



### FEATURE

#### MECHANICAL LLOYD COMPANY LIMITED (MLC)

Mechanical Lloyd Company Limited (MLC) started operations in Ghana in the 1960's as Technical Lloyd Limited, a Dutch-owned company. The core business of the company at commencement was dealing in knapsack sprayers, motorcycles and BMW cars. In 1970, the company was acquired by Mr. R.A Darko, a Ghanaian entrepreneur in August 1970, and was incorporated as Mechanical Lloyd Limited in 1977. MLC became a public company in 1992 and, after a successful initial public offer in May 1994, listed on the Ghana Stock Exchange.

Mechanical Lloyd Company Limited deals in automobile and agricultural equipment. The company is the exclusive agent for the sale and servicing of BMW cars and Motor Cycles, Ford Vehicles, Massey Ferguson Agricultural Machinery, land Rover Vehicles and Lucas Products in Ghana.

Over the last five years, Mechanical Lloyd Company Limited has had an impressive record, in terms of its financial performance, marked by considerable growth in Revenue, Net Profit and other indicators. The period saw the company's Revenue decline 14.41% from GHS25.89 million in 2008 to GHS22.16 million in 2009. Since then MLC's Revenue has improved by 112.00% to stand at GHS46.95 million by the end of 2012. Net Profit also jumped by 319.04% from GHS1.48 million in 2008 to GHS6.22 million at the end of 2012, having recovered from an 11.00% and 2.00% decline in 2009 & 2010.

MLC's financial statements posted for the 2013 financial year showed a drop in its performance compared to those of 2012. The period recorded Total Revenue of GHS38.41 million against GHS46.95 million in 2012 signifying a decline of 18.19%. Cost of sales dropped by 20.08% while General & Administration expenses for the period increased by 46.67%. This contributed to Operating Loss of GHS0.12 million from Operating Profit of GHS7.59 million in 2012. Other income declined by 77.39% while finance cost and income tax expense went up by 2,084.06% and 127.27% respectively. As a result, MLC realised a Net Loss of GHS1.03 million against the 2012 Net profit of GHS6.21 million. Consequently, the company's Earnings per share dropped from GHS0.1241 in 2012 to GHS0.0205 in 2013.

On the Ghana Stock Exchange, the performance of Mechanical Lloyd Company Limited has been mixed. After its initial listing price of GHS0.0052 in May 1994, the stock recorded a steady rise to close at GHS0.2100 by the end of 2006 indicating a Compounded Annual Growth Rate of 36.10%. Subsequently, MLC's stock price remained stable and then slipped to GHS0.2000 in 2009 and further to GHS0.1000 in 2010. It however pulled up in 2011 and 2012, recording capital gains of 10.00% and 36.36% to stand at GHS0.1100 and GHS0.1500 respectively. The stock bounced back in 2013 to trade at GHS0.3800 by the end of the year indicating a growth of 153.33%. This impressive performance continued into the year 2014 as the stock rose to hit all-time high of GHS0.3900 in 26<sup>th</sup> February 2014 before dropping to stand at GHS0.2900 by the close of trading on Friday, May 30, 2014.

#### Income Statement

(All figures are expressed in thousand Ghana cedis)

	2010	2011	2012	2013
Revenue	28,455	33,864	46,951	38,411
Operating Profit	871	3,979	7,589	1,033
Net Profit	1,454	3,186	6,215	-1,027

#### Balance Sheet Summary

(All figures are expressed in thousand Ghana cedis)

	2010	2011	2012	2013
Total Assets	26,950	35,336	81,678	78,387
Total Liabilities	12,355	17,856	41,504	39,991
Shareholders' Fund	14,595	17,480	40,174	38,396

#### Ratios/Statistics

	2010	2011	2012	2013
Profit Margin (%)	5.11	9.41	13.24	-2.67
Return on Assets (%)	5.40	9.02	7.61	-1.31
Return on Equity (%)	9.96	18.22	15.47	-2.68
Earnings Per Share (GH¢)	0.0290	0.0636	0.1241	0.0205
Dividend Per Share (GH¢)	0.0060	0.0080	0.1500	
Net Assets Per Share (GH¢)	0.2913	0.3489	0.8019	0.7664
Share price				
High (GH¢)	0.20	0.11	0.15	0.38
Low (GH¢)	0.10	0.09	0.09	0.13
Close (GH¢)	0.10	0.11	0.15	0.38

#### Investor Ratios

	2012	2013
Price to Book Value	0.022	-0.010
Price Revenue Ratio	0.023	-0.010
Price Earnings Ratio	0.12	3.16
Dividend Yield (%)	0.04	
Year-to-date Return (%)	36.36	153.33



#### Price Information

Year Opening Price (GH¢)	Week Opening Price (GH¢)	Current Price (GH)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.14	23.05.04	30.05.14			
0.2668	0.2899	0.2894	0.0005 ▼	0.17 ▼	8.47 ▲

## GHANA STOCK EXCHANGE NEWS

Trading activity on Ghana's capital market slowed down during the week under review in comparison with the previous week. Total shares traded during the period came to 3,240,417 shares with a total value of GHS2,271,183.26. This shows declines of 26.91% and 60.88% in Total Volume and Value in relation to the previous week's total volume of 4,433,248 shares and total value of GHS5,805,040.86 respectively.

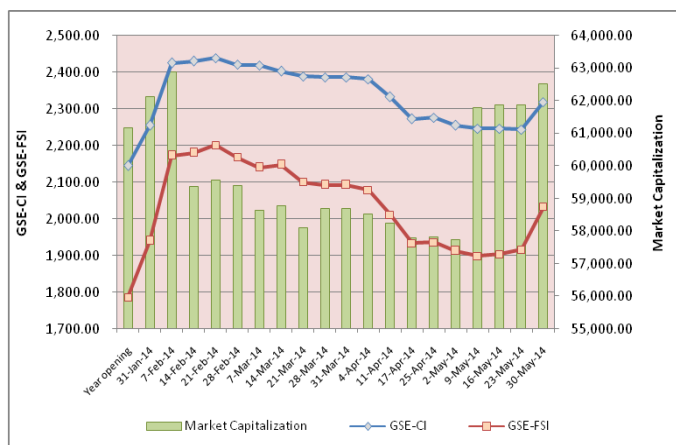
Ecobank Transnational Inc. traded 1,799,586 shares, representing 55.53% of the period's total volume, to be the most active equity. On the other hand, Aluworks Limited's total volume of 50 shares placed it as the least traded equity for the period.

The GSE Composite Index (GSE-Cl) and GSE Financial Stocks Index (GSE-FSI) recorded a gain of 75.42 points and 116.43 points to close the week under review at 2,319.12 points and 2,033.20 points from a week opening position of 2,243.70 points and 1,916.77 points respectively. These correspond with year-to-date returns of 8.11% and 13.80% for the GSE-Cl and the GSE-FSI respectively.

Total market capitalization stood at GHS62,521.48 million by the end of the week indicating a GHS654.53 million appreciation from the previous week's closing level of GHS61,866.95 million.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization since the beginning of the year.

Chart 1 – Trend of Market Indicators



## MONEY MARKET NEWS

### Cedi Record Mixed Performance

On the foreign currency market, the Ghana cedi recorded a mixed performance against some other major trading currencies. The local currency gained 0.75% against the British Pound, 0.21% against the Euro and 0.04% against the South African Rand. It however lost 0.27% against the US Dollar while remaining steady against the Japanese Yen.

The cedi has since the beginning of this year, depreciated by 33.73% to the US Dollar, 35.15% to the British Pound, 31.63% to the Euro, 33.53% to the South Africa Rand and 37.86% to the Japanese Yen.

The following table gives a summary of the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	23.05.14	30.05.14	23.05.14	30.05.14
US Dollar	2.8816	2.8894	2.8842	2.8920
Pound	4.8621	4.8259	4.8671	4.8308
Euro	3.9373	3.9289	3.9406	3.9323
Rand	0.2754	0.2753	0.2756	0.2755
Yen	0.0284	0.0284	0.0284	0.0284

Source: Ghana Association of Bankers

## INTEREST RATE

Activity on the money market for the week under review saw two government-backed debt securities record an upward movement in their yields. The 91-day Treasury bill rate and the 182-day Treasury bill rate inched up by 0.0261% and 0.0049% respectively. On the other hand, the yield on 1-Year Note and the 2-Year Fixed Note remained unchanged.

Total tenders received last week amounted to GHS559.35 million for short term securities, out of which GHS534.32 million was sold and GHS17.28 million for medium term securities, all of which was sold.

The government anticipates raising a total of GHS540 from this week's issue of short and medium term securities.

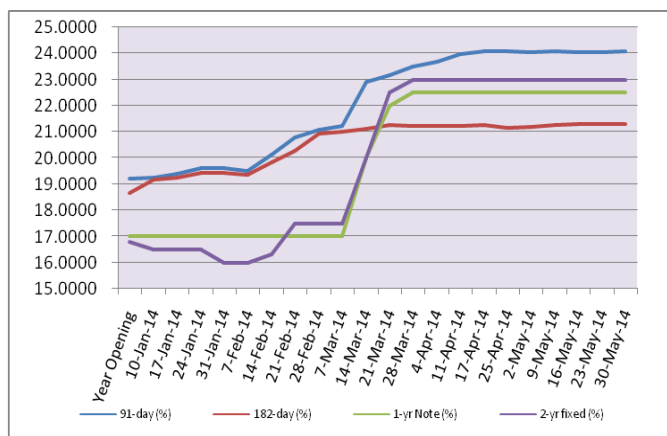
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	23.05.14 (% p.a.)	30.05.14 (% p.a.)	Week Change (%)
91 Day	24.0517	24.0778	0.0261▲
182 Day	21.2839	21.2888	0.0049▲
1-Year Note	22.5000	22.5000	-
2-Year Fixed Rate Note	23.0000	23.0000	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



## RELEVANT CORPORATE NEWS

### GGBL- RESIGNATION AND APPOINTMENT OF DIRECTORS

Guinness Ghana Brewery Limited has announced the resignation of Ms. Katherine Joanna Seljeflot from the board of the company effective April 24, 2014.

Subsequently, the company has announced the appointment of Mr. Stephen Nirenstein and Mr. Prince William Ankrah as Directors.

Mr. Stephen Nirenstein is the Group Financial Planning and Analysis Director for Diageo Plc- Hungary and was appointed to the board in May 2014. He has about 20 years of organizational experience with various institutions including Diageo Plc.

Mr. Prince William Ankrah is the General Secretary to the Ghana Mine Workers' Union of TUCG- Accra and was appointed to the Board in May 2014 representing Social Security and National Insurance Trust (SSNIT). He brings to the board a 25 year organizational experience.

*GSE Press Release: 149/2014*

### MLC – ANNUAL GENERAL MEETING

The 22<sup>nd</sup> Annual General Meeting of Mechanical Lloyd Company Limited is slated for Tuesday, 24th June, 2014 at the Accra international Conference Centre.

The meeting starts at 11.00am

#### AGENDA

1. To receive the Report of the Directors and the Auditors and the financial
2. Statement of the Company for the year ended December 31, 2013.
3. To declare a final dividend.
4. Retirement of directors: Mr. Napoleon K. Bulley and Mr. Charles S. Aidoo
5. To elect the following as Directors
  - i. Mr. Joseph Hyde Jnr.
  - ii. Mr. Edward K. Annobil
  - iii. Mrs. Kalysta Y. Darko-O'kell
6. To authorize the Directors to fix the remuneration of the Auditors.

*GSE Press Release: 150/2014*

## COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GHC0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GHC0.0009			Apr 2
AGA	GHC0.0900			Apr 2
BOPP	GHC0.0770	Apr 23	April 24 - 26	May 10
CAL	GHC0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GHC0.0060	Jun 26	Jun 27	Aug 30
EBG	GHC0.29	Apr 10	Apr 11 - 18	May 10
EGL	GHC0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GHC0.06	Apr 19	April 22 - 24	May 8
GCB	GHC0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GHC0.015	Aug 15	Aug 16	Aug 30
MLC	GHC0.015	Jun 25	June 26 - 28	July 19
PBC	GHC0.0062	Mar 15	March 18 - 22	May 7
PZ	GHC0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GHC0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GHC0.04	Mar 22	Mar 25 - 26	May 15
SPL	GHC0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GHC0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GHC0.2560	Apr 10	April 11 - 24	May 24
UTB	GHC0.02	Apr 12	Apr 15 - 17	May 31

## COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
<b>INTERIM DIVIDEND</b>				
EGL	GHC0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHC0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
<b>FINAL DIVIDEND*</b>				
CAL	GHC0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHC0.06	Mar 27	Mar 28 - 31	May 15
EBG	GHC0.43	April 21	April 22-29	May 14
HFC	GHC0.035	April 21	April 22-23	May 15
FML	GHC 0.09	May 5th	May 6-7	June 12
BOPP	GHC 0.0334	May 7th	May 8-9	June 20
EGL	GHC 0.025	May 19th	May 20-22	June 30
SCB	GHC1.15	May23rd	May 26-27	June30
TBL	25 bututs	May 29th	May 30	June 4
TOTAL	GHC0.0985	June 11	June 18	June 25
GOIL	GHC0.0160	June 11	June 12	

*\*All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week	Week	Price	Weekly	Year-to-	P/E Ratio	Dividend	Return on	Price/Book Value	Price/Revenue
		Opening	Closing	Change	Return	Date		Yield	Assets		
		Price (GH¢)	Price (GH¢)	(GH¢)	(%)	Return (%)		(%)	(%)		
	30.05.14	23.05.14	30.05.14		30.05.14	30.05.14	30.05.14	30.05.14	30.05.14	30.05.14	30.05.14
ACI	0.002	0.03	0.03	-	-	-50.00	-	-	-11.48	0.18	0.24
AGA	23.80	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	1.67
ALW	0.02	0.05	0.05	-	-	-	-	-	-3.52	0.22	0.09
AYRTN	0.06	0.17	0.17	-	-	-	89	0.74	4.94	1.79	3.08
BOPP	0.13	2.35	2.30	0.05 ▼	-2.13	-28.35	15	3.35	12.64	1.83	2.26
CAL	0.77	0.88	0.88	-	-	-9.28	4	3.98	5.92	0.76	0.63
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.16	0.16	-	-	-	14	3.75	3.86	0.64	0.28
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.24	6.46	6.90	0.44 ▲	6.81	22.99	7	4.20	1.42	0.31	7.40
EGL	0.38	2.00	1.86	0.14 ▼	-7.00	-1.06	-	0.86	11.47	1.47	0.76
ETI	5.62	0.20	0.22	-	10.00	15.79	7	-	1.16	0.60	0.73
FML	1.30	7.35	7.00	0.35 ▼	-4.76	5.74	37	0.86	21.45	10.64	5.85
GCB	2.13	4.18	5.02	0.84 ▲	20.10	3.51	6	2.79	6.73	2.85	2.34
GGBL	1.89	5.58	5.58	-	-	-10.00	287	-	3.77	5.60	5.23
GOIL	0.36	0.90	0.90	-	-	1.12	14	1.67	5.52	3.24	0.03
GSR	1.12	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.69	1.34	1.45	0.11 ▲	8.21	51.04	11	-	3.73	1.13	1.09
MCA	0.04	3.50	3.10	0.40 ▼	-11.43	-	2	-	27.56	1.29	2.64
MLC	0.02	0.33	0.29	0.04 ▼	-12.12	-23.68	-	5.17	-1.31	0.15	0.15
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.10	0.13	0.13	-	-	-23.53	8	4.77	-2.70	1.58	0.06
PZ	0.16	0.58	0.58	-	-	-26.58	-	-	0.26	2.52	1.29
SCB	3.31	18.00	17.90	0.10 ▼	-0.56	19.81	34	2.63	1.70	0.95	1.99
SIC	0.13	0.37	0.43	0.06 ▲	16.22	10.26	19	-	228.66	1.15	0.77
SPL	0.005	0.04	0.04	-	-	-	5	-	8.45	1.07	0.44
SOEGEH	0.49	0.83	0.92	0.09 ▲	10.84	22.67	47	4.35	2.99	1.59	1.56
SWL	0.001	0.03	0.04	0.01 ▲	33.33	33.33	16	-	38.67	0.38	0.08
TBL	0.08	0.25	0.25	-	-	-28.57	5	-	2.94	0.11	0.07
TOTAL	1.15	6.40	6.40	-	-	26.48	20	10.78	10.59	0.82	0.07
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	50.77	35.00	35.00	-	-	0.06	27	-	1.88	5.81	11.95
UNIL	1.80	17.98	17.98	-	-	-1.80	-	1.42	7.32	34.44	3.47
UTB	0.26	0.38	0.35	0.03 ▼	-7.89	-22.22	18	5.71	0.73	0.08	0.34
<b>Depository Shares</b>											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
<b>Preference Shares</b>											
SCB-PREF	0.02	0.55	0.55	-	5.77	5.77	-	-	1.70	0.03	0.05
<b>ETF</b>											
GLD	0.02	23.00	23.00	-	-	-11.98	-	-	-	-	-

**Key** ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MAC—Mega African Capital, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC

■ As at December 2013 ■ As at September 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners