

**INCOME STATEMENT**

(All amounts are expressed in thousands of Ghana cedis)

	Notes	<b><u>Year ended December 31</u></b>	
		<b>2008</b>	2007
Revenue	2	<b>55,041</b>	41,068
Cost of sales	3	<b><u>(28,599)</u></b>	<u>(21,448)</u>
<b>Gross profit</b>		<b>26,442</b>	19,620
Distribution costs	4	<b><u>(12,569)</u></b>	<u>(9,834)</u>
Administrative expenses	5	<b><u>(4,873)</u></b>	<u>(3,814)</u>
<b>Operating profit</b>		<b>9,000</b>	5,972
Other income	6	<b>500</b>	253
Finance costs	7	<b><u>(113)</u></b>	<u>(221)</u>
<b>Net profit before tax</b>		<b>9,387</b>	6,004
Tax	8	<b><u>(2,333)</u></b>	<u>(1,650)</u>
<b>Net profit after tax transferred to income surplus account</b>		<b><u>7,054</u></b>	<u>4,354</u>
<b>Earnings per share</b>			
<b>Basic and diluted (GH¢)</b>		<b><u>0.36</u></b>	<u>0.22</u>

**FAN MILK LIMITED**  
*Financial Statements*  
*for the year ended December 31, 2008*

**BALANCE SHEET**

(All amounts are expressed in thousands of Ghana cedis)

<b>Assets</b>	Notes	<b>At December 31</b>	
		<b>2008</b>	2007
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>13,383</b>	9,941
Prepaid operating leased land	12	<b><u>1,701</u></b>	<u>1,540</u>
		<b><u>15,084</u></b>	<u>11,481</u>
<b>Current assets</b>			
Inventories	13	<b>6,811</b>	5,522
Trade and other receivables	14	<b>2,129</b>	1,593
Bank and cash balances	21	<b><u>8,834</u></b>	<u>5,111</u>
		<b><u>17,774</u></b>	<u>12,226</u>
<b>Total assets</b>		<b><u>32,858</u></b>	<u>23,707</u>
<b>Equity</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Stated capital	19	<b>6,000</b>	6,000
Income surplus account		<b><u>15,410</u></b>	<u>9,494</u>
		<b><u>21,410</u></b>	<u>15,494</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Finance lease obligation	18	-	199
Deferred tax	17	<b><u>808</u></b>	<u>484</u>
		<b><u>808</u></b>	<u>683</u>
<b>Current liabilities</b>			
Trade and other payables	15	<b>9,719</b>	7,398
Tax	16	<b>699</b>	-
Dividend payable	9	<b><u>222</u></b>	<u>132</u>
		<b><u>10,640</u></b>	<u>7,530</u>
<b>Total liabilities</b>		<b><u>11,448</u></b>	<u>8,213</u>
<b>Total shareholders' equity and liabilities</b>		<b><u>32,858</u></b>	<u>23,707</u>

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**CASH FLOW STATEMENT**

(All amounts are expressed in thousands of Ghana cedis)

		<b><u>Year ended December 31</u></b>	
	Notes	<b>2008</b>	2007
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	<b>13,198</b>	8,623
Interest paid		<b>(113)</b>	(221)
Interest received		<b>239</b>	92
Tax paid	16	<b><u>(1,310)</u></b>	<u>(1,301)</u>
<b>Net cash generated from operating activities</b>		<b><u>12,014</u></b>	<u>7,193</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	<b>(6,429)</b>	(3,123)
Purchase of land		<b>(216)</b>	-
Proceeds from sale of property, plant and equipment	11	<b><u>112</u></b>	<u>98</u>
<b>Net cash used in investing activities</b>		<b><u>(6,533)</u></b>	<u>(3,025)</u>
<b>Cash flows from financing activities</b>			
Dividend paid	9	<b>(1,048)</b>	(873)
Finance lease repaid		<b><u>(710)</u></b>	<u>(747)</u>
<b>Net cash used in financing activities</b>		<b><u>(1,758)</u></b>	<u>(1,620)</u>
<b>Increase in cash and cash equivalents</b>		<b>3,723</b>	2,548
Cash and cash equivalents at the beginning of the year		<b><u>5,111</u></b>	<u>2,563</u>
<b>Cash and cash equivalents at the end of the year</b>	21	<b><u>8,834</u></b>	<u>5,111</u>