

**MECHANICAL LLOYD COMPANY LIMITED.** Incorporated in Ghana

Annual Report and Financial Statements for the year ended 31 December 2009

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are expressed in Ghana cedis)

		Year ended 31 December	
	Note	2009	2008
Revenue	3	22,162,249	25,894,929
Cost of sales		(17,492,769)	(21,082,831)
Gross profit		4,669,480	4,812,098
Selling, general and administrative expenses	4	(4,732,782)	(5,126,636)
Other operating income		<u>695,908</u>	<u>574,403</u>
Operating profit		632,606	259,865
Other income	6	1,186,841	1,562,473
Finance costs - net	7	<u>(668,170)</u>	<u>(149,532)</u>
Profit before tax		1,151,277	1,672,806
Tax expense	15	<u>(130,395)</u>	<u>(189,746)</u>
Total comprehensive income for the year		<u>1,020,882</u>	<u>1,483,060</u>
Attributable to:			
Equity shareholders		<u>1,020,882</u>	<u>1,483,060</u>
Earnings per share			
Basic earnings per share	21	<u>0.0204</u> <u>0.0296</u>	<u>0.0296</u>
Diluted earnings per share	21	<u>0.0204</u>	<u>0.0296</u>

The notes on pages 20 to 39 form an integral part of these financial statements.



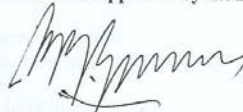
STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in Ghana cedis)

At 31 December

	Notes	2009	2008
ASSETS			
Non-current assets			
Property, plant and equipment	9	8,527,515	8,847,654
Other prepayments	10	420,000	420,000
Investment properties	11	4,956,445	4,050,000
		<u>13,903,960</u>	<u>13,317,654</u>
Current assets			
Inventories	12	8,033,667	9,329,250
Trade and other receivables	13	4,019,040	4,925,498
Current income tax	14(a)	654,890	615,699
Bank and cash balances	25	1,707,533	1,000,005
		<u>14,415,130</u>	<u>15,870,452</u>
TOTAL ASSETS		<u>28,319,090</u>	<u>29,188,106</u>
EQUITY			
Stated capital	20	2,771,486	2,771,486
Revaluation surplus account	22	5,860,855	5,860,855
Income surplus account	23	5,613,250	4,892,944
TOTAL EQUITY		<u>14,245,591</u>	<u>13,525,285</u>
LIABILITIES			
Non-current liabilities			
Non-current portion of loan	19	3,728,184	2,396,959
Deferred income tax	14(b)	826,599	785,903
		<u>4,554,783</u>	<u>3,182,862</u>
Current liabilities			
Trade and other payables	17	8,195,239	10,005,579
Bank overdrafts	18	370,371	1,023,832
Current portion of loan	19	953,106	1,450,548
		<u>9,518,716</u>	<u>12,479,959</u>
TOTAL LIABILITIES		<u>14,073,499</u>	<u>15,662,821</u>
TOTAL EQUITY AND LIABILITIES		<u>28,319,090</u>	<u>29,188,106</u>

The financial statements on pages 16 to 39 were approved by the Board of Directors on 30 March 2010 and signed on its behalf by:


C.B.K. Zwennes (Chairman)


T.R. Darko (Managing Director)

The notes on pages 20 to 39 form an integral part of these financial statements.



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(All amounts are expressed in Ghana cedis)

	Stated capital	Revaluation surplus account	Income surplus account	Total
At 1 January 2009	2,771,486	5,860,855	4,892,944	13,525,285
Comprehensive income				
Total comprehensive income	-	-	1,020,882	1,020,882
Transactions with equity holders				
Dividend paid for 2008	-	-	(300,576)	(300,576)
At 31 December 2009	<u>2,771,486</u>	<u>5,860,855</u>	<u>5,613,250</u>	<u>14,245,591</u>
At 1 January 2008	2,771,486	5,860,855	3,710,460	12,342,801
Comprehensive income				
Total comprehensive income	-	-	1,483,060	1,483,060
Transactions with equity holders				
Dividend paid for 2007	-	-	(300,576)	(300,576)
At 31 December 2008	<u>2,771,486</u>	<u>5,860,855</u>	<u>4,892,944</u>	<u>13,525,285</u>

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**STATEMENT OF CASH FLOWS**

(All amounts are expressed in Ghana cedis)

		Year ended 31 December	
	Notes	2009	2008
Cash flows from operating activities			
Cash generated from operations	24	2,661,257	1,388,460
Interest received		3,126	18,163
Interest paid		(837,670)	(377,468)
Tax paid	14(a)	<u>(128,890)</u>	<u>(453,704)</u>
Net cash generated from operating activities		<u>1,697,823</u>	<u>575,451</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9&10	(329,876)	(2,305,341)
Proceeds from disposal of property, plant and equipment	9	<u>280,766</u>	<u>19,578</u>
Net cash used in investing activities		<u>(49,110)</u>	<u>(2,285,763)</u>
Cash flows from financing activities			
Loans received	19	4,785,000	1,594,800
Repayment of loans	19	(4,772,148)	(433,342)
Dividend paid		<u>(300,576)</u>	<u>(300,576)</u>
Net cash (used in)/generated from financing activities		<u>(287,724)</u>	<u>860,882</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,360,989</u>	<u>(849,430)</u>
Movement in cash and cash equivalents			
At start of year		(23,827)	825,603
Increase/(decrease)		<u>1,360,989</u>	<u>(849,430)</u>
At end of year	25	<u>1,337,162</u>	<u>(23,827)</u>

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