

# Independent Auditor's Report



## Report of the Independent Auditor to the Members of Fan Milk Limited.

### Report on the financial statements

We have audited the accompanying financial statements of Fan Milk Limited set out on pages 14 to 38. These financial statements comprise the statement of financial position as at December 31, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1963 (Act 179) and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Fan Milk Limited as at December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

### Report on other legal requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) The Company's balance sheet (statement of financial position) and profit and loss account (part of statement of profit or loss and other comprehensive income) are in agreement with the books of account.

*Michael Asiedu-Antwi*

**PricewaterhouseCoopers (ICAG/F/2016/028)**

**Chartered Accountants**

**Signed by: Michael Asiedu-Antwi (ICAG/P/1138)**

**Accra, Ghana**

**February 24, 2016**



Drummers and their Supporters

# Statement of Profit or Loss & other Comprehensive Income

(All amounts are expressed in thousands of Ghana Cedis)	Note	2015	2014
Revenue	4	315,409	177,492
Cost of sales	5	(156,345)	(95,131)
<b>Gross Profit</b>		<b>159,064</b>	<b>82,361</b>
Distribution costs	5	(73,555)	(47,556)
Administrative expenses	5	(29,530)	(19,384)
Other income	6	3,800	4,348
<b>Operating Profit</b>		<b>59,779</b>	<b>19,769</b>
Finance income	7	7,648	2,523
Finance costs	8	(1,059)	(564)
<b>Profit before Income Tax</b>		<b>66,368</b>	<b>21,728</b>
Income tax expense	9	(16,652)	(6,679)
<b>Profit for the year</b>		<b>49,716</b>	<b>15,049</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>49,716</b>	<b>15,049</b>
<b>Earnings per share</b>			
Basic and diluted (GHC)	10	0.43	0.13

The notes on pages 19 to 38 are an integral part of these financial statements.



Overall Winners showing off their Trophy



Year ended December 31, 2015.

# Statement of Financial Position

(All amounts are expressed in thousands of Ghana Cedis)	Note	2015	2014
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	11	61,865	60,801
Intangible assets	12	120	271
		<u>61,985</u>	<u>61,072</u>
<b>Current Assets</b>			
Inventories	13	47,383	19,788
Trade and other receivables	14	7,175	5,823
Cash and cash equivalents	15	97,671	37,230
		<u>152,229</u>	<u>62,841</u>
<b>Total Assets</b>		<b>214,214</b>	<b>123,913</b>
<b>Equity and Liability</b>			
<b>Equity attributable to owners</b>			
Stated capital	16	10,000	10,000
Income surplus account	17	110,278	71,021
		<u>120,278</u>	<u>81,021</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income tax	18	6,907	6,050
<b>Current Liabilities</b>			
Trade and other payables	19	84,097	34,390
Current income tax	20	207	-
Dividend payable	21	2,725	2,452
		<u>87,029</u>	<u>36,842</u>
<b>Total Liabilities</b>		<b>93,936</b>	<b>42,892</b>
<b>Total Equity and Liabilities</b>		<b>214,214</b>	<b>123,913</b>

The financial statements on pages 14 to 38 were approved by the Board of Directors on February 18, 2016 and signed on its behalf by:

  
Director

  
Director

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# Statement of Changes in Equity



Year ended December 31, 2015.

*(All amounts are expressed in thousands of Ghana Cedis)*

	Stated Capital	Income Surplus Account	Total
<b>Year ended December 31, 2015</b>			
At the beginning of the year	<u>10,000</u>	<u>71,021</u>	<u>81,021</u>
Total comprehensive income	<u>-</u>	<u>49,716</u>	<u>49,716</u>
<b>Transactions with owners</b>			
Dividend declared	<u>-</u>	<u>(10,459)</u>	<u>(10,459)</u>
<b>Total transactions with owners</b>	<u>-</u>	<u>(10,459)</u>	<u>(10,459)</u>
<b>At the end of the year</b>	<b>10,000</b>	<b>110,278</b>	<b>120,278</b>
<b>Year ended December 31, 2014</b>			
At the beginning of the year	<u>10,000</u>	<u>66,431</u>	<u>76,431</u>
Total comprehensive income	<u>-</u>	<u>15,049</u>	<u>15,049</u>
<b>Transactions with owners</b>			
Dividend declared	<u>-</u>	<u>(10,459)</u>	<u>(10,459)</u>
<b>Total transactions with owners</b>	<u>-</u>	<u>(10,459)</u>	<u>(10,459)</u>
<b>At the end of the year</b>	<b>10,000</b>	<b>71,021</b>	<b>81,021</b>

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Fan Milk Sponsored Clean-Up Exercise

# Statement of Cash Flows

<i>(All amounts are expressed in thousands of Ghana Cedis)</i>	Note	2015	2014
<b>Cash Flows from Operating Activities</b>			
Cash generated from operations	22	92,995	43,041
Interest paid	8	(1,040)	(565)
Interest received	7	7,610	2,130
Tax paid	20	(15,588)	(5,633)
<b>Net cash generated from operating activities</b>		<b>83,977</b>	<b>38,973</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	11	(13,613)	(10,262)
Purchase of intangible assets	12	(93)	-
Proceeds from sale of property, plant and equipment	11	356	413
<b>Net cash used in investing activities</b>		<b>(13,350)</b>	<b>(9,849)</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid	21	(10,186)	(9,989)
<b>Net cash used in financing activities</b>		<b>(10,186)</b>	<b>(9,989)</b>
<b>Increase in cash and cash equivalents</b>		<b>60,441</b>	<b>19,135</b>
Cash and cash equivalents at the beginning of the year		37,230	18,095
<b>Cash and cash equivalents at the end of the year</b>	15	<b>97,671</b>	<b>37,230</b>

The notes on pages 19 to 38 are an integral part of these financial statements.



Ladies Warming up before the Football Game