GHANA STOCK EXCHANGE

PRESS RELEASE

PR. No 370/2020

MERIDIAN MARSHALLS HOLDINGS LIMITED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

MMH has released its Consolidated Financial Statements for the year ended July 31, 2020 as per the attached.

Issued in Accra, this 2nd day of September, 2020

- E N D –

att'd.

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MERIDIAN MARSHALLS HOLDINGS LIMITED

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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GENERAL INFORMATION

Board of Directors:	Prof. Divine Edem Kobla Amenumey Dr. Tetteh Nettey Mrs. Genevieve Naa Aku Nettey Mr. Daniel Adjei Prof. Justice Djokoto Dr. Hazel Berrand Amuah
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 2nd Floor Okaoma Building Old Fadama Road 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 annual report and the audited financial statements for the period ended 31st July, 2020

Statement of Directors' Responsibilities

The Directors are responsible for the preparation and fair presentation of the financial statements of Marshalls College Limited, comprising the statements of financial position at 31st July, 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 1963 (Act 179). In addition, the directors are responsible for preparing the directors' report.

The Directors are also responsible for designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors are also responsible for assessing the Company's ability to continue as a going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations. The financial statements have accordingly been prepared on this basis.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Nature of Business

The Company is registered to carry on the business of Education, Research and Import/Export of Educational Materials. There has been no change in the nature of business of the company.

Financial Statements and Dividends

The results for the 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 Act 1963, (Act 179).

.....)
)
) **DIRECTORS**
.....)

ACCRA

31/07/ **2020**

MERIDIAN-MARSHALLS HOLDINGS LIMITED

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 JULY, 2020

(All amounts are in Ghana Cedis)

		31-Jul-20	31-Jul-19
Property plant and equipment	8	7,090,627	7,152,823
Current assets			
Students & other receivables	9	1,106,317	1,092,299
Cash and bank balances		161,612	304,683
		1,267,929	1,396,892
Total assets		8,358,556	8,549,805
Equity and liabilities			
Equity:			
Stated capital	11	1,550,500	1,550,500
Income (deficit)/surplus		479,931	1,145,220
		2,030,431	2,695,720
Long-term liabilities			
Directors long-term loan	12	398,950	398,950
Current liabilities			
Taxation	7	167,423	167,423
Directors account	12	2,807,023	2,657,603
Accounts payables	10	2,851,598	2,526,978
Deferred Tax		103,131	103,131
		5,929,175	5,455,135
Total liabilities		6,328,125	5,854,085
Total equity and liabilities		8,358,556	8,549,805

.....)
)
) **DIRECTORS**
.....)

ACCRA

31/07/ **2020**

The attached notes on page 8 to 16 form an integral part of these financial statements

MERIDIAN-MARSHALLS HOLDINGS LIMITED

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 JULY, 2020

(All amounts are in Ghana Cedis)

		31-Jul-20	31-Jul-19
Tuition fees and registration forms		**1,049,914**	1,225,652
Other fees and charges	**3**	**40,745**	99,678
Operating income		**1,090,659**	1,325,330
Less: Direct operating cost:	**4**	**(1,029,786)**	(1,045,687)
Gross profit		**60,872**	279,643
Other income	**5**	**3,356**	277,880
		64,228	557,523
General & administrative expenses	**6**	**(729,517)**	(1,285,795)
Profit/(Loss) before interest and tax		**(665,289)**	(728,272)
Income Tax Expense	**7**	-	(55,770)
Profit/(loss) after tax		**(665,289)**	(784,042)

Consolidated income surplus account
for the period ended 31 Jul 2020

Balance at 1 August	**1,145,220**	(1,929,262)
Transferred from income statement	**(665,289)**	(784,042)
Balance as at 31 Jul	**479,931**	1,145,220

The attached notes on page 8 - 16 form an integral part of these financial statements

MERIDIAN-MARSHALLS HOLDINGS LIMITED

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY STATEMENT FOR THE PERIOD ENDED 31 JULY, 2020

(All amounts are in Ghana Cedis)

	Stated Capital	Income Surplus	Total
At 1 August 2019	**1,550,500**	**1,145,220**	**2,695,720**
Profit after tax for the period	-	(665,289)	(665,289)
At 31 January 2020	**1,550,500**	**479,931**	**2,030,431**

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY, 2019

	Stated Capital	Income Surplus	Total
At 1 August 2018	1,550,000	1,929,262	3,479,760
Profit after tax for the year	-	(784,042)	(784,042)
At 31 July 2019	**1,550,000**	**1,145,220**	**2,695,720**

The attached notes on page 8 - 16 form an integral part of these financial statements

MERIDIAN-MARSHALLS HOLDINGS LIMITED

UNAUDITED CONSOLIDATED CASHFLOW STATEMENT FOR THE PERIOD ENDED 31 JULY, 2020

(All amounts are in Ghana Cedis)

	31-Jul-20	31-Jul-19
Operating activities		
Operating profit/(loss) before interest and tax	**(665,289)**	(686,231)
Adjustment for:		
Depreciation	**113,644**	127,290
Changes in:		
Increase/Directors current account	**149,420**	302,000
(Increase)/Decrease Students and other account receivables	**(14,018)**	33,126
Increase Other account payables	**324,620**	915,967
Net cash inflow from operating activities	**(91,623)**	695,308
Return on Investment & Servicing of Activities		
Loan Interest Expense	-	(42,041)
Investing activities		
Purchase of property plant and equipment	**(51,448)**	(28,750)
Net cash outflow before financing	**(143,071)**	624,517
Financing activities		
Bank loans payments	-	(458,083)
(Decrease)/increase in cash and cash equivalent	**(143,071)**	166,434
Analysis of cash and cash equivalent		
Balance at 1 August	**304,683**	138,249
(Decrease)/increase in cash and cash equivalent	**(143,071)**	166,434
Balance at 31 July	**161,612**	304,683

The attached notes on page 8 - 16 form an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENEDED 31 JULY, 2020

(All amounts are in Ghana Cedis)

1. Corporate information

1.1 Nature of company

Meridian Marshalls Holdings Limited is a publicly owned limited liability company incorporated in Ghana on the 26 February 2013, under the Companies Code 1963 (Act 179) and is domicile in Ghana. 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. Significant accounting policies

The following are the principal accounting policies adopted by the group in the preparation of the consolidated financial statements:

(a) Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention and in accordance with Ghana National Accounting Standards.

(b) Principles of consolidation

The company consolidates all subsidiaries, which are entities over which it has the continuing power to determine the strategic operating, investing and financing policies without the cooperation of others. These consolidated financial statements include the accounts of Meridian Pre-University and Marshall University College

Name	Ownership
Meridian Pre-University	100%
Marshall University College	100%

(b) 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%
Gowns	-	25%
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 income.

(d) **Stocks**

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

(e) **Students account receivables**:

Students account receivables 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.

(f) **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 year end. All differences arising on translation are dealt with in the Income Statement.

(g) **Cash and cash equivalent**:

Cash and cash equivalent comprise cash on hand and bank balances and are carried at amortised cost.

(h) **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.

(i) **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 recognized when the services are provided 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.

(j) **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 borrowings and interests charged by the bank. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset is recognised in the income statement using the effective interest method.

(k) **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.

		31-Jul-20	31-Jul-19
3.	**Other fees and charges**		
	Project Work Fees	**15,000**	13,500
	Issuing of Letters	**1,105**	1,805
	Transcripts and Certificates	**1,140**	1,360
	Resit	**17,700**	23,730
	Matriculation Fees	**5,300**	-
	Late Payment Penalties	**-**	12,334
	Graduation/Other Fees	**500**	46,949
		40,745	99,678
4.	**Direct operating cost**		
	Academic staff salaries	**840,805**	796,616
	Students welfare	**-**	1,680
	GES fees/permits	**22,667**	52,920
	Exams Expenses	**2,930**	20,401
	Scripts Marking	**10,484**	-
	Fashion School Expenses	**62,600**	124,100
	Graduation Expenses	**16,740**	49,970
	Business License and Permit	**71,090**	-
	Commission	**470**	-
	Matriculation Expenses	**1,000**	-
	Books	**1,000**	-
		1,029,786	1,045,687
5.	**Other income**		
	Exchange gains	**3,356**	3,468
	Fidelity Loan Waiver	**-**	250,062
	Rent income	**-**	24,350
		3,356	277,880
6.	**General & admin. expenses includes (Schedule 1)**		
	Directors' remuneration	**205,768**	205,768
	Audit fees	**-**	43,470
	Depreciation	**113,644**	127,290
	Interest on Bank Loans	**-**	42,041

7.

Corporate tax	Balance at 1-Aug-19	Payments	Charge to P/L A/c	Balance at 31-Jan-20
2020	167,423	-	-	167,423
	167,423	-	-	**167,423**

8. Property plant and equipment

Cost	Land & Buildings	Furniture & Fitting	Motor Vehicles	Computers	Office Equipment	Capital Work-in-Progress	Prefabricated Buildings/ Containers	Gowns	Library Books	Total
As at 01/08/ 2019	3,925,241	141,605	111,090	111,926	285,303	3,679,348	4,626	9,650	14,552	8,256,341
Additions	51448	0	-	0	0	0	-	-	-	51,448
As at 31/07/2020	**3,976,689**	**141,605**	**111,090**	**111,926**	**285,303**	**3,679,348**	**4,626**	**9,650**	**14,552**	**8,307,789**
Depreciation										
As at 01/08/ 2019	565,687	110,518	111,090	109,287	183,018	-	4,626	4,824	14,468	1,103,518
Charge for the Period	79,534	10,361	0	880	20,457	0	0	2413	0	113,644
As at 31/07/2020	**645,221**	**120,879**	**111,090**	**110,167**	**203,475**	**0**	**4,626**	**7,237**	**14,468**	**1,217,162**
Net book value										
As at 31/07/2020	**3,331,468**	**20,726**	**0**	**1,759**	**81,828**	**3,679,348**	**0**	**2,414**	**84**	**7,090,627**
As at 31/07/2019	3,359,554	31,087	0	2,639	102,285	3,679,348	0	4,826	84	7,152,827

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STUDENT AND OTHER RECEIVABLES

	31-Jul-20	31-Jul-19
Student Debtors	1,066,393	1,043,105
Sundry Debtors	31,544	40,544
Staff Debtors	8,380	7,150
Prepayments	-	1,500
	1,106,317	1,092,299

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OTHER ACCOUNTS PAYABLES

	31-Jul-20	31-Jul-19
Sundry Creditors	504,657	80,379
Accruals	1,601,389	1,701,047
Amounts due to Related Parties (Note 13)	745,552	745,552
	2,851,598	2,526,978

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STATED CAPITAL

	No. of Shares		Proceeds	
	2020 '000	2019 '000	2020 '000	2019 '000
Authorised Shares	500,000	500,000		
Issued Shares	96,084	96,084	1,550,000	1,550,000

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

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DIRECTORS ACCOUNT

	31-Jul-20	31-Jul-19
Long Term Loan	398,950	398,950
Short Term Loan	2,807,023	2,657,603
	3,205,973	3,056,553

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

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RELATED PARTY TRANSACTIONS

	31-Jul-20	31-Jul-19
High Point Academy	326,317	326,317
EduAds	194,235	194,235
J. S. Addo Educational Funds	225,000	225,000
	745,552	745,552

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENEDED 31 JULY, 2020
(All amounts are in Ghana Cedis)

13.a RELATED PARTY TRANSACTIONS

Meridian Marshalls Holdings Limited is the parent company holding 100% shares in Meridian Pre-University. Marshalls College is also 100% owned by Meridian Marshalls Holdings Limited.

The majority shareholders of Meridian Marshalls Holdings Limited Dr & Mrs Tetteh Nettey also owns 100% shares in EduAds and High Point Academy. EduAds placed educational advertisement for Meridian Pre-University. Transactions between these companies are carried out on arm's length.

Schedule I

Administrative and general expenses	**Jul 2020**	2019
Directors' Remuneration	**205,768**	205,768
Administrative Staff Salaries	**113,824**	502,230
Audit Fees (VAT Inclusive)	**-**	43,470
Travelling & Transport	**69,160**	47,955
Cleaning/Sanitation	**2,295**	4,056
Advertisement & Business Promotion	**12,393**	15,686
Insurance	**2,450**	7,762
Medical Expenses and First Aid	**491**	534
Printing & Stationery	**7,997**	8,947
Bank Charges	**5,621**	8,302
Telephone & Communications	**8,205**	27,313
Registration & License	**500**	13,837
Staff Welfare	**78,630**	11,218
Repairs & Maintenance – Building	**2,263**	2,868
Depreciation	**113,644**	127,290
Utilities	**5,983**	42,463
Repairs & Maintenance – Office Equipment	**650**	5,360
Fuel & Lubricants for Generator	**7,611**	3,030
Office Supplies	**2,533**	5,724
Repairs & Maintenance – Motor Vehicles	**700**	160
Donations	**3,000**	2,000
Board Meeting Expenses	**-**	9,623
Repairs & Maintenance – Furniture	**7,184**	3,170
Sports/Games Expenses	**-**	139
Interest Expense	**-**	42,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENEDED 31 JULY, 2020
(All amounts are in Ghana Cedis)

Administrative and general expenses continued		
Consultancy Services	**62,800**	12,550
Penalties	**-**	51,383
Amortisation of Software	**-**	3,156
Listing Fees	**4,000**	10,700
Newspapers & Journals	**110**	1,100
Postage &Delivery	**-**	370
Fuel & Lubricants for Vehicles	**7,100**	61,459
Repairs & Maintenance – Fixtures & Fittings	**1,775**	3,095
Security Services	**100**	-
Commissions	**2729**	1,036
	729,517	1,285,795