GHANA
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PRESS RELEASE

PR. No. 354/2015

MECHANICAL LLOYD CO. LTD (MLC) -
UN-AUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDING SEPTEMBER 30, 2015

MLC has released its un-audited Financial Statements for the third quarter ending September 30, 2015 as per the attached.

Issued in Accra, this 30th
day of October, 2015.

- E N D -

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, MLC
4. MBG Registrars, (Registrars for MLC shares)
5. Central Securities Depository
6. SEC
7. GSE Council
8. GSE Notice Board

For enquiries, contact:
General Manager/Head of Listings, GSE on 0302 669908, 669914, 669935
***JEB**

CORPORATE INFORMATION

Directors	Charles Bartels Kwesi Zwennes Terence Ronald Darko (Managing Director) Yaw Assah - Sam Andrew Lawson Kofi Asamoah Kwesi Amonoo-Neizer Joseph Hyde Jnr Edward Kojo Annobil Kalysta Darko O'kell
Secretary	Caroline Darko
Solicitor	Gaisie Zwennes Hughes & Co Calton House Anumansa Street Osu Re P O Box 3238 Accra
Registered office	No 2 Adjuma Crescent Ring Road West South Industrial Area P O Box 2086 Accra
Auditors	PricewaterhouseCoopers Chartered Accountants Plot 12 Airport City Una Home 3rd Floor PMB CT42, Cantonments Accra
Registrars	Universal Merchant Bank Limited Registrar's Department P O Box 401 Accra
Bankers	Barclays Bank of Ghana Limited Stanbic Bank Ghana Limited Universal Merchant Bank (Ghana) Limited Fidelity Bank Limited Standard Chartered Bank Ghana Limited Zenith Bank Ghana Limited Ecobank Ghana Limited

MECHANICAL LLOYD COMPANY LIMITED

Report for the Nine months period Ended 30 September 2015

FINANCIAL HIGHLIGHTS

	2015 **GHS**	2014 GHS
Revenue	**36,090,126**	27,332,324
Profit/(Loss) before Income Tax	**2,193,663**	(1,726,718)
Profit/(Loss) after Income Tax	**1,603,665**	(1,384,552)
Retained Profit/(Loss)	**1,603,665**	(1,885,512)
Shareholders' Funds	**35,992,606**	36,510,098
Capital Expenditure	**1,267,666**	1,757,417
Total Assets	**85,170,516**	84,210,782
Earnings per share (GHS)	**0.0320**	(0.0276)
Net assets per share(GHS)	**0.7185**	0.7288

MECHANICAL LLOYD COMPANY LIMITED

Report for the Nine months period Ended 30 September 2015

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of the company for the six month period ended 30 September 2015

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS).

The directors are responsible for ensuring that the company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the company. The directors are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nature of business

The company is engaged in the distribution and marketing of motor vehicles and farm machinery and in its repair, servicing and maintenance. The company also builds and acquires properties for rental.

Financial results

The financial results of the company are set out below:	**2015** **GHS**
Profit before tax for the period ended 30 September 2015	**2,193,663**
from which is deducted tax expense of	**(589,998)**
giving a profit after tax for the quarter of	**1,603,665**
to which is added balance brought forward on income surplus account of	**9,755,833**
giving a balance of	**11,359,498**
Dividend paid	**0**
which leaves a balance carried forward on income surplus account of	**11,359,498**

MECHANICAL LLOYD COMPANY LIMITED

Report for the Nine months period Ended 30 September 2015

REPORT OF THE DIRECTORS (continued)

The company's net worth increased from GHS 36.5 million as at 1 October 2014 to **GHS 35.9 million** at the end of September2015

Dividend

The directors recommend the payment of no dividend for the period ended 30 September 2015

Auditor
The auditor, PWC will continue in office in accordance with Section 134(5) of the Ghana Companies Code 1963, (Act 179).

By order of the board

Director :   Director :

Date :

CORPORATE GOVERNANCE

Introduction

Mechanical Lloyd Company Limited recognises the importance of good corporate governance as a means of sustained long-term viability of the business and therefore always seeks to align the attainment of the business objectives with good corporate behaviour.

In line with vision, values and business principles, Mechanical Lloyd's vision is to be first or among the first in its field. Planning takes place and resources are allocated towards the achievement of accountability and reporting standards. The business adopts standard accounting practices and ensures that sound internal controls are in place to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

Board of Directors

The responsibility of good corporate governance is placed in the hands of the Board of Directors and the Management Team. The board comprises seven directors. The directors are knowledgeable individuals with experience in the automobile industry as well as in their fields of discipline.

The Audit Committee

The Audit Committee is made up of four non-executive directors, all of whom have strong backgrounds in business and finance. The committee is charged to meet on a quarterly basis to review both the operational and financial performance of the company. It reviews the company's risk management practices, compliance with policies, applicable laws and regulations, and assesses the adequacy of the system of internal control in the company.

System of Internal Control

Mechanical Lloyd Company Limited is continuously enhancing its comprehensive risk and control review process. This is aimed at both improving the mechanism for identifying and monitoring risk as well as appraising the system of internal control.

The company has an effective system for identifying, managing and monitoring risk. The system of internal control is implemented and monitored by appropriately trained personnel, suitably segregated as to authority, duties and reporting lines.

Code of Business Ethics

Mechanical Lloyd Company Limited continues to reinforce communication on a regular basis together with the development and application of complementary procedures so as to eliminate the potential for corrupt and illegal practices on the part of employees and contractors.

MECHANICAL LLOYD COMPANY LIMITED

Report for the Nine months period Ended 30 September 2015

Un audited Statement of Comprehensive Income

(All amounts are expressed in Ghana cedis)

	Note	**Period ended 30 September** 2015 GHS	2014 GHS
Revenue	4	**36,090,126**	27,332,324
Cost of Sales	5	**(25,342,669)**	(19,311,238)
Gross Profit		**10,747,457**	8,021,085
Operating Costs	6	**(9,442,586)**	(8,562,001)
Other Income	7	**1,618,779**	1,221,358
Operating Profit/(Loss)		**2,923,650**	680,442
Finance income	8	**199,161**	627,702
Finance costs		**(929,148)**	(3,034,862)
Profit/(Loss) before income tax		**2,193,663**	(1,726,718)
Tax Expense	18	**(589,998)**	342,166
Profit/(Loss) after income tax		**1,603,665**	(1,384,552)
Total Comprehensive income for the period		**1,603,665**	(1,384,552)
Earnings per share			
Basic and diluted earnings per share	22	**0.0320**	**-0.0276**

UN-AUDITED STATEMENT OF FINANCIAL POSITION
(All amounts are expressed in Ghana cedis)

	Note	2015 GHS	2014 GHS
NON CURRENT ASSETS			
Property, plant and equipment	10	**33,455,582**	33,095,560
Prepaid operating lease-land	12	**1,435,421**	674,631
Intangible Assets	13	**392,827**	579,600
		35,283,830	34,349,791
CURRENT ASSETS			
Inventories	15	**19,367,110**	20,318,771
Trade and other receivables	16	**6,252,669**	5,156,651
Current Income Tax	17(a)	**36,139**	0
Bank and Cash Balances	26	**11,270,768**	11,425,570
		36,926,686	36,900,992
Non-current asset held for sale	14	**12,960,000**	12,960,000
TOTAL ASSETS		**85,170,516**	84,210,782
EQUITY			
Stated capital	21	**2,771,486**	2,771,486
Capital surplus account	23	**21,861,622**	21,861,622
Income surplus account	24	**11,359,498**	11,876,990
TOTAL EQUITY		**35,992,606**	36,510,098
LIABILITIES			
Non-current liabilities			
Borrowings	20	**548,351**	2,996,731
Deferred income tax	17(b)	**4,365,978**	4,500,484
		4,914,329	7,497,215
CURRENT LIABILITIES			
Current income tax		**0**	720,116
Trade and other payables	19	**43,441,055**	36,755,695
Borrowings	20	**822,526**	2,727,658
		44,263,581	40,203,469
TOTAL LIABILITIES		**49,177,910**	47,700,683
TOTAL EQUITY AND LIABILITIES		**85,170,516**	84,210,782

Managing Director: T R Darko

Board Chairman: C B K Zwennes

MECHANICAL LLOYD COMPANY LIMITED
Report for the Nine months period Ended 30 September 2015

UN-AUDITED STATEMENT OF CHANGES IN EQUITY
(All amounts are expressed in Ghana cedis)

	Note	**Stated Capital**	**Capital Surplus**	**Income Surplus**	**Total**
Balance at 1 January 2015		**2,771,486**	**21,861,622**	**9,755,833**	**34,388,941**
Total comprehensive income		**-**	**-**	**1,603,665**	**1,603,665**
Revaluation Surplus		-	-	-	-
Approved dividend paid		-	-	-	-
At 30 September 2015		**2,771,486**	**21,861,622**	**11,359,498**	**35,992,606**
Balance at 1 January 2014		2,771,486	21,861,622	13,762,502	38,395,610
Total comprehensive income		-	-	(1,384,552)	(1,384,552)
Approved dividend paid		-	-	(500,959)	(500,959)
At 30 September 2014		2,771,486	21,861,622	11,876,990	36,510,098

MECHANICAL LLOYD COMPANY LIMITED

Report for the Nine months period Ended 30 September 2015

UN-AUDITED STATEMENT OF CASH FLOW

(All amounts are expressed in Ghana cedis)

	Notes	2015 GHS	2014 GHS
Operating activities			
Cash generated from operations	25	**10,194,806**	14,571,218
Interest received	8	**199,161**	627,702
Interest paid		**(8,344)**	(89,709)
Tax paid		**(307,508)**	(242,992)
Net cash generated from operating activities		**10,078,115**	14,866,218
Investing activities			
Purchase property, plant and equipment	10	**(2,028,456)**	(1,634,391)
Purchase of intangible asset-computer software	13	**0**	(123,026)
Proceeds from disposal of property, plant and equipment	11	**0**	55,450
Net cash used in investing activities		**(2,028,456)**	(1,701,967)
Financing activities			
Loans received		**0**	0
Repayment of loans		**(3,847,149)**	(6,010,104)
Dividend paid		**0**	(500,959)
Net cash (used in)/ generated from financing activities		**(3,847,149)**	(6,511,063)
Net Increase/ (decrease) in cash and cash equivalents		**4,202,510**	6,653,188
Movement in cash and cash equivalents			
At start of year		**7,068,258**	4,772,382
Increase(Decrease)		**4,202,510**	6,653,188
At end of period		**11,270,768**	11,425,570

NOTES

1 **General information**
Mechanical Lloyd Company Limited is a public limited company, which is listed on the Ghana Stock Exchange and incorporated and domiciled in Ghana. The address of it's registered office is No. 2 Adjuma Cresent, Ring Road West, South Industrial Area, P.O. Box 2086, Accra.

2 **Summary of significant accounting policies**
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and land and buildings. The financial statements are presented in Ghana cedis

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.1.1 **Changes in accounting policy and disclosures**

(i) New standards, amendments and interpretation adopted by the Company

The following standards which are effective for the first time for financial year beginning on or after 1 January 2015 do not have material impact on the Company:

Amendment to IAS 32, Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as wellas in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment not have a significant effect on the Company's financial statements.

Amendments to IAS 36, 'Impairment of assets' on the recoverable amount disclosures for non-financial assets. This amaendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment did not have a significant effect on the Company's financial statements.

Amendment to IAS39,'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting.

The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. This amendment did not have any significant impact on the Company's financial statements as there are no derivatives and hedge accounting in place. The amendment did not have a significant effect on the Company's financial statements.

NOTES

2 **Summary if significant accounting policies (continued)**

2.1 Basis of preparation (continued)

(i) New standards, amendments and interpretations adopted by the Company (continued)

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Company is not currently subjected to significant levies so the impact on the Company is not material.

Other standards,amendments and interpretations which are effective for the financial year beginning on 1 January 2015 are not material to the Company.

(ii) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014, it replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes inown credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting usefulinformation to users of financial ststements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is reconised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good and service. The standard replaces IAS 18 Revenue' and IAS 11 'Construction contracts' and related interpretations.The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is yet to assess the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations thatbare not yet effective that would be expected to have a material impact on the Company.

2.2 **Revenue Recognition**

Revenue comprises the fair value of the consideretion received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax (VAT), rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Comany's activities as described below.

Revenue is recognised as follows:

(i) Sales of vehicles and parts are recognised in the perioed in which the Company has delivered products to the customer, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery does not occur until the products have been accepted by the customer.

No element of finacing is deemed present as the sales are made within credit terms, which is consistent with the market practice. The Company does not operate any loyalty programmes.

(ii) Service revenues are recognised in the period in which the services are rendered.

(iii) Interest income is recognised on a time proportion basis using the effective interest method.

(iv) Rental income is recognised on a straight line basis over the lease period.

NOTES (continued)

2 **Sumary of significant accounting policies (continued)**

2.3 **Foreign currency translation**

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic envirenment in which the entity operates ('the functional currency'). The financial statements are presented in Ghana cedi which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevaling at the dates of the transactions or valuation where the items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

2.4 **Property, plant and equipment**

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated tot he revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated umpairment loss. Historical cost includes the expenditure that is directly attributable to the acquisition of the items.

Cost of an item of property, plant and equipment includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing property, plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associted with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the finacial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a capital surplus account in shareholders' equity. Decreases that offset previous increases if the same asset are charged in other comprehensive income and debited against the revaluation surplus account directly in equity. All other decreases are charged to profit or loss.

Land is not deprciated (unless it is leasehold). Depreciation on other assets is calculated using the reducing balance method balance as follows:

Leasehold land	2%
Buildings	2½ - 4%
Plant and machinery	10%
Computers	33⅓%
Motor vehicles	15%-20%

NOTES (continued)

Summary of significant accounting policies (continued)

2.4 Property, plant and equipmet (continued)

Depreciation commences when the assets are ready for their intended use.

The assets' residual values and useful lives are reviewed , and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediatly to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income in profit or loss.

When revalued assets are sold, the amounts included in the capital surplus account are transferred to the income surplus account.

2.5 **Intangible assets**

Computer software

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use specific software. These costs are amortised on the basis of expected useful lives. Software has a maximum expected useful life of 3 years. Software are carried at cost less any amortisation and impairment losses, if any.

2.6 **Impairment of non-financial assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely lndependent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.7 **Non-current assets held for sale**

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered prrincipally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

2.8 **Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received frim the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.9 **Investment properties**

Investment properties are land and/or buildings which are held to earn rental income and/or for capital appreciation, and which are not occupied by the Company. Property that is being constructed or developed for future use as investment property is classified as investment property.

Investment properties are stated in the statement of financial position at fair value, based in active market prices, adjusted, if necessary, for any difference in nature, location or condition of the specific asset, determined annually by independent qualified valuers. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Any gain or loss arising from a change in fair value or frim the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in not 2.2. immediately in profit or loss.

2.10 **Inventories**

Inventories are stated at the lower of cost and net realisable value.
Cost is determined using weighted average cost.Cost if spare parts, trade and non-trading inventories comprises invoice value, freight, insurance, customer duty and all other costs incurred in bringing the inventories to their present location, less provision for impairment, if any. Net realisable value is the estimated selling price in the ordinaty course of business, less applicable variable selling expenses. Borrowing costs are not included in the cost of inventories.

2.11 **Finacial assets**

(i) Classification

All finacial assets of the Company are classified as loans and receivables, based in the purpose for which the finance assets were acquired. The directors determine the classification of the financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

(ii) **Recognition and measurement**

Regular purchases and sales of financial assets are recognised in the trade-date - the date on which the Company commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial posotion when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES (continued)

Summary of significant accounting policies (continued)

2.11 Financial assets (continued)

(iv) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of ine or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, defualt or delinquency in interest or principal payments, the propability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flow, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.12 Trade receivables

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are a classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment is made on a case by case basis and when there is evidence that the amount due will not be fully recovered at the original cost.

2.13 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.14 Stated capital and dividend

Ordinary shares are classified as 'stated capital' in equity. Dividends on ordidnary shares are charged to equity in the period in which they are declared.

NOTES (continued)

Summary of significant accounting policies (continued)

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any differences between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period if the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In the case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liablilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are prsented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost usisng the effective interest method.

2.18 Income tax

Income tax

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance the relevant tax legislation. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate in the basis of amounts expected to be paid to the tax authorites.

2.18 Income tax (continued)

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liablilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle on a bet basis.

2.19 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are meassured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Employee benefits

The Company operates defined contribution returement benefit schemes for its employees.

(i) Retirement benefit obligations

The Company and all its employees contribute to the appropriate pension scheme, which is a defined contribution plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separete entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's contributions to the defined contibution schemes are recognised as an employee benefit expenses when they fall due. The Company has no further payment obligations once the contributions have been paid.

2.20 Employee benefits (continued)

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director. The Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the "Chief operating decision maker".

NOTES (continued)
(All amounts in the notes are shown in Ghana cedis unless otherwise stated)

3 Critical accounting estimates and judgements

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Because of the inherent uncertainties in this evaluation process, actual losses may be different from the originally estimated provision. In addition, significant estimates are involved in the determination of provisions related to taxes and litigation risks. These estimates are subject to change as new information becomes available and changes subsequent to these estimates may significantly affect future operating results.

The following critical accounting estimates were made in the preparation of Company's financial statements.

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calcultions for which the ultimate tax determination is uncertain during the course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additinal taxes will be due. Where the final outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deffered income tax provisions in the period in which such determination is made.

Fair value of property, plant and equipment

Management has adopted a 5 year cycle toassess fair values of property, plant and equipment. Prpperty, plant and equipment were last fair valued in 2012. The fair value was determined by using the higher of replacement cost and income valuation techniques. The calculation of fair value using income valuation technique is subject to the following key assumptions: Discount rate of 8.5% and forced sale value at 70%. Management is of the opinion that the recoverable amount of property, plant and equipment is in excess of the carrying amount at the reporting date.

3.2 Critical judgements in applying the entity's accounting policies

Non-current assets held for sale

Non-current asset held for sale is in respect of investment property in the course of disposal. The disposal process commenced in November 2013 and the transaction met the recognition and measurement criteria under IFRS 5. As of 30 September 2015 the investnment property has been presented as non-current asset held for resale because the directors are of the opinion that the transfer of the title will be concluded before the end of 2015 financial year.

4 Revenue

	2015	2014
	GHS	GHS
Motor vehicles and farm machinery sales	29,055,435	19,540,956
Spare parts sales and workshop earnings	7,028,910	7,445,453
Rental Income from investment properties	5,781	345,916
	36,090,126	27,332,324

5 Cost of sales

	2015	2014
	GHS	GHS
Vehicle and farm machinery	17,920,866	12,346,317
Spare parts	4,482,602	4,531,022
Staff costs (Note 9)	1,759,371	1,361,768
Other direct expenses	704,565	520,253
Overheads	475,264	551,879
	25,342,669	19,311,238

6 Operating Costs

Operating Costs include:

	2015	2014
	GHS	GHS
Depreciation	754,795	837,762
Amortisation of intangible asset	129,203	175,786
Staff Cost(excluding executive director's emoluments)	2,081,145	1,994,010
Directors' emoluments -fees	86,750	76,650
other emoluments	657,064	385,215
Net exchange losses	244,765	2,140,906
Donations	100	2,000

7 Other income

	2015	2014
	GHS	GHS
Miscellaneous income	90,181	70,150
Commission And Fees	840,150	853,010
Income from clinic services	244,753	254,565
Interest on Treasury Bill Notes	443,695	0
Profit/(Loss) on disposal of property, plant & equipment	0	43,633
	1,618,779	1,221,358

8 Finance income and costs

	2015	2014
	GHS	GHS
Finance income:		
Interest income on credit sales	199,161	627,702
Bank interest income	0	0
	199,161	627,702
Finance costs:		
Bank interest expense	8,344	89,709
Exchange loss on loans	920,804	2,945,153
	929,148	3,034,862

9 Staff costs

	2015	2014
	GHS	GHS
Wages and salaries (includes executive directors' salaries)	4,075,789	3,336,901
Social security contributions	421,792	404,092
	4,497,581	3,740,993

Staff costs are charged to cost of sales and operating costs as shown below:

Cost of sales	1,759,371	1,361,768
Operating costs	2,738,210	2,379,225
	4,497,581	3,740,993

10 Property, plant and equipment

	Buildings	Plant,machinery, equipment,furniture and vehicles	Capital work in progress	Total
Cost/Valuation				
At 1 January 2015	27,027,038	4,617,135	5,094,937	**36,739,110**
Additions		268,953	998,713	**1,267,666**
Revaluation Surplus				
Disposals/Write Off		(29,740)		(29,740)
At 30 September 2015	27,027,038	4,856,348	6,093,650	**37,977,036**
Accumulated depreciation				
At 1 January 2015	1,683,182	2,100,423	0	**3,783,605**
Charge for the period	485,669	269,127		**754,796**
Disposals/Write Off		(16,946)		(16,946)
At 30 September 2015	2,168,851	2,352,604	**0**	**4,521,454**
Net book value				
At 30 September 2015	**24,858,187**	**2,503,744**	**6,093,650**	**33,455,582**
At 30 September 2014	25,472,239	2,508,527	5,114,793	33,095,560
Cost/Valuation				
At 1 January 2014	26,661,739	3,996,104	4,382,648	35,040,491
Additions	297,598	604,648	732,145	1,634,391
Revaluation Surplus	0	0		0
Disposals	-	(66,169)	-	(66,169)
At 30 September 2014	26,959,337	4,534,583	5,114,793	36,608,713
Accumulated depreciation				
At 1 January 2014	901,366	1,801,248	0	2,702,614
Revaluation Surplus	0	0	0	0
Charge for the period	585,731	252,031		837,762
Disposals		(27,223)		(27,223)
At 30 September 2014	1,487,098	2,026,056	**0**	3,513,154
Net book value				
At 30 September 2014	25,472,239	2,508,527	5,114,793	33,095,560
At 30 September 2013	25,945,470	2,702,629	3,876,161	32,524,260

The buildings were last revalued at 30 November 2012 by independent valuers, Barnicom Property Valuation and Consultancy Services. Valuations were made on the basis of open market value.

11 (Profit)/Loss on disposal of property,plant and equipment	**2015**	2014
Cost	**0**	37,780
Accumulated depreciation	**0**	(25,962)
Net book value	**0**	11,817
Proceeds of Sales	**0**	(55,450)
Profit on disposal	**0**	(43,633)

12 Other Prepayments

Other prepayments represent land in the course of acquisition for which the Company is yet to secure all the legal registration requirements

	2015	2014
At 30 September	**1,435,421**	674,631

13 Intangible Assets - Software Package

Cost		
At 1 January	**792,189**	669,163
Additions	**0**	123,026
At 30 September	**792,189**	792,189
Amortisation		
At 1 January	**270,159**	36,804
Charge for the period	**129,203**	175,786
At 30 September	**399,362**	212,590
		0
Net Book Value 30 September	**392,827**	579,600

14 Non-current asset held for sale

	2015	2014
Investment properties	**12,960,000**	12,960,000

Investment properties have been presented as non-current asset held for sale following the commencement of the sale process in November 2013.

15 Inventories	2015	2014
Trade inventories	**16,035,095**	18,551,423
Goods in transit	**2,643,765**	1,175,507
Work-in-progress	**531,356**	403,034
Non trade inventories	**156,895**	188,806
	19,367,110	20,318,770

16 Trade and other receivables

Trade receivables	**4,779,984**	4,485,855
Staff debtors	**513,442**	420,008
other debtors and prepayments	**959,244**	250,788
	6,252,669	5,156,651

The maximum amount of staff indebtedness during the period did not exceed **GHS 520,000** (2014: GHS 430,000).

The fair value of trade of trade receivables, other receivables (excluding recoverable VAT and prepayments) and staff receivables approximates their carrying value.

17 IncomeTax

(a) Current income tax

	Balance at January 2015	Payments	Charge for the period	Balance at September 2015
Up to 2014	(318,629)	(307,508)	589,998	**(36,139)**
	(318,629)	(307,508)	589,998	**(36,139)**

	Balance at January 2015	Payments	Charge for the period	Balance at September 2015
(b) Deferred income tax				
Property, plant and equipment				
on historical cost basis	(293,643)			**(293,643)**
on revaluation surpluses	3,857,933			**3,857,933**
Intangible assets	53,784			**53,784**
Investment properties	1,944,000			**1,944,000**
Provision for doubtful debts	(116,521)			**(116,521)**
Other timing differences	(1,079,575)			**(1,079,575)**
	4,365,978	-	-	**4,365,978**

18 Income tax expense

	2015	2014
Current tax (Note 17(a))	**589,998**	121,498
Deferred tax (Note 17(b))	**0**	(463,664)
	589,998	(342,166)

19 Trade and other payables

	2015	2014
Trade creditors	**18,249,099**	17,434,046
Accrued charges	**3,003,025**	139,440
Sundry creditors	**922,991**	254,137
Advance receipts	**21,265,941**	18,928,072
	43,441,055	36,755,695

Advance receipts represent part payment received from prospective buyer of the Copmany's investement properties,which has presented as non-current asset held for sale in the statement of financial position, having met the recognition and measurement criteria under IFRS 5.

20 Loans

	Balance at 01/01/2015	**Drawdown**	**Repayment**	**Exchange Rate Adjustment**	**Balance at 30/09/2015**
Bank loans	4,297,222	0	(3,847,149)	920,804	**1,370,877**
Current portion of loans	1,841,667				**822,526**
Non-current portion of loans	2,455,555				**548,351**

The bank loan comprises the following facility:

US$2.0 million with Stanbic Bank Ghana Limited to be paid by May 2017

The loan attract interest on a floating rate basis at a percentage rate per anum
The loan interest is charged at three month LIBOR, plus a margin of 6.25% per annum
The loan is secured by both fixed and floating charges on certain non-current assets of the company.

21 Stated capital

The number of authorised shares of the Company is 100,000,000 ordinary shares of no par value out of which 50,095,925 (2014: 50,095,925) have been issued as follows:

	2015	2014	**2015**	2014
	No.of shares		**GHS**	GHS
Issued for cash	**11,426,643**	11,426,643	**47,792**	47,792
Rights issue	**34,011,865**	34,011,865	**2,708,790**	2,708,790
Transfer from income surplus	**4,657,417**	4,657,417	**14,904**	14,904
	50,095,925	50,095,925	**2,771,486**	2,771,486

There is no unpaid liability on any share and there are no calls or instalments unpaid. There are no treasury shares.

22 Earnings per share

	2015	**2014**
Profit after tax	**1,603,665**	(1,384,552)
Number of ordinary shares (Number)	**50,095,925**	50,095,925
Basic and diluted earnings per share (GHS)	**0.0320**	-0.0276

There are no share options, potential rights issues or bonus issues, hence diluted earnings per share are the same as basic earnings per share.

23 Capital surplus account

	2015	2014
Balance at 1 January	**21,861,622**	21,861,622
Revaluation Surplus	**0**	0
Balance at 30 September	**21,861,622**	21,861,622

The revaluation surplus account has arisen from independent revaluations of the company's land and buildings, the latest of which was performed on 30 November 2012. The reserve is not available for distribution to the shareholders of the Company.

24 Income surplus account

	2015	2014
Balance at 1 January	**9,755,833**	13,762,502
Profit for the period	**1,603,665**	(1,384,552)
Approved dividend paid during the quarter	**-**	(500,959)
Balance at 30 September	**11,359,498**	11,876,991

25 Cash generated from operations

	2015	2014
Profit/(Loss) before tax	**2,193,663**	(1,726,718)
Depreciation charge	**754,796**	837,762
Amortisation of intangible assets	**129,203**	175,786
(Profit)/Loss on disposal of property, plant and equipment	**0**	(43,633)
Asset Write Off	**12,793**	-
Finance income	**(199,161)**	(627,702)
Finance cost	**929,148**	3,034,862
Change in working capital		
Decrease/ (increase) in inventories	**3,235,209**	(1,675,753)
(Increase)/Decrease in trade and other receivables	**(2,703,140)**	2,285,938
(Decrease)/Increase in trade and other payables	**5,842,296**	12,310,675
Cash generated from operations	**10,194,806**	14,571,218

26 Cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents comprise the following:

	2015	2014
Bank and cash balances	**8,635,921**	5,214,999
Financial Investment	**2,634,847**	6,210,571
Bank overdrafts	**0**	0
	11,270,768	11,425,570

27 Capital commitments

Provision for capital commitments at the balance sheet date amounted to nil (2014: nil)

28 Contingent Liabilities

There were no contingent liabilities at the balance sheet date (2014: nil)

29 Financial risk management

Financial risk factors

The company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on its financial performance.

Risk management is carried out by the management of the Company under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks.

Total exposure to credit risk

Financial instruments that potentially subject the Company to credit risk are primarily cash and cash equivalents and accounts receivables. Accounts receivables are mainly derived from sales to customers. The Company maintains a provision for impairment of trade receivables based upon the expected collectivity of all trade receivables.

Trade receivables consist of invoiced amounts from normal trading activities. The Company has customers throughout Ghana. Strict credit control is exercised through monitoring of cash received from customers and, when necessary, provision is made for specific doubtful accounts. As at September,2015 management was unaware of any significant unprovided credit risk.

The table below shows the maximum exposure to credit risk by class of financial instrument:

	2015	2014
Bank balances (excluding cash)	**8,552,717**	**5,139,083**
Trade and other receivables (excluding prepayments)	**5,293,426**	**4,905,862**
Total credit risk exposure	**13,846,143**	**10,044,945**

Liquidity risk

The Company has incurred indebtedness but also has positive cash balances. The Company evaluates its ability to meets its obligations on an ongoing basis. Based on these evaluations the Company devises strategies to manage its liquidity risk.

Prudent liquid risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities.

Maturity analysis of financial liabilities

All financial liabilities other than loans fall due for payment within 12 months. Loans are repayable as follows:

	2015	2014
Financial liabilities due within one year	**822,526**	2,727,658
Financial liabilities due after one year	**548,351**	2,996,731

30 Comparative figures

Where necessary, comparatives have been reclassified to conform with changes in presentation in the current year and to take account of the implementation of IFRS.

31 Management of capital

The primary objectives of the company's equity capital management are to ensure that the company is able to meet its debts as they fall due and to maximise shareholder value. No changes were made in the objectives, policies and processes from the previous years.

32 Fair value of financial assets and liabilities

The carrying amounts of all financial assets and liabilities are reasonable approximation of their fair value, because of their short term nature. The carrying amount of all financial assets and liablities equals their fair value, as the impact of discounting is not significant.