Mr. George Herbert Okai Thompson.
7. To fix remuneration of the Directors.
8. To authorize the Directors to fix the remuneration of the Auditors.

By order of the Board

Lennap & Co. Farrar Avenue

March 5, 2003

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 2002

1. Introduction

The Directors are pleased to present to members of Fan Milk Limited, the Annual Report and Audited Accounts of the Company for the year ended December 31, 2002.

2. Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss and cash flow for that period. In preparing those financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

The Directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. Economic Environment

Like year 2001, year 2002 turned out to be fairly stable in respect of economic activities in the country.

The exchange rate of the Cedi to the US Dollar moved from Cedis 7,500 to about Cedis 8,600 at the end of the year, whereas EURO moved from Cedis 6,550 to about Cedis 8,850 at the end of 2002.

Within the year, bank-lending rates reduced from approximately 35% beginning of the year to about 28% in December 2002.

These economic indicators led to a lowering of the year-end inflation rate of 23.5% as at the end of 2001 to 15.2% by the end of the year 2002.

4. Financial Highlights

The relatively favourable economic developments in 2002, positively impacted on the activities of your Company in many ways. Among others, prices of the Company's products remained stable throughout the the larger part of the year. Operational costs in relation to imported spare parts were also kept under control.

Net sales in the year under review increased by approximately 37%. Cost of raw materials increased by 24%, whereas selling, general and administrative costs increased by only 23%.

The operational results are summarised below:

(All Amounts are expressed in millions of cedis)

	2002	2001	Change	Inc. / (Dec.) %
Turnover	123,060	89,657	33,403	37.3%
Cost of Sales	(67,529)	(52,139)	(15,390)	29.5%
Selling, General and Administrative Expenses	(37,504)	(30,490)	(7,014)	23.0%
Operating profit	18,027	7,028	10,999	156.5%
Other income	273	406	(133)	(38.2)%
Profit before Taxation & Nat. Rec. Levy	18,300	7,434	10,866	146.2%
Profit After Taxation	11,697	6,283	5,414	86.2%



Directors Report 2002



4. DIVIDEND

As a result of the improved performance of your Company, the Board is pleased to recommend a 50% increase in the dividend amounting to one hundred and fifty cedis (¢150.00) per share for the fiscal year 2002. The total amount payable as dividend will be two billion, nine hundred and sixty seven million, six hundred and eighty two thousand, two hundred cedis (¢2,967,682,200.00)

5. DIRECTORS

During the year 2002, Dr. Papa Kwesi Nduom and Mrs. Kate Abbam retired from the Board after having rendered long, dedicated and invaluable service to the Company. Mrs. Kate Abbam became a member of the Board in 1990 whereas Dr. Papa Kwesi Nduom joined the Board in 1995. Drawing on the rich expertise and knowledge from the two Directors, the Company benefitted immensely from their valuable contributions over the years.

To fill the vacancies created by the two retiring Directors, the Board has appointed Mrs. Peace P. Ayisi-Okyere, Director in the Ministry of Finance, and Lawyer George Herbert Okai Thompson as Directors to the Board. Being eligible, both Mrs. Peace P. Ayisi-Okyere and Mr. George Herbert Okai Thompson offer themselves for election in accordance with the Company's Regulation 60.

Furthermore and in accordance with Section 298 of the Companies Code 1963 (Act 179), Messrs. Kojo Azaigbe and Einar Mark Christensen retire from the Board by rotation, and being eligible, they offer themselves for re-election.

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 2003:

The Chairman - ¢ 5,000,000.00
Other Directors - ¢ 3,000,000.00

7. AUDITORS

The Auditors of the Company, Messrs. PriceWaterhouseCoopers, 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 remuneration for the Auditors for the year 2002.

8. FUTURE PROSPECTS

Your Company has steadily been progressing throughout the financial year 2002, and the Board is confident that this trend will continue in year 2003. It has been planned that the Company in year 2003 will invest almost ¢30 billion in new production and distribution equipment and other fixed assets in order to ensure the future growth and profits of your Company.

9. ACKNOWLEDGMENT

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

On Behalf of the Board


Dr. Charles Mensa
Chairman


Jesper Bjorn Jeppesen
Managing Director





Corporate Governance

Introduction

Fan Milk is committed to the principles and implementation of good corporate governance. The company recognises the valuable contribution that it makes to long-term business prosperity and to ensuring accountability to its shareholders. The company is managed in a way that maximises long term shareholder value and takes into account the interests of all of its stakeholders.

Fan Milk believes that full disclosure and transparency in its operations are in the interests of good governance. As indicated in the statement of responsibilities of directors and notes to the accounts the business adopts standard accounting practices and ensures sound internal control to facilitate the reliability of the financial statements.

The Board of Directors

The Board is responsible for setting the company's strategic direction, for leading and controlling the company and for monitoring activities of the executive management. The Board presents a balanced and understandable assessment of the Company's progress and prospects.

The Board consists of the Chairman, six non-executive directors and an executive director. The non-executive directors are independent of management and free from any constraints, which could materially interfere with the exercise of their independent judgement. They have experience and knowledge of the industry, markets, financial and/or other business information to make a valuable contribution to the company's progress. The Managing Director is a separate individual from the Chairman and he implements the management strategies and policies adopted by the Board. They meet at least four times a year.

The Audit Committee

The Audit Committee is made up of the Managing Director, two non-executive directors and the Finance and Accounts Manager and they meet twice a year. The main Board determines its terms of reference and they report back to the Board.

Its duties include keeping under review the scope and results of the external audit, as well as the independence and objectivity of the auditors. The Audit Committee also keeps under review internal financial controls, compliance with laws and regulations and the safeguarding of assets. It also reviews the adequacy of the plan of the internal audit and reviews its audit reports.

Systems of Internal Control

Fan Milk Limited has a well-established internal control systems for identifying, managing and monitoring risks. These are designed to provide reasonable assurance that the risks facing the business are being controlled.

The corporate internal audit function of the company plays a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems in business. The systems of internal controls are implemented and monitored by appropriately trained personnel and their duties and reporting lines are clearly defined.

Code of Business Ethics

Management has communicated the principles in the Company's Code of Conduct to its employees in the discharge of their duties. This code sets the professionalism and integrity required for business operations which covers compliance with the law, conflicts of interest, environmental issues, reliability of financial reporting, bribery and strict adherence to the principles so as to eliminate the potential for illegal practices.



Auditors Report

Report Of The Auditors To The Members Of Fan Milk Limited.

We have audited the financial statements set out on pages 12 - 22. 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.

Respective Responsibilities of Directors and Auditors

As stated on page 8, the directors are responsible for the preparation of the financial statements. Our responsibility is to express an independent opinion on those financial statements based on our audit.

Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, proper books of account have been kept and the financial statements which are in agreement therewith, give a true and fair view of the state of affairs of the Company at December 31, 2002 and of its profit and cash flows for the year then ended in accordance with Ghana Accounting Standards and comply with the Ghana Companies Code, 1963 (Act 179).

PricewaterhouseCoopers (Chartered Accountants)

March 7, 2003





Profit and Loss Account

for the year ended December 31, 2002

(All Amounts are expressed in millions of cedis)

	Note	2002	2001
Turnover	1	123,060	89,657
Cost of Sales	2	(67,529)	(52,139)
Gross Profit		55,531	37,518
Selling, General and Administrative Expenses	3	(37,504)	(30,490)
Operating Profit		18,027	7,028
Other income	4	273	406
Net Profit before Taxation & Levy		18,300	7,434
National Reconstruction Levy	5	(456)	(186)
Net Profit before Taxation		17,844	7,248
Taxation	6	(6,147)	(965)
Net Profit After Tax Transferred to Income Surplus Account		11,697	6,283

Income Surplus Account

for the year ended December 31, 2002

Amounts in Million Cedis

	2002	2001	
Balance at January 1	7,333	3,028	
Net Profit for the year	11,697	6,283	
	19,030	9,311	
Dividend	12	(2,968)	(1,978)
Balance at December 31	16,062	7,333	

The accounting policies and notes on pages 15 to 22 form an integral part of these financial statements.



Balance Sheet

as at December 31, 2002



(All Amounts are expressed in millions of cents)

	Note	2002	2001
Property, Plant and Equipment	7	25,708	13,642
Current Assets			
Inventories	8	18,989	18,753
Trade and Other Receivables	9	6,983	5,561
Tax	6	480	0
Bank and Cash Balances		1,076	1,926
		27,528	26,240
Current Liabilities			
Trade and Other Payables	10	20,836	15,781
Bank Overdrafts	11	7,198	8,583
Tax	6	0	201
Dividends	12	3,140	1,984
		31,174	26,549
Net Current Liabilities		(3,646)	(309)
Net Assets		22,062	13,333
Represented by:			
Stated Capital	13	6,000	6,000
Income Surplus Account		16,062	7,333
Shareholders' Fund		22,062	13,333

The financial statements on pages 12 to 22 were approved by the Board of Directors on March 5, 2003 and signed on its behalf by:


Director


Director

The accounting policies and notes on pages 15 to 22 form an integral part of these financial statements.





Cash Flow Statement

(All Amounts are expressed in millions of pesos)

Cash Flows from Operating Activities	Note	2002	2001
Cash Generated from Operations	14	28,633	9,347
Interest paid		(1,339)	(3,011)
Interest received	4	17	15
Tax paid	6	(6,828)	(672)
Net Cash Generated from Operating Activities		20,483	5,679
Cash Flow from Investing Activities			
Purchase of property, plant and equipment	7	(18,222)	(3,587)
Proceeds from sale of plant and equipment	7	86	411
Net Cash used in Investing Activities		18,136	(3,176)
Cash Flow from Financing Activities			
Loans repaid		0	(9,064)
Dividends paid		(1,812)	(30)
Net Cash used in Financing Activities		(1,812)	(9,094)
Increase/(Decrease) in Cash and Cash Equivalents		535	(6,591)
Cash and Cash Equivalents at the beginning of year		(6,657)	(66)
Cash and Cash Equivalents at the end of the year	15	(6,122)	6,657

The accounting policies and notes on pages 15 to 22 form an integral part of these financial statements.



Accounting Policies



The principal accounting policies adopted in the preparation of these financial statements are set out below:

(A) **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with Ghana Accounting Standards.

(B) **Property, plant and equipment**

Buildings and plant and machinery are stated at cost or valuation less depreciation. All other plant and equipment are stated at historical cost less depreciation. Depreciation is calculated on a straight line method to write off the cost of each asset or revalued amounts over their estimated useful lives as follows:

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) **Inventories**

Raw materials and other stocks are stated at the lower of cost and net realisable value and include all expenses incurred in bringing the stocks to their present location. Finished products and work in progress are valued at the average cost of materials consumed. Spare parts are written off in the year of purchase.

(D) **Trade receivables**

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

(E) **Revenue**

Sales are recognised upon dispatch of products to the Depots. Sales are shown net of returns and value added tax.





Accounting Policies

(Continued)

(F) **Foreign currencies**

Transactions in foreign in foreign currencies during the year are converted into cedis at prevailing rates of exchange ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into cedis at the rates of exchange ruling at the balance sheet date. The resulting gains and losses are dealt within the profit and loss account.

(G) **Post balance sheet events**

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statements and the effect is material.

(H) **Deferred income tax**

Deferred income tax is provided, using the partial liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable.

(I) **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank over drafts.



Notes

To The Financial Statements



(All Amounts in the notes are shown in millions of cedis unless otherwise stated)

	2002	2001
1. Turnover		
Gross Sales	138,443	100,877
Value Added Tax	(15,383)	(11,220)
	123,060	89,657
2. Cost of sales		
Cost of sales include:		
Depreciation of Factory Buildings and Plant and Machinery	2,925	2,216
3. Selling, general and administrative expenses		
Selling, general and administrative expenses includes:		
Depreciation	3,115	2,838
Directors' remuneration	420	301
Auditors' remuneration	60	35
Donations	42	31
Exchange loss	0	305
4. Other income		
Profit on disposal of plant and equipment (Note 7)	75	323
Interest on current accounts	17	15
Sale of empty bags and scraps	174	55
Sundry Income	6	3
Bad debts recovered	1	10
	273	406

5. National reconstruction levy

The national reconstruction levy is assessed at 2.5% of accounting profit tax. The levy is not tax deductible.

6. Tax

	Balance 1/1/02	Payments	Charge for the year	Balance 31/12/02
Current income tax				
Pre 2001	0	(91)	96	0
2001	201	(862)	661	0
2002	0	(5,875)	5,395	(480)
	201	(6,828)	(6,147)	(480)





Notes

To The Financial Statements (continued)

(All Amounts in the notes are shown in millions of cedis unless otherwise stated)

6. Tax (continued)

Deferred income tax

As December 31, 2002 the company had a potential deferred income tax liability of **¢2,258 million** (2001: ¢2,480 million) which has not been provided for because it is not expected to crystallise within the foreseeable future based on the company's capital expenditure projections.

7. Property, plant and equipment

	Buildings and roads	Leasehold land	Motor vehicles	Plant / machinery	Total
Cost / valuation					
At January 1, 2002	6,940	381	7,297	25,172	39,790
Additions	2,338	0	3,744	12,140	18,222
Write off	(105)	0	0	0	(105)
Disposal	0	0	(103)	(151)	(254)
At December 31, 2002	9,173	381	10,938	37,161	57,653
Depreciation					
At January 1, 2002	3,175	0	7,031	15,942	26,148
Charge for the year	850	0	1,432	3,758	6,040
Released on disposal	0	0	(103)	(140)	(243)
At December 31, 2002	4,025	0	8,360	19,560	31,945
Net book value at					
December 31, 2002	5,148	381	2,578	17,601	25,708
December 31, 2001	3,765	381	266	9,230	13,642

Building and plant and machinery were professionally revalued in 1983, by Mr. G. M. Mensah, a valuer at open market value on existing use basis.

Buildings were again revalued in 1988 by Mr. G. M. Mensah, a valuer at open market value on existing Use basis.



Notes

To The Financial Statements (continued)

(All Amounts in the notes are shown in millions of cedis unless otherwise stated)

7. Property, plant and equipment (continued)

If the company's property, plant and equipment were stated on the historical cost basis, the amount would be as follows:

	Buildings and roads	Leasehold land	Motor vehicles	Plant / machinery	Total
As at December 31, 2002					
Cost	8,880	381	10,938	37,154	57,353
Depreciation	3,732	0	8,360	19,553	31,645
Net book value 31/12/2002	5,148	381	2,578	17,601	25,708
As at December 31, 2001					
Cost	6,647	381	7,297	25,165	39,490
Depreciation	2,882	0	7,031	15,935	25,848
Net book value 31/12/2001	3,765	381	266	9,230	13,642

Profit on disposal of plant and equipment

	2002	2001
Cost asset	254	469
Accumulated depreciation	(243)	(381)
Net book value	11	88
Proceeds on disposal	86	411
Profit on disposal of plant and equipment	75	323

8. Inventories

Raw materials	8,791	8,902
Finished goods	1,172	972
Work in progress	0	132
Goods in transit	8,645	8,326
Other stocks	381	421
	18,989	18,753





Notes

To The Financial Statements (continued)

(All Amounts in the notes are shown in millions of cedis unless otherwise stated)

9. Trade and other receivables

	2002	2001
Trade receivables	4,152	3,232
Other debtors	2,472	1,774
Staff debtors	108	67
Prepayments	218	488
National reconstruction levy	33	0
	6,983	5,561

The maximum amount of staff indebtedness during the year did not exceed **¢114 million** (2001: ¢67 million).

10. Trade and other payables

Trade creditors	14,798	12,111
Other creditors	5,635	3,119
Accruals	403	453
National reconstruction levy	0	98
	20,836	15,781

11. Bank overdrafts

At the balance sheet date the company had approved unsecured overdraft facility with local banks not exceeding the cedi equivalents of **¢12 billion** (2001: ¢9 billion).

12. Dividends payable

Balance at January 1	1,984	36
Dividends proposed	2,968	1,978
Dividends paid	(1,812)	(30)
	3,140	1,984

Payment of dividend is subject to the deduction of withholding taxes at the appropriate rate.



Notes

To The Financial Statements (continued)

(All Amounts in the notes are shown in millions of cedis unless otherwise stated)

13. Stated Capital

	NO. Of shares 2002	Proceeds 2002	NO. Of shares 2001	Proceeds 2001
Authorised				
Ordinary shares of no par value	40,000,000		40,000,000	
Issued				
For Cash	19,784,548	194	19,784,548	194
Capitalisation of surplus	0	5,806	0	5,806
	19,784,548	6,000	19,784,548	6,000

There is no unpaid liability on any share. There are no treasury shares held.

There are no calls or instalments unpaid.

14. Cash generated from operations

Reconciliation of operating profit to cash generated from operations.

	2002	2001
Operating profit	17,844	7,248
Depreciation	6,040	5,054
Interest expense	1,339	3,011
Interest received	(17)	(15)
Increase in inventories	(236)	(5,115)
Increase in trade and other receivable	(1,422)	(2,736)
Increase in trade and other payables	5,055	1,918
Profit on disposal of plant and equipment	(75)	(323)
Exchange loss on IFU loan	0	305
Write off of property	105	0
Cash generated from operations	28,633	9,347

15. Cash and cash equivalents

For the purpose of the cash flow statements, the year end cash and cash equivalents comprise the following:

Bank and cash balances	1,076	1,926
Bank overdraft	(7,198)	(8,583)
	(6,122)	(6,657)





Notes

To The Financial Statements (continued)

(All Amounts in the notes are shown in millions of cedis unless otherwise stated)

16. Related party transactions

Fan milk International A/S owns 37.23% shares in Fan Milk Limited. Emidan A/S and Fan Milk Togo are subsidiaries of Fan Milk International A/S and are therefore entities related through common control. In the normal course of business, the company entered into the following transactions with related companies:

	2002	2001
(I) Purchase of goods		
Emidan A/S	55,220	39,953
(II) Sales of goods		
Fan Milk Togo	85	62
(III) Year end balances arising from purchase of goods		
Emidan A/S	14,006	10,426
(IV) Year end balances arising from sale of goods		
Fan Milk Togo	60	20

17. Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

Property, plant and equipment approved but not contracted	21,184	0
Property, plant and equipment contracted	3,822	0
	25,006	0

18. Contingent liabilities

There were no contingent liabilities at the balance sheet date (2001: ₘNil)



FanYogo



PACKED with Proteins,
Vitamins, Calcium and
other vital Minerals



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