

MERIDIAN MARSHALLS HOLDINGS LIMITED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST JANUARY 2017

MERIDIAN MARSHALLS HOLDINGS LIMITED

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MERIDIAN MARSHALLS HOLDINGS LIMITED

GENERAL INFORMATION

Board of Directors: Prof. Divine Edem Kobla Amenumey
Dr. Tetteh Nettey
Mrs. Genevieve Naa Aku Nettey
Mr. Daniel Adjei
Mr. Justice Djokoto
Dr. Hazel Barrard Amuah
Mr. Patrick Ebo Kittoe

Secretary: Mr. Adolph Lokko

Registered Office: No. 4 Pilot Link
NTHC Estate, East Airport
P. O. Box KB 781
Korle – Bu, Accra

Auditor: VT Consult
Chartered Accountants
1ST Floor JLK Plaza
Agbogba Road, North Legon
P. O. Box OS 153
Osu - Accra

Bankers: Bank of Africa Ltd
Fidelity Bank Ltd
Ecobank Ghana Ltd
Cal Bank

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
MERIDIAN MARSHALLS HOLDINGS LIMITED**

The Directors of the Company present their mid-year report and financial statements for the period ended 31st January 2017

NATURE OF BUSINESS

There has been no change in the nature of business of the company.

FINANCIAL STATEMENTS AND DIVIDENDS

The results for the mid-year are as set out in the attached Financial Statements.

The Directors consider the state of affairs of the Company to be satisfactory.

The Directors do not recommend the payment of a dividend.

AUDITORS

Messrs V. T. Consult have indicated their willingness to continue in office as external auditors of the Company in accordance with Section 134(5) of the Companies Code 1963, (Act 179).


.....)
.....) **DIRECTORS**
.....)
ACCRA
28-03-2017

MERIDIAN MARSHALLS HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for preparing financial statements for each year, which give a true and fair view of the state of affairs of the company at the end of the financial year and the Profit and Loss of the Company for the year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the Company, and which enables them to ensure that the financial statements comply with International Accounting Standards. They are responsible for taking such steps as reasonably open to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

MERIDIAN MARSHALLS HOLDINGS LIMITED
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 31ST JANUARY 2017

	Note	31-Jan-17 GHC	31-Jul-16 GHC
Tuition fees and registration forms		856,644	1,419,979
Other fees and charges	3	<u>1,480</u>	<u>6,236</u>
Total Operating income		858,124	1,426,215
Less: Direct operating cost:	4	<u>(341,257)</u>	<u>(639,985)</u>
Gross profit		516,867	786,230
Other income	5	<u>40,290</u>	<u>97,376</u>
		557,157	883,606
General & Administrative expenses	6	<u>(474,743)</u>	<u>(998,072)</u>
Profit/Loss before interest and tax		82,414	(114,466)
Finance cost		<u>(149,478)</u>	<u>(107,882)</u>
Profit/(loss) before tax		(67,064)	(222,348)
Taxation	7	<u>-</u>	<u>-</u>
Loss after Taxation Transferred to Accumulated Fund Account		<u>(67,064)</u>	<u>(222,348)</u>

INCOME SURPLUS ACCOUNT
FOR THE PERIOD ENDED 31ST JANUARY 2017

	31-Jan-17 GHC	31-Jul-16 GHC
Balance at 1 August	2,729,288	2,951,636
Transferred from income statement	<u>(67,064)</u>	<u>(222,348)</u>
Balance as at 31 January – (deficit)	<u>2,662,224</u>	<u>2,729,288</u>

The attached notes on page 9 - 18 form an integral part of these financial statements

MERIDIAN MARSHALLS HOLDINGS LIMITED
STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS AT 31ST JANUARY 2017

	Notes	31-Jan-17 GHC	31-Jul-16 GHC
Property, plant and equipment	8	<u>7,028,316</u>	<u>7,012,140</u>
Intangible	9	<u>3,934</u>	<u>7,869</u>
Current assets			
Students & other receivables	10	817,604	712,827
Cash and bank balances		<u>100,250</u>	<u>47,941</u>
		<u>917,854</u>	<u>760,768</u>
Total assets		<u>7,950,104</u>	<u>7,780,777</u>
Equity and liabilities			
Equity:			
Stated capital	13	1,550,500	1,550,500
Income (deficit)/surplus		<u>2,662,224</u>	<u>2,729,288</u>
		<u>4,212,724</u>	<u>4,279,788</u>
Long-term liabilities			
Directors long-term loan	14	398,950	398,950
Long-term bank loan	11	<u>553,071</u>	<u>723,577</u>
		<u>952,021</u>	<u>1,122,527</u>
Current liabilities			
Taxation	7	136,209	138,209
Directors account	14	1,536,127	1,180,074
Accounts payables	12	798,187	791,219
Short-term bank loan	11	<u>314,836</u>	<u>268,960</u>
		<u>2,785,359</u>	<u>2,378,462</u>
Total liabilities		<u>3,737,380</u>	<u>3,500,989</u>
Total equity and liabilities		<u>7,950,104</u>	<u>7,780,777</u>

.....)
) DIRECTORS
.....)
ACCRA
28 - 03 -2017

The attached notes on page 9 - 18 form an integral part of these financial statements

MERIDIAN MARSHALLS HOLDINGS LIMITED
STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE PERIOD
ENDED 31 JANUARY, 2017

	Stated Capital GHC	Income Surplus GHC	Total GHC
At 1 August 2016	1,550,500	2,729,288	4,279,788
Profit after tax for the period	-	(67,064)	(67,064)
At 31 January 2017	<u>1,550,500</u>	<u>2,662,224</u>	<u>4,212,724</u>

MERIDIAN MARSHALLS HOLDINGS LIMITED
STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED
31 JULY, 2016

	Stated Capital GHC	Income Surplus GHC	Total GHC
At 1 August 2015	1,550,500	2,951,636	4,502,136
Profit after tax for the year	-	(222,348)	(222,348)
At 31 July 2016	<u>1,550,500</u>	<u>2,729,288</u>	<u>4,279,788</u>

The attached notes on page 9 - 18 form an integral part of these financial statements

**MERIDIAN MARSHALLS HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST JANUARY 2017**

	31-Jan-17 GHC	31-Jul-15 GHC
Operating activities		
Operating profit/(loss) before interest and tax	82,415	(191,743)
Adjustment for:		
Depreciation	49,190	114,149
Amortisation of Software	3,935	8,932
Changes in:		
Increase/(Decrease) Directors current account	356,053	403,023
(Increase)/Decrease Students and other account receivables	(104,778)	(142,052)
(Increase)/Decrease in Short Term Investment	-	160,000
Increase/(Decrease) in Other account payables	<u>6,967</u>	<u>136,904</u>
Net cash inflow from operating activities	393,782	489,213
 Return on Investment & Servicing of Activities		
Interest/Investment Income	-	77,277
Loan Interest Expense	(149,478)	(107,882)
 Taxation		
Tax Paid	(2,000)	-
 Investing activities		
Purchase of property plant and equipment	(65,366)	(385,754)
Purchase of intangible assets	<u>-</u>	<u>(1,800)</u>
Net cash outflow before financing	176,938	71,054
 Financing activities		
Bank loans payments	(124,629)	(188,520)
Net cash (outflow)/inflow from financing activities	(124,629)	(188,520)
 (Decrease)/increase in cash and cash equivalent	<u>52,309</u>	<u>(117,446)</u>
 Analysis of cash and cash equivalent		
Balance at 1 August	47,941	165,407
 (Decrease)/increase in cash and cash equivalent	<u>52,309</u>	<u>(117,446)</u>
 Balance at 31 January	<u>100,250</u>	<u>47,941</u>

The attached notes on page 9 - 18 form an integral part of these financial statements

MERIDIAN MARSHALLS HOLDINGS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST JANUARY 2017

1. CORPORATE INFORMATION

1.1 Nature of Company

Meridian Marshalls Holdings Limited is a publicly owned limited liability company incorporated in Ghana under the Companies Code 1963 Act 179. Its registered office is at House No. A4 Plot Link, NTHC Estate, East Airport. Its main operations are carried out at its main campus located at Odorkor, on the Kasoa Mallam Highway opposite the Gloryland Hotel.

2. BASIS OF ACCOUNTING

These Financial Statements have been prepared under the historical cost basis, except for financial assets and liabilities held at fair values that have been measured at fair value initially and/or subsequently.

3. ACCOUNTING POLICIES

The following Accounting Policies adopted have been consistently applied in dealing with items, which are considered material in relation to the Company's Financial Statements.

A. Depreciation

Depreciation is provided for on a straight-line basis at rates calculated to write off the cost of each Fixed Asset over its estimated useful economic life. The carrying amounts of the Fixed Assets are assessed whether they are recoverable in the form of future economic benefits. If the recoverable amount of any asset has declined below its carrying amount, an impairment loss is recognised to reduce the value of the asset to its recoverable amount.

The annual rates generally in use are as follows:

Motor Vehicles	-	20%
Furniture and Fittings	-	20%
Library Books	-	33.33%
Office Equipment	-	20%
Computers and Printers	-	33.33%
Building	-	2%
Prefabricated Buildings/Container	-	10%

Gains and losses on disposal of Fixed Assets are determined by comparing proceeds from disposal with the carrying amount of Fixed Assets and are recognised in the Income Statement as other come.

B. Intangible Assets Software

Computer Software acquired by the Company is stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is recognised in the Income Statement on a strength-line basis over the estimated useful life of the software from the date that it was put into use.

C. Stocks

Stocks are measured at the lower of cost and net realisable value. The cost of closing stock is based on the first-in-first-out principle and comprises of all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of doing business less estimated selling expenses.

D. Students Account Receivables:

Students are stated after providing for impairment losses. Specific allowances are made for receivables considered to be doubtful, general allowances for doubtful debts are recorded for the remaining receivables taking into account past experiences.

E. Foreign Currencies:

Transactions denominated in foreign currencies are translated into Ghana Cedis and recorded at the rate of exchange ruling at the date of the transactions. Balances denominated in foreign currencies are translated into Ghana Cedis and recorded at the rate of exchange ruling at the period end. All differences arising on translation are dealt with in the Income Statement.

F. Cash and Cash Equivalent:

Cash and Cash Equivalent comprises cash on hand and bank balances and are carried at amortised cost.

G. Employee Benefits

(i) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution to a separate entity and will have no legal or contractual obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the income statement when they are due.

(ii) Short-term Benefits

Short-term employee benefits are amounts payable to employees that fall due within twelve months after the end of the period in which the employee rendered the related service.

The said benefits are recognised as an expense in the period when the economic benefit is given as an employment cost. Unpaid short-term benefits at the period end are recognised as an accrued expense and any short-term benefits paid in advance are recognised as prepayments.

The company's contribution of 13% to the Social Security Fund is also charged to the income statement.

H. Revenue

(i) Tuition and Admission Fees, Other Academic Fees and Charges

Tuition and Admission Fees, Other Academic Fees and Charges are measured at the fair value of the consideration received or receivable, net of returns, bursaries and scholarships. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer and recovery of the consideration is probable.

(ii) Miscellaneous Income

These are revenue from the sale of text and exercise books, school uniforms etc. Revenue is recognised in the Income Statement when the said items are sold to Student.

I Finance Income and Costs

Finance income comprises interest received on bank balances, funds invested and interest charged to customers on overdue receivables and discounted cheques. Interest income is recognised using the effective interest method in the income statement.

Finance costs comprise interest expense on borrowing and interest charged by the bank. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method.

J. Income Tax

Income tax comprises of only current income tax which is expected to be tax payable on taxable income for the year using the current tax rates applicable and any adjustment to tax payable in respect of previous years.

(b) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost in general includes all other costs incurred in bringing the inventories to their present location.

	31-Jan-16	31-Jul-15
	GHC	GHC
3. Other fees and charges		
Issuing Letters	685	658
GES fees	480	2,260
Deferments	315	2,268
Transcripts & Certifictes	<u>-</u>	<u>690</u>
	<u>1,480</u>	<u>6,236</u>
4. Direct operating cost		
Academic staff salaries	272,572	495,135
Students welfare	4,242	37,048
GES fees/permits	1,284	39,256
School of Technology Expenses	5,696	15,130
Examination Expenses	3,300	54,500
Commission	3,812	1,061
Affiliation fee	40,300	
Accreditation fee	<u>10,050</u>	-
	<u>341,257</u>	<u>642,130</u>
5. Other income		
Exchange Gains	-	9,299
Programmes Income	11,450	5,400
Interest/Bank Interest Received	24,740	77,277
Rent income	<u>4,100</u>	<u>5,400</u>
	<u>40,290</u>	<u>97,376</u>
6. General & administrative expenses includes		
Directors' remuneration	90,000	180,000
Audit fees	-	20,910
Depreciation	49,190	114,150
Interest on Bank Loans	<u>149,478</u>	<u>107,882</u>

7.	Balance at 1-Aug-15 GHC	Payments GHC	Charge to P/L A/c GHC	Balance at 31-Jan-16 GHC
Corporate tax				
2017	<u>138,209</u>	<u>2,000</u>	<u>-</u>	<u>136,209</u>
	<u>138,209</u>	<u>2,000</u>	<u>-</u>	<u>136,209</u>

8. Property plant and equipment

Cost	Land & Buildings	Furniture & Fitting	Motor Vehicles	Computers	Office Equipment	Capital Work-in-Progress	Prefabricated Buildings/ Containers	Library Books	Total
	GHC	GHC	GHC	GHC	GHC	GHC	GHC	GHC	GHC
As at 01/08/ 2016	3,852,497	89,390	111,090	95,696	102,730	3,464,788	4,626	14,302	7,735,119
Additions	=	<u>8,700</u>	=	<u>1,600</u>	<u>105,920</u>	<u>51,876</u>	=	=	<u>65,366</u>
As at 31/01/2017	3,852,497	98,090	111,090	97,296	105,920	3,516,664	4,626	14,302	7,800,485
Depreciation									
As at 01/08/ 2016	343,833	83,319	111,090	83,652	83,592	-	3,238	14,255	722,979
Charge for the Period	<u>36,775</u>	<u>3,346</u>	=	<u>3,013</u>	<u>5,801</u>	=	<u>231</u>	<u>24</u>	<u>49,190</u>
As at 31/01/2017	380,608	86,665	111,090	86,665	89,393	-	3,469	14,279	772,169
Net book value									
As at 31/01/2017	<u>3,471,889</u>	<u>11,426</u>	=	<u>10,631</u>	<u>16,527</u>	<u>3,516,664</u>	<u>1,157</u>	<u>24</u>	<u>7,028,316</u>
As at 31/07/2015	<u>3,508,664</u>	<u>6,071</u>	=	<u>12,044</u>	<u>19,138</u>	<u>3,464,788</u>	<u>1,388</u>	<u>47</u>	<u>7,012,140</u>

9	INTANGIBLE ASSETS	31-Jul-16	
		GHC	
	Cost	26,800	
	Accumulated Amortisation	<u>(22,865)</u>	
	Net book value	<u><u>3,935</u></u>	
10	STUDENT AND OTHER RECEIVABLES	31-Jul-16	31-Jul-15
		GHC	GHC
	Student Debtors	785,800	680,923
	Sundry Debtors	31,544	31,544
	Staff Debtors	<u>260</u>	<u>1,010</u>
		<u><u>817,604</u></u>	<u><u>712,827</u></u>
11	BANK LOAN	31-Jul-16	31-Jul-15
		GHC	GHC
	Long Term	553,071	723,577
	Short Term	<u>314,836</u>	<u>268,960</u>
		<u><u>867,907</u></u>	<u><u>992,537</u></u>
12	OTHER ACCOUNTS PAYABLES	31-Jan-16	31-Jul-15
		GHC	GHC
	Sundry Creditors	224,614	229,001
	Accruals	<u>573,573</u>	<u>562,218</u>
		<u><u>798,167</u></u>	<u><u>791,219</u></u>

13

Stated capital	31-Jan-17	31-Jul-16	Proceeds	31-Jul-16
	'000	'000	31-Jan-17	31-Jul-16
			GHC	GHC
Authorised Shares	<u>500,000</u>	<u>500,000</u>		
Issued	<u><u>96,084</u></u>	<u><u>96,084</u></u>	=	<u><u>1,550,500</u></u>

There are no shares in treasury and no call or instalment unpaid on any shares.

14

DIRECTORS ACCOUNT	31-Jan-17	31-Jul-16
	GHC	GHC
Long Term Loan	398,950	398,950
Short Term Loan	<u>1,536,127</u>	<u>1,180,074</u>
	<u>1,935,077</u>	<u>1,579,024</u>

These are made up of amounts advanced the company from inception and salaries not yet paid.

The Directors have pledged not to call for immediate repayment of these amounts until the company is in position to pay

15. Contingencies

Contingent liability

There was no contingent liability as of 31 January, 2017

Contingent asset

There was no contingent asset as of 31 January, 2017

16. Capital commitments

There were no commitments for capital expenditure not provided for in the consolidated financial statements at the balance sheet date.

17. Exchange Control

All remittances from Ghana are subject to the approval of the Exchange Control Authorities

Schedule I

Administrative and general expenses	Jan 2017	July 2016
	GHC	GHC
Directors' Remuneration	90,000	180,000
Administrative Staff Salaries	125,840	194,086
Audit Fees (VAT Inclusive)	-	24,910
Travelling & Transport	7,059	45,120
Cleaning/Sanitation	2,391	8,512
Advertisement & Business Promotion	47,490	51,016
Insurance	-	6,602
Medical Expenses and First Aid	582	1,764
Printing & Stationery	8,009	15,717
Bank Charges	4,730	13,472
Telephone & Communications	16,428	30,932
Registration & License	2,050	11,832
Staff Welfare	44,833	74,955
Repairs & Maintenance – Building	4,960	7,993
Depreciation	49,189	114,149
Utilities	24,050	38,669
Repairs & Maintenance – Office Equipment	3,245	10,615
Fuel & Lubricants for Generator	2,000	9,580
Office Supplies	496	2,331
Staff Training	7,150	13,425
Hiring Expenses	-	1,276
Repairs & Maintenance – Motor Vehicles	1,533	12,372
Donations	-	6,550
Board Meeting Expenses	2,263	5,451
Repairs & Maintenance – Furniture	1,140	2,178
Rent	-	18,000
Consultancy Services	-	41,661
Penalties	-	17,136
Amortisation of Software	3,935	8,932
Due & Subscriptions	350	1,180
Newspapers & Journals	550	1,050
IPO Launching Expenses	-	3,894
Postage & Delivery	80	80
Fuel & Lubricants for Vehicles	19,527	21,511
Internship Allowance	800	
Security Services	100	60

Administrative and general expenses continued

Commission	-	1,061
Exchange Loss	<u>3,964</u>	<u>-</u>
	474,743	998,072
	=====	=====