

FAN MILK PLC

Un-Audited Financial Statements for the nine months ended September 30, 2023



Statement of Comprehensive Income for the nine months ended September 30, 2023

	2023 GH¢'000	2022 GH¢'000
Revenue	412,114	382,181
Cost of Sales	(274,288)	(279,204)
Gross Profit	137,826	102,977
Sales and Distribution Costs	(69,985)	(67,968)
Administrative Expenses	(30,459)	(24,519)
Depreciation & Amortisation	(22,415)	(23,712)
Other Income	2,878	2,769
Operating Profit/(loss)	17,844	(10,454)
Finance Income	25,798	8,296
Finance Cost	(21,146)	(14,664)
Net Profit/(loss) before tax	22,495	(16,822)
Current Income Tax	(5,600)	-
Growth & Sustainability Levy	(68)	-
Net Profit/(loss) after tax	16,827	(16,822)
Other Comprehensive Income	-	-
Total Comprehensive Income	16,827	(16,822)
Number of Shares outstanding	116,207,288	116,207,288
Earnings per Share	0.14	(0.14)

Statement of Cash Flows for the nine month ended September 30, 2023

	2023 GH¢'000	2022 GH¢'000
Cash Flows from Operating Activities		
Cash generated from Operations	(7,339)	(44,698)
Interest Paid	(21,146)	(14,664)
Interest Received	25,798	8,296
Tax Paid	(7,787)	(11,300)
Net Cash Generated from Operating Activities	(10,475)	(62,367)
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(3,198)	(8,094)
Principal Lease Payment	(2,735)	(3,717)
Proceeds from sale of Property, Plant and Equipment	-	992
Net Cash used in Investing Activities	(5,933)	(10,819)
Cash Flows from Financing Activities		
Loan Facility	-	35,000
Loan Repayment	(15,000)	(5,000)
Dividends Paid	(40)	-
Net Cash used in Financing Activities	(15,040)	30,000
(Decrease) in Cash and Cash Equivalents	(31,448)	(43,186)
Cash and Cash Equivalents at January 1	61,320	65,581
Cash and Cash Equivalents at September 30	29,872	22,395

Notes to the Financial Statement for the nine months ended September 30, 2023

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:

	2023 GH¢'000	2022 GH¢'000
Directors Remuneration	349	353
Auditors Remuneration	359	193
4. Other Income		
Profit on Sale of Fixed Assets	-	826
Sale of Scraps & Sundry Income	772	27
Rent Income	1,558	922
Bad Debt Recovered	547	994

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

Ziobeilton Yeo
Managing Director

September 30, 2023

ASSETS		
Non-current assets		
Property, Plant and Equipment	163,893	187,388
	163,893	187,388
Current Assets		
Inventories	111,241	181,071
Tax	7,021	20,779
Deferred Tax	8,001	-
Trade and Other Receivables	211,516	185,052
Bank and Cash Balances	29,872	22,395
	367,651	409,296
TOTAL ASSETS	531,544	596,684

Statement of Changes in Equity

	2023 GH¢'000	2022 GH¢'000
Stated capital	10,000	10,000
Retained earnings - January 1	195,079	236,675
Total comprehensive income	16,827	(16,822)
Dividend for previous year	-	-
Retained earnings - September 30	211,906	219,853
Total equity	221,906	229,853

COMMENTS TO THE FINANCIAL STATEMENTS:

Fan Milk PLC grew in revenue of 8% over same period prior year. The drop in growth compared to the 14% recorded at the end of second quarter of the year was due to some challenges experienced on FANYOGO quality during the third quarter leading to almost no sales on that brand. Despite the drop in growth rate compared to end of the last quarter, the business was able to improve the gross margin by about 6.5 percentage points year on year. The improved gross profit margin is due to better product mix, price increases and a significant work done on productivity initiative like the use of biomass energy. Inputs cost continue to soar due to high inflation and exchange rates that have run throughout the year. In spite of that, the business was able to post GHS 17.8 million as operating profit compared to operating loss of GHS 10.5million same period last year.