

# **UNIVERSITY OF GHANA**



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2014**

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CORPORATE INFORMATION

Council members	Justice Professor S.K. Date-Bah Professor Ernest Aryeetey Professor John Meyer Hyde Mrs. Elizabeth Addabor Professor Robert Domingo Baeta Dr. Esther Ofei - Aboagye Mr. Alfred Quartey Mr. J.A.Y. Klinogo Mr. Richard Kwame Asante Professor Mahama Duwiejua Mrs. Eileen Odartei-Laryea Dr. Max Price Mr. Samuel Ofori-Adjei Mr. Kwesi Yankey Mr. Davis Ohene Fobi Mr. Justice Musah Issah Surugu Dr. Langbong Bimi Mr. Augustine Karbo Saakuu	Chairman Vice-Chancellor
Independent auditor	PricewaterhouseCoopers Chartered Accountants No. 12 Airport City Una Home 3 <sup>rd</sup> Floor PMB CT 42 Cantonments Accra	
Registered office	University of Ghana P. O. Box LG 25 Legon, Accra	

**REPORT OF THE COUNCIL**

The Council of University of Ghana submits its report together with the audited financial statements of the University for the year ended 31 December 2014, prepared under the modified cash basis of accounting.

**Statement of the Council’s responsibilities**

The Council is responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the University and of the statement of financial performance and cash flow for that period. In preparing these financial statements, the Council has selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed the historical cost convention.

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

**Principal activities**

The principal activities of the University continued to be the business of providing higher education, undertaking research, disseminating knowledge and fostering relationship with outside persons and bodies.

**Results for the year**

The Statement of Financial Performance on page 5 shows a deficit for the year of **GH¢3,280,539** whilst the Balance Sheet on page 6 shows accumulated fund at the end of the period of **GH¢42,284,914**.

**Auditor**

PricewaterhouseCoopers was appointed by the Auditor-General of the Republic of Ghana in pursuance of article 187(2) of the 1992 Constitution to conduct the audit of the University for the year ended 31 December 2014. Their re-appointment is by the mandate of the Auditor-General.

**By order of the Council**

  
.....  
**CHAIRMAN OF THE COUNCIL**

  
.....  
**VICE CHANCELLOR**



## **REPORT OF THE INDEPENDENT AUDITOR TO THE AUDITOR-GENERAL**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of University of Ghana set out on pages 5 to 24. These financial statements comprise the balance sheet as at 31 December 2014, the statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Council's responsibility for the financial statements**

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies disclosed in note 1 to the financial statements and with the requirements of the University of Ghana Act, 2010 (Act 806) and for such internal control, as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

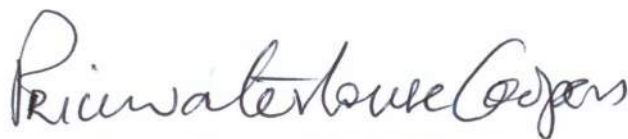
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## REPORT OF THE INDEPENDENT AUDITOR TO THE AUDITOR GENERAL (continued)

### Opinion

In our opinion, the accompanying financial statements of University of Ghana for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the accounting policies described in note 1 to the financial statements.



**PricewaterhouseCoopers (ICAG/F/028)**

**Chartered Accountants**

**Signed by: Michael Asiedu-Antwi (ICAG/P/1138)**

**Accra, Ghana**

**5 November 2015**



STATEMENT OF FINANCIAL PERFORMANCE

		Year ended 31 December	
	Notes	2014 GH¢	2013 GH¢
<b>INCOME</b>			
Government subvention and grants	2	190,627,849	168,675,394
Academic fees and other student charges	3	107,820,155	89,099,500
Research grants and contracts	4	69,239,881	53,241,865
Bursaries and financial aid	5	537,119	503,567
Interest income	6	9,514,440	10,235,855
Other income	7	39,447,264	29,024,040
<b>Total income</b>		<b>417,186,708</b>	<b>350,780,221</b>
<b>EXPENDITURE</b>			
Personnel costs	8	211,579,328	182,490,673
Other operating expenses	9	103,453,288	79,833,265
Research grants and contracts expenses	4	69,239,881	53,241,865
Bursaries and financial aid	5	537,119	503,567
Fixed assets written off	10	24,930,590	31,139,442
Finance costs	11	10,892,348	10,109,569
<b>Total expenditure</b>		<b>420,632,554</b>	<b>357,318,381</b>
Deficit for the year		(3,445,846)	(6,538,160)
Proceeds from disposal of fixed assets		165,307	28,884
Deficit for the year transferred to accumulated fund		(3,280,539)	(6,509,276)

The notes on pages 8 to 24 are an integral part of these financial statements.



**BALANCE SHEET**

		Year ended 31 December	
		2014	2013
	Notes	GH¢	GH¢
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Non quoted investments	12	19,094,564	19,094,564
Quoted investments	13	<u>7,385,136</u>	<u>5,425,241</u>
		<b>26,479,700</b>	<b>24,519,805</b>
<b>Current Assets</b>			
Stocks of consumables	14	6,569,707	3,858,956
Accounts receivable	15	65,954,804	49,400,890
Employees personal accounts	16	4,100,791	3,036,991
Students fees receivable	17	8,805,647	9,193,379
Short term investments	18	70,303,872	51,925,804
Cash and bank balances	19	<u>65,958,587</u>	<u>46,801,257</u>
		<b>221,693,408</b>	<b>164,217,277</b>
<b>Current Liabilities</b>			
Bank overdraft	20	26,735,419	16,375,013
Accounts payable and accrued liabilities	22	63,965,928	33,216,440
Provisions for liabilities and charges	23	1,206,116	1,249,463
Loans	24	<u>9,555,446</u>	<u>1,543,364</u>
		<b>101,462,909</b>	<b>52,384,280</b>
<b>Net Current Assets</b>		<b>120,230,499</b>	<b>111,832,997</b>
<b>Non current liabilities</b>			
Long term Loans	24	15,696,261	24,848,679
Restricted funds	25	<u>76,450,176</u>	<u>55,720,691</u>
		<b>92,146,437</b>	<b>80,569,370</b>
<b>Net Assets</b>		<b>54,563,762</b>	<b>55,783,432</b>
<b>FINANCED BY:</b>			
Accumulated fund	27	42,284,914	45,565,453
General reserve fund	28	4,383,893	4,377,366
UG Endowment fund	29	7,894,955	5,840,613
<b>Total Funds</b>		<b>54,563,762</b>	<b>55,783,432</b>

The financial statements on pages 5 to 24 were approved by the Council on ..... 14<sup>th</sup> October 2015 and signed on their behalf by:

Vice Chancellor:  Director of Finance: 

The notes on pages 8 to 24 are an integral part of these financial statements.



## CASH FLOW STATEMENT

		Year ended 31 December	
	Notes	2014 GH¢	2013 GH¢
<b>Cash generated from operating activities</b>	32	<b>34,002,418</b>	17,260,836
<b>Cash flows from investing activities</b>			
Purchase of fixed assets	10	(24,930,590)	(31,139,442)
Investment in quoted investments	13	-	(11,881)
Proceeds from disposal of fixed assets		<u>165,307</u>	<u>28,884</u>
<b>Net cash used in investing activities</b>		<b><u>(24,765,283)</u></b>	<b><u>(31,122,439)</u></b>
<b>Cash flows from financing activities</b>			
Interest received		9,468,421	9,060,345
Finance cost paid		(9,732,243)	(7,020,512)
Term loans drawdown	24	6,058,068	8,113,324
Term loans repayments	24	(8,686,848)	(2,730,708)
General and special research funds received	30	90,806,098	65,332,162
General and special research funds used	31	<u>(69,975,639)</u>	<u>(53,761,135)</u>
<b>Net cash generated from financing activities</b>		<b><u>17,937,857</u></b>	<b><u>18,993,476</u></b>
<b>Net increase in cash and cash equivalents</b>		<b><u>27,174,992</u></b>	<b><u>5,131,873</u></b>
<b>Cash and cash equivalents at beginning of year</b>		<b>82,352,048</b>	77,220,175
<b>Cash and cash equivalents at end of year</b>	21	<b><u>109,527,040</u></b>	<b><u>82,352,048</u></b>

The notes on pages 8 to 24 are an integral part of these financial statements.

## NOTES

### 1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the modified cash basis of accounting as described in the notes below.

#### (b) Foreign currency translation

##### i. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the University operates ('the functional currency'). The financial statements are presented in Ghana Cedis which is the University's functional and presentation currency.

##### ii. Transactions and balances

Foreign currency transactions are translated into Ghana Cedis using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlements of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

#### (c) Fixed assets

Fixed assets are expensed in the year the assets are brought into use at their historical costs. Historical costs include expenditure that is directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### (d) Stocks

Stocks are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Cost of general stores includes all direct expenditure incurred in bringing the goods to their current state under normal operating conditions. Provision is made for obsolescence and damaged items.

#### (e) Accounts receivable

Accounts receivable are amounts due from students, staff and third parties for school fees and other goods sold or services performed in the ordinary course of business. Accounts receivable are recognised at fair value. Accounts receivable are written off when proved uncollectible.

**NOTES (continued)**

**1 Summary of significant accounting policies (continued)**

**(f) Non quoted investment**

This is made up of investment in UGEL and represents the University's 100% shareholding in University of Ghana Enterprise Limited. The investment is measured at cost and not consolidated for the purposes of this accounts because of the difference in the core activities of both entities.

**(g) Accounts payable and accrued liabilities**

Accounts payable 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. If not, they are presented as non-current liabilities. Accounts payable are recognised at fair value.

**(h) Restricted funds**

This is made up of Project Research, Award and Memorial funds and Bursaries and Financial Aid Funds and relate to amounts received from individuals and organizations purposely to support the University's research, scholarship schemes and awards and for specific purposes mandated by the University.

Contributions to the funds are recognised separately in reserves when received. Costs of research, bursaries and awards incurred are charged to the funds in the year that the cost is paid. Income earned from investing restricted funds are credited to the relevant reserve account. In each reporting period, an amount equal to the total costs incurred in respect of each item supported by restricted funds is transferred from the relevant reserve to match the costs in the statement of financial performance.

**(i) Provisions**

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date.



**NOTES (continued)**

**Summary of significant accounting policies (continued)**

**(j) Quoted investments**

Quoted investments are initially recognised at trade date and subsequently measured at market value except for investments made with restricted funds in which case the dividend earned are credited to reserve. Dividends earned on quoted investments are recognised directly in the statement of financial performance.

**(k) Long term loans**

Loans are recognised initially at nominal price (that is, the face value of cash payable to the lender) and subsequently measured at net of repayments of capital elements. Interest expense incurred on loans is recognised when incurred and included in finance costs in the statement of financial performance.

**(l) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, balances with banks and other short-term highly liquid investments.

**(m) Endowment fund**

The endowment fund is a restricted fund purposely set up to provide regular income through income earned on the principal amounts for the purpose of providing support to budgetary operations. Changes in the value of the underlying assets are reflected in the fund.

**(n) Pensions**

The University has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the University pays fixed contributions to a separate entity (SSNIT). The University 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 defined contribution schemes is operated for all staff except for senior members.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The University's defined benefit plan, the Ghana Universities Staff Superannuation Scheme (GUSSS), is operated for senior members. The assets and liabilities of the plan are not included in the University's financial statements.



**NOTES (continued)**

**Summary of significant accounting policies (continued)**

**(o) Income recognition**

Income comprises of Government subvention and grants, academic fees and other student charges, research grants, bursaries and financial aid and investment income.

**(i) Government subvention and grants**

Government subvention is made up of emolument, service and administration subventions.

Emolument subvention refers to funds received from the Government of Ghana to pay for staff salaries, social security contributions and Ghana Universities Staff Superannuation Scheme (GUSSS) operated by the University. Emolument subvention is recognised on accrual basis.

Administrative subvention refers to funds received to pay for budgeted operational expenditure including water and electricity bills. Administrative subvention is recognised on accrual basis.

Service subvention refers to funds received to pay for costs in relation to the core activities of the University and is recognised on cash basis.

**(ii) Academic fees and other student charges**

Academic fees are recognised when students register. Other student charges relate to other services provided by the University to students and are recognised on cash basis.

**(iii) Research grants**

Research grant is credited to the statement of financial performance to the extent of the related expenditure paid during the year including related contributions towards overhead costs.

**(iv) Investment and other income**

Investment income is accrued and other income are recognised when earned.

NOTES (continued)

	Year ended 31 December	
	2014 GH¢	2013 GH¢
<b>2 Government subvention and grants</b>		
Emoluments subvention	164,011,278	147,379,254
Administrative subvention	18,919,045	15,124,424
Service subvention	-	333,781
Investment subvention	-	-
Book and research allowance	7,444,526	5,785,327
GETFUND	<u>253,000</u>	<u>52,608</u>
	<u>190,627,849</u>	<u>168,675,394</u>
<b>3 Academic fees and other student charges</b>		
Regular academic fees	73,821,142	59,231,141
Special fees	27,742,660	18,952,424
Other student fees	<u>6,256,353</u>	<u>10,915,935</u>
	<u>107,820,155</u>	<u>89,099,500</u>
<b>4 Research grants and contracts expenses</b>		
Personnel costs	22,779,892	20,419,094
Examination	26,083,816	15,296,049
Asset written off	3,544,475	5,119,665
Admin and general expenses	6,014,851	4,170,984
Foreign travel costs	3,182,298	2,486,638
Selection and training	4,096,151	2,372,970
Local travel costs	1,847,385	1,776,717
Bulk Utility services	167,246	645,244
Repairs and maintenance	446,669	382,696
Financial services	520,869	268,926
Staff welfare	292,877	170,145
Animal/crop production costs	258,171	118,250
Student welfare	<u>5,181</u>	<u>14,487</u>
	<u>69,239,881</u>	<u>53,241,865</u>
<b>5 Bursaries and financial aid</b>	<u>537,119</u>	<u>503,567</u>
<b>6 Interest income</b>		
Interest on investments	8,593,843	9,679,422
Dividends	383,356	156,676
Call interest income	270,146	63,444
Interest on staff loans	105,809	61,094
Other interest income	<u>161,286</u>	<u>275,219</u>
	<u>9,514,440</u>	<u>10,235,855</u>

NOTES (continued)

	Year ended 31 December	
	2014 GH¢	2013 GH¢
<b>7 Other income</b>		
Sale of other goods and services	16,773,394	12,367,224
Sale of farm produce	1,306,543	998,449
Technical service charge	2,683,393	1,726,346
Affiliate fees income	776,216	351,180
Training fees income	-	8,805
Print and other service income	202,021	89,062
Road toll	154,835	-
Sundry income	17,550,862	13,482,974
	<u>39,447,264</u>	<u>29,024,040</u>
<b>8 Personnel costs</b>		
Emoluments	198,389,620	171,339,359
Pension payments	5,343,394	4,450,281
Book and research allowance	7,846,314	6,701,033
	<u>211,579,328</u>	<u>182,490,673</u>
<b>9 Other operating expenses</b>		
Repairs and maintenance	25,714,155	18,912,347
Administrative and general expenses	22,065,563	18,521,027
Bulk utility	24,719,418	17,381,270
Staff welfare	6,933,812	7,357,894
Examination expenses	7,466,747	5,569,348
Admission expenses	5,008,449	4,072,499
Local travel costs	4,088,874	2,820,979
Selection and training	3,027,761	1,793,591
Foreign travel costs	2,207,444	1,660,774
Animal and crop production costs	469,874	597,576
Student welfare expenses	1,196,041	590,810
Audit fees	555,150	555,150
	<u>103,453,288</u>	<u>79,833,265</u>
<b>10 Fixed assets</b>		

Year ended 31 December 2014

	Land and building	Plant and equipment	Other assets	Total
At 1 January 2014	-	-	-	-
Purchases in the year	16,638,535	7,962,625	329,430	24,930,590
Write offs	(16,638,535)	(7,962,625)	(329,430)	(24,930,590)
<b>Net book value</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Year ended 31 December 2013

At 1 January 2013	-	-	-	-
Purchases in the year	16,098,115	13,373,272	1,668,055	31,139,442
Write offs	(16,098,115)	(13,373,272)	(1,668,055)	(31,139,442)
<b>Net book value</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



NOTES (continued)

		Year ended 31 December	
		2014	2013
		GH¢	GH¢
<b>11 Finance costs</b>			
Interest and bank charges		9,403,904	9,367,494
Unrealised translation losses		<u>1,488,444</u>	<u>742,075</u>
		<b><u>10,892,348</u></b>	<b><u>10,109,569</u></b>
<b>12 Non quoted investments</b>			
Balance at 1 January		19,094,564	19,094,564
Additions		<u>-</u>	<u>-</u>
Balance at 31 December		<b><u>19,094,564</u></b>	<b><u>19,094,564</u></b>

The University of Ghana Enterprise Limited (UGEL) was incorporated on 24 September 2007 and wholly owned by University of Ghana. It was incorporated to undertake the following activities:

- to provide hospitality facilities for staff and students of the University;
- to provide hospitality and health services for the University community;
- to carry on all or any of the business of publishing, printing and distribution of books and stationary
- to carry on all or any of the business of commercial farming, developing and maintaining agricultural outstations and botanical gardens of the University of Ghana and
- to carry out any other activities deemed necessary for the realization of the above objects.

Intercompany balance due to UGEL as at year end is GH¢7,101,726 (31 December 2013: GH¢4,408,511)

**13 Quoted investments**

**Year ended 31 December 2014**

	Outstanding shares	Price per share	Total 2014	2013
Standard Chartered bank	362,340	20.35	7,373,619	5,413,360
Enterprise Group	5,000	1.75	8,750	9,400
Guinness Ghana Brewery Ltd	107	3.21	343	663
SG-SSB	2,424	1	<u>2,424</u>	<u>1,818</u>
			<b><u>7,385,136</u></b>	<b><u>5,425,241</u></b>

**Year ended 31 December 2013**

	Outstanding shares	Price per share	Total 2013	2012
Standard Chartered bank	362,340	14.94	5,413,360	4,166,910
Enterprise Group	5,000	1.88	9,400	-
Guinness Ghana Brewery Ltd	107	6.20	663	-
SG-SSB	2,424	0.75	<u>1,818</u>	<u>-</u>
			<b><u>5,425,241</u></b>	<b><u>4,166,910</u></b>

**Movement in quoted investments**

Balance at 1 January	5,425,241	4,166,910
Additions	-	11,881
Valuation gains/(loss)	<u>1,959,895</u>	<u>1,246,450</u>
	<b><u>7,385,136</u></b>	<b><u>5,425,241</u></b>



NOTES (continued)

Year ended 31 December  
2014 2013

**14 Stocks of consumables**

Stationary and general stores	5,733,982	3,204,634
Computer hardware	13,551	110,315
Food stock	45,223	37,747
Animal stock	<u>776,951</u>	<u>506,260</u>
	<u>6,569,707</u>	<u>3,858,956</u>

**15 Accounts receivable**

Sundry debtors	9,962,593	7,704,408
Subvention receivable	54,089,813	39,840,103
Interest receivable on investments	<u>1,902,398</u>	<u>1,856,379</u>

65,954,804 49,400,890

**16 Employees personal accounts**

Staff loans and advances	<u>4,100,791</u>	<u>3,036,991</u>
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**17 Students fees receivable**

Gross students fees receivable	9,269,102	9,833,112
Provision for impairment	<u>(463,455)</u>	<u>(639,733)</u>

Net Students fees receivable 8,805,647 9,193,379

**18 Short term investments**

Fixed deposit investment account	48,471,272	36,652,969
Call investments account	1,815,992	2,908,779
SRC T-Bill investment account	3,733,269	5,523,502
Endowment assets in T-bill	537,186	427,253
Other securities	<u>15,746,153</u>	<u>6,413,301</u>

70,303,872 51,925,804

**19 Cash and bank balances**

Cash in hand	34,584	56,454
Savings accounts	8,974,242	3,303,470
Project bank accounts	39,219,504	33,218,883
Current accounts	<u>17,730,257</u>	<u>10,222,450</u>

65,958,587 46,801,257

## NOTES (continued)

### 20 Bank overdraft

The University has overdraft facilities with GCB Bank Limited (up to GH¢26million) and Ecobank Ghana Limited (up to GH¢11million) for the purpose of paying salaries. At the end of the reporting period, the University had an outstanding overdraft of GH¢14,453,323 (2013: GH¢15,925,985) with GCB Bank while an amount of GH¢12,282,096 (2013: GH¢449,028) was outstanding from Ecobank Ghana Limited. The applicable interest rate on the overdraft from GCB Bank is 24% (2013: 23.66%) per annum or at any other rate determined by the bank. The overdraft facility contracted from Ecobank Ghana Limited attracts interest at a rate of 28.95% (2013: 28.95%). The overdrafts are secured by a charge over Government subventions (Note 2).

### 21 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement.

	Year ended 31 December	
	2014	2013
	GH¢	GH¢
Cash and bank balances (Note 19)	65,958,587	46,801,257
Bank overdraft (Note 20)	(26,735,419)	(16,375,013)
Short term investments (Note 18)	70,303,872	51,925,804
	<u>109,527,040</u>	<u>82,352,048</u>

### 22 Accounts payable and accrued liabilities

Salary payables	4,146,525	5,711,412
Interest payable	2,018,643	2,346,982
Related party (UGEL)	7,101,726	4,408,511
Other payables	50,699,034	20,749,535
	<u>63,965,928</u>	<u>33,216,440</u>

#### Related party transaction(UGEL)

Certain related party transactions are entered into with related party (UGEL) in the normal course of business as follows:

	2014	2013
Balance due UGEL at 1 January	4,408,511	3,167,510
Residential user fees collected by University of Ghana on behalf of UGEL	12,786,047	15,898,694
Expenditure paid on behalf of UGEL	(10,092,832)	(14,657,693)
Amounts due to UGEL	<u>7,101,726</u>	<u>4,408,511</u>

### 23 Provisions for liabilities and charges

Provisions	<u>1,206,116</u>	<u>1,249,463</u>
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NOTES (continued)

24 Long term loans

Year ended 31 December 2014

	Balance at 1 January	Drawdowns	Repayments	Exchange difference	Balance at 31 December
HFC-ISL UG Bonds	14,766,848	-	(8,686,848)	520,000	6,600,000
HFC-ISL UG Road Toll Bond	8,000,000	-	-	-	8,000,000
Prudential Bank loan	2,489,065	-	-	968,444	3,457,509
Borrowing from restricted fund	-	3,197,000	-	-	3,197,000
GCB interest free loan	-	2,449,595	-	-	2,449,595
SCB-UG Vehicle Loan Facility	1,136,130	411,473	-	-	1,547,603
Total	<u>26,392,043</u>	<u>6,058,068</u>	<u>(8,686,848)</u>	<u>1,488,444</u>	<u>25,251,707</u>
Current portion	1,543,364				9,555,446
Non current portion	<u>24,848,679</u>				<u>15,696,261</u>

Year ended 31 December 2013

	Balance at 1 January	Drawdowns	Repayments	Exchange difference	Balance at 31 December
HFC-ISL UG Bonds	16,700,000	-	(2,167,823)	234,671	14,766,848
HFC-ISL UG Road Toll Bond	-	8,000,000	-	-	8,000,000
Prudential Bank loan	2,057,387	113,324	(189,050)	507,404	2,489,065
SCB-UG Vehicle Loan Facility	1,509,965	-	(373,835)	-	1,136,130
Total	<u>20,267,352</u>	<u>8,113,324</u>	<u>(2,730,708)</u>	<u>742,075</u>	<u>26,392,043</u>
Current portion					1,543,364
Non current portion					<u>24,848,679</u>



**NOTES (continued)**

**HFC-ISL UG hostel bond (Ghana Cedi)**

These are 5 year facilities arranged by HFC Investment Services Limited they attract interest at the rate of Government of Ghana 182 treasury bill rate plus 650 basis points (computed semi-annually). The facilities are secured over students fees. The details of the bonds are as follows:

<b>Description</b>	<b>Amount</b>	<b>Purpose</b>	<b>Date issued</b>	<b>Maturity</b>
	GH¢			
HFC-ISL UG Hostel Bond (Ghana Cedi)	5,000,000	The facility was taken for the completion of two blocks of the University of Ghana Hostels Project. The facility was scheduled to mature in 2016 however management made early redemption of the entire amount on 8 September 2014.	1 August 2011	25 July 2016
HFC-ISL UG Hostel Bond (Ghana Cedi)	2,000,000	The facility was taken for the completion of two blocks of the University of Ghana Hostels Project. The facility was scheduled to mature in 2016 however management made early redemption of the entire amount on 8 September 2014.	12 December 2011	5 December 2016
HFC-ISL UG Hostel Bond (Ghana Cedi)	5,000,000	The facility was taken for the construction of the University of Ghana Business School (Graduate Block).	30 May 2012	24 May 2017

**HFC-ISL UG Dollar bond**

This is a 3 year facility amounting to US\$2,500,000 arranged by HFC Investement Services Limited on 1 October 2012. It attracts interest at a rate of 4% fixed rate per annum and coupon payments payable semi-annually. The facility was for the purchase of modern laboratory equipment for the Science faculty. The facility is secured over students fees and matures on 28 September 2015. The total repayments due in 2015 amounting to US\$500,000 (GH¢1,600,000) has been reclassified as current liabilities.



## NOTES (continued)

### HFC-ISL UG Road Toll Bond

This is a 5 year facility amounting to GH¢8,000,000 arranged by HFC Investment Services Limited on 3 February 2013. It attracts interest at rate of Government of Ghana 182 days treasury bill rate plus 150 basis point computed semi-annually. The facility was taken for the construction of roads within the University main Campus. The bond is secured on internally generated cash inflows of the University and revenue from toll collections from the road financed with the facility. The total repayments due in 2014 amounts to GH¢1,900,000.

### Prudential Bank loan

The US Dollar facility was contracted from Prudential Bank (Ghana) Limited and attracts interest at 12% per annum and repayable on monthly basis from the disbursement date. The loan was contracted by the Institute of African Studies in March 2009 for the completion of Yiri Lodge. The facility is secured over the Yiri Lodge, all rental proceeds from the Lodge and a Guarantee from the University of Ghana.

### SCB-UG vehicle loan facility

The Loan facility was contracted by the University of Ghana to purchase vehicles. It attracts a variable interest rate at 17.5% per annum payable monthly in arrears.

### GCB interest free loan

This is a 5 year facility contracted on 28 January 2014 with an approved limit of GH¢3,611,433. It attracts no interest. The facility was taken for the construction and completion of lecture theatre and examination hall. The loan is disbursed by the bank directly to the contractors based on certified work done. As at the year end, an amount of GH¢2,449,595 had been disbursed to the contractors and recognised as loan.

### Borrowings from restricted fund

The loan facility was granted by Noguchi Memorial Institute for Medical Research to University of Ghana on 5 September 2014 to support its working capital needs. The borrowing attracts interest at 6% per annum and shall be repaid over three (3) equal instalments ending 5 March 2016.

## 25 Restricted funds

### Year ended 31 December 2014

<u>Fund type</u>	<u>Balance At 1</u>			<u>Balance At 31</u>
	<u>January</u>	<u>Inflows</u>	<u>Outflows</u>	
	<u>2014</u>			<u>December 2014</u>
Project funds (Note 26)	53,300,074	89,417,288	(69,239,881)	73,477,481
Bursaries and financial aid	205,051	489,245	(537,119)	157,177
Awards and memorial (Note 26)	<u>2,215,566</u>	<u>798,591</u>	<u>(198,639)</u>	<u>2,815,518</u>
	<u>55,720,691</u>	<u>90,705,124</u>	<u>(69,975,639)</u>	<u>76,450,176</u>

**NOTES (continued)**

Year ended 31 December 2013

<u>Fund type</u>	<u>Balance At 1 January 2013</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2013</u>
Project funds (Note 26)	42,442,044	64,099,895	(53,241,865)	53,300,074
Bursaries and financial aid	111,467	597,151	(503,567)	205,051
Awards and memorial (Note 26)	<u>1,816,565</u>	<u>412,750</u>	<u>(13,749)</u>	<u>2,215,566</u>
	<u>44,370,076</u>	<u>65,109,796</u>	<u>(53,759,181)</u>	<u>55,720,691</u>

**26 Project research funds**

Year ended 31 December 2014

	<u>Balance At 1 January 2014</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2014</u>
Office of Research, Innovation and Development (ORID)	16,122,507	26,070,588	(20,326,862)	21,866,233
Regional Institute of Population Studies (RIPS)	1,385,324	1,446,231	(1,990,616)	840,939
Institute of statistical, Social and Economic Research (ISSER)	6,233,259	12,953,488	(9,801,239)	9,385,508
School of Public Health (SPH)	6,643,200	11,880,900	(7,832,046)	10,692,054
College of Health Sciences (CHS)	1,102,838	527,611	(393,795)	1,236,654
Noguchi Memorial Institute of Medical Research (NMIMR)	16,580,223	25,010,194	(20,518,808)	21,071,609
University of Ghana Medical School	2,938,472	4,058,940	(4,230,086)	2,767,326
College of Agriculture and Consumer Sciences	<u>2,294,251</u>	<u>7,469,336</u>	<u>(4,146,429)</u>	<u>5,617,158</u>
	<u>53,300,074</u>	<u>89,417,288</u>	<u>(69,239,881)</u>	<u>73,477,481</u>



**NOTES (continued)**

Year ended 31 December 2013

	<u>Balance At 1 January 2013</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2013</u>
Office of Research, Innovation and Development (ORID)	11,813,502	21,919,802	(17,610,797)	16,122,507
Regional Institute of Population Studies (RIPS)	2,115,975	1,162,452	(1,893,103)	1,385,324
Institute of statistical, Social and Economic Research (ISSER)	9,339,039	6,065,168	(9,170,948)	6,233,259
School of Public Health (SPH)	2,571,890	8,983,630	(4,912,320)	6,643,200
College of Health Sciences (CHS)	753,256	1,306,218	(956,636)	1,102,838
Noguchi Memorial Institute of Medical Research (NMIMR)	10,835,571	19,446,425	(13,701,773)	16,580,223
University of Ghana Medical School	3,356,407	2,373,282	(2,791,217)	2,938,472
College of Agriculture and Consumer Sciences	<u>1,656,404</u>	<u>2,842,918</u>	<u>(2,205,071)</u>	<u>2,294,251</u>
	<u>42,442,044</u>	<u>64,099,895</u>	<u>(53,241,865)</u>	<u>53,300,074</u>

**Awards and memorial**

Year ended 31 December 2014

	<u>Balance At 1 January 2014</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2014</u>
Office of Research, Innovation and Development (ORID)	<u>2,215,566</u>	<u>798,591</u>	<u>(198,639)</u>	<u>2,815,518</u>

Year ended 31 December 2013

	<u>Balance At 1 January 2013</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2013</u>
Office of Research, Innovation and Development (ORID)	<u>1,816,565</u>	412,750	(13,749)	<u>2,215,566</u>

**Bursaries and financial aid**

Year ended 31 December 2014

	<u>Balance At 1 January 2014</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2014</u>
Student Financial Aid Office	<u>205,051</u>	<u>489,245</u>	<u>(537,119)</u>	<u>157,177</u>

Year ended 31 December 2013

	<u>Balance At 1 January 2013</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2013</u>
Student Financial Aid Office	<u>111,467</u>	597,151	(503,567)	205,051

NOTES (continued)

		Year ended 31 December	
		2014 GH¢	2013 GH¢
<b>27 Accumulated fund</b>			
Balance as at 1 January		45,565,453	52,074,729
(Deficit)/surplus for the Year		<u>(3,280,539)</u>	<u>(6,509,276)</u>
Balance as at 31 December		<u>42,284,914</u>	45,565,453
<b>28 General reserve fund</b>			
Balance at 1 January		4,377,366	4,248,818
Donations directly credited to reserves		6,527	130,502
Transfer to statement of financial performance		-	(1,954)
Balance at 31 December		<u>4,383,893</u>	<u>4,377,366</u>
<b>29 UG Endowment fund</b>			
Year ended 31 December 2014			
			Balance At 31
<b>Fund type</b>	<b>Balance At 1 January</b>	<b>Additions</b>	<b>December</b>
Investment in quoted securities	2,746,537	-	2,746,537
Capital gains	2,666,823	1,959,895	4,626,718
Investment in treasury bills	<u>427,253</u>	<u>94,447</u>	<u>521,700</u>
Total	<u>5,840,613</u>	<u>2,054,342</u>	<u>7,894,955</u>
Year ended 31 December 2013			
			Balance At 31
<b>Fund type</b>	<b>Balance At 1 January</b>	<b>Additions</b>	<b>December</b>
Investment in quoted securities	2,746,537	-	2,746,537
Capital gains	1,420,373	1,246,450	2,666,823
Investment in treasury bills	<u>335,389</u>	<u>91,864</u>	<u>427,253</u>
Total	<u>4,502,299</u>	<u>1,338,314</u>	<u>5,840,613</u>
<b>30 General and Special Research funds received</b>			
		Year ended 31 December	
		2014 GH¢	2013 GH¢
Project Funds (Note 26)		89,417,288	64,099,895
Bursaries and financial Aid (Note 26)		489,245	597,151
Awards and Memorial (Note 26)		798,591	412,750
General reserve (Note 28)		6,527	130,502
UG Endowment Fund (Note 29)		<u>94,447</u>	<u>91,864</u>
		<u>90,806,098</u>	<u>65,332,162</u>



## NOTES (continued)

### 31 General and Special Research funds used

Project Funds (Note 26)	69,239,881	53,241,865
Bursaries and financial Aid (Note 26)	537,119	503,567
Awards and Memorial (Note 26)	198,639	13,749
General reserve (Note 28)	-	1,954
	<u>69,975,639</u>	<u>53,761,135</u>

### 32 Cash generated from operations

	Year ended 31 December	
	2014 GH¢	2013 GH¢
Net (Deficit)/surplus	(3,280,539)	(6,509,276)
<b>Adjustments for:</b>		
Fixed assets written off (Note 10)	24,930,590	31,139,442
Proceeds from disposal of fixed assets	(165,307)	(28,884)
Interest income (Note 6)	(9,514,440)	(10,235,855)
Finance costs (Note 11)	10,892,348	10,109,569
(Increase)/decrease in accounts receivable excluding interest income receivable	(16,507,895)	1,256,093
(Increase)/ decrease in stock of consumables	(2,710,751)	1,980,740
Increase in employees personal accounts	(1,063,800)	(894,794)
Decrease /(increase) in students receivable	387,732	(45,969)
Increase / (decrease) in accounts payable excluding finance cost payable	31,077,827	(10,282,895)
(Decrease)/ increase in provisions for liabilities	<u>(43,347)</u>	<u>772,665</u>
Cash generated from operating activities	<u>34,002,418</u>	<u>17,260,836</u>

### 33 Contingent liabilities

#### UGEL Hostel Projects Loan

University of Ghana Enterprises Limited which is 100% owned by University of Ghana contracted a loan facility amounting to GH¢43 million from a consortium of six banks. The University acted as the guarantor of the loan. The loans were approved in two tranches, first tranche amounting to GH¢26 million was approved on 28 February 2008 whilst the second tranche was approved on 14 October 2010 to finance the construction of hostels on University of Ghana campus. The lead arranger was Cal Bank Limited. The facility commitment of each bank is as follows:

Financial Institution	Amount (GH¢)
Cal Bank Limited	17,000,000
Agricultural Development Bank Limited	10,000,000
Ecobank Ghana Limited	8,000,000
SG-SSB Limited	5,000,000
Fidelity Bank Limited	2,000,000
International Commercial Bank Limited	<u>1,000,000</u>
<b>Total</b>	<u>43,000,000</u>

**NOTES (continued)**

The outstanding balance as at 31 December 2014 was **GH¢165,958,342** (31 December 2013 GH¢129,639,011)

**Pending Legal Suits**

There are certain pending legal suits against the University as at the reporting date. The Council is of the opinion that the cases when finally determined will not result in any material financial impact on the University.