



FAN MILK LIMITED

UN-AUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

| | 2018 GH¢'000 | 2017 GH¢'000 |
|-----------------------------------|-----------------|-----------------|
| Revenue | 311,229 | 334,326 |
| Cost of Sales | (175,665) | (176,254) |
| Gross Profit | 135,564 | 158,073 |
| Sales and Distribution Costs | (81,414) | (78,444) |
| Administrative Expenses | (19,201) | (18,582) |
| Depreciation & Amortisation | (20,394) | (15,359) |
| Other Income | 14,341 | 2,537 |
| Operating Profit | 28,895 | 48,224 |
| Finance Income | 917 | 1,519 |
| Finance Cost | (823) | (1,175) |
| Net Profit before tax | 28,989 | 48,568 |
| Taxation | (7,627) | (13,573) |
| Net Profit after tax | 21,362 | 34,995 |
| Other Comprehensive Income | - | - |
| Total Comprehensive Income | 21,362 | 34,995 |
| Number of Shares outstanding | 116,207,288 | 116,207,288 |
| Earnings per Share | 0.18 | 0.30 |

STATEMENT OF FINANCIAL POSITION AT SEPTEMBER 30, 2018

| | 2018 GH¢'000 | 2017 GH¢'000 |
|-------------------------------|-----------------|-----------------|
| ASSETS | | |
| Non-current assets | | |
| Property, Plant and Equipment | 199,762 | 171,380 |
| 199,762 | 171,380 | |
| Current Assets | | |
| Inventories | 59,836 | 63,432 |
| Tax | 5,333 | - |
| Trade and Other Receivables | 15,093 | 9,252 |
| Bank and Cash Balances | 31,437 | 24,822 |
| 111,699 | 97,506 | |
| TOTAL ASSETS | 311,461 | 268,886 |

COMMENTS TO THE FINANCIAL STATEMENTS:

Fan Milk posted the third quarter 2018 results with a 6.9% decrease in Revenue, compared to the same period in 2017. Cost of sales decreased marginally as compared to same period last year, which in turn resulted in a Gross Profit of GHS 135.6 million, a 14.2% decrease compared to the same period last year. Operating Profit decreased by 40.1% due to high operation and distribution costs, administration expenses and depreciation. Net Profit before tax also decreased by 40.3%, compared to the same period last year.

STATEMENT OF CHANGES IN EQUITY

| | 2018 GH¢'000 | 2017 GH¢'000 |
|-----------------------------------------|-----------------|-----------------|
| Stated capital | 10,000 | 10,000 |
| Retained earnings - January 1 | 211,676 | 164,379 |
| Total comprehensive income | 21,362 | 34,995 |
| Dividend for previous year | - | - |
| Retained earnings - September 30 | 233,038 | 199,374 |
| Total equity | 243,038 | 209,374 |

STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

| | 2018 GH¢'000 | 2017 GH¢'000 |
|-----------------------------------------------------|-----------------|-----------------|
| Cash Flows from Operating Activities | | |
| Cash generated from Operations | 46,110 | 41,556 |
| Interest Paid | (823) | (1,175) |
| Interest Received | 917 | 1,519 |
| Tax Paid | (12,079) | (13,354) |
| Net Cash Generated from Operating Activities | 34,125 | 28,546 |
| Cash Flows from Investing Activities | | |
| Purchase of Property, Plant and Equipment | (37,242) | (30,975) |
| Proceeds from sale of Property, Plant and Equipment | 13,889 | 1,128 |
| Net Cash used in Investing Activities | (23,353) | (29,847) |
| Cash Flows from Financing Activities | | |
| Dividends Paid | (34) | (139) |
| Net Cash used in Financing Activities | (34) | (139) |
| (Decrease) in Cash and Cash Equivalents | 10,738 | (1,440) |
| Cash and Cash Equivalents at January 1 | 20,699 | 26,262 |
| Cash and Cash Equivalents at September 30 | 31,437 | 24,822 |

NOTES TO THE FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

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 statement have been prepared in accordance with International Financial Reporting Standards (IFRS).

3. Administrative expenses include:

| | 2018 GH¢'000 | 2017 GH¢'000 |
|------------------------|-----------------|-----------------|
| Directors Remuneration | 2,312 | 2,373 |
| Auditors Remuneration | 164 | 183 |
| Donations | - | - |

4. Other Income

| | 2018 | 2017 |
|--------------------------------|--------|-------|
| Profit on Sale of Fixed Assets | 13,266 | 923 |
| Sale of Scraps & Sundry Income | 229 | 174 |
| Rent Income | 846 | 136 |
| Bad debt recovered | - | 74 |
| Exchange gain | - | 1,229 |

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

Stephane Couste
Managing Director