

UNIVERSITY OF GHANA



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

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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
Professor Kodzo Gavua
Mr. Alfred Quartey
Mr. J.A.Y. Klinogo
Mr. Richard Kwame Asante
Professor Mahama Duwiejua
Mrs. Eileen Odartei-Laryea
Dr. Max Price
Dr. Esther Ofei - Aboagye
Mr. Samuel Ofori-Adjei
Mr. Kwesi Yankey
Mr. Justice Musah Issah Surugu
Mr. Davis Ohene Fobi
Dr. Langbong Bimi
Mr. K. Botchway

Chairman
Vice-Chancellor

Independent auditor

PricewaterhouseCoopers
Chartered Accountants
No. 12 Airport City
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PMB CT 42
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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 2015, 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 presents in all material respects 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 modified cash basis of accounting.

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 surplus for the year of **GH¢588,305** whilst the Balance Sheet on page 6 shows accumulated fund at the end of the period of **GH¢42,873,219**.

Auditor

PricewaterhouseCoopers was appointed by the Auditor-General of the Republic of Ghana under article 187(2) of the 1992 Constitution to conduct the audit of the University for the year ended 31 December 2015. 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 25. These financial statements comprise the balance sheet as at 31 December 2015, 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 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 of the 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 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 2015 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

30 June 2016



STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2015 GH¢	2014 GH¢
INCOME			
Government subvention and grants	2	232,141,520	190,627,849
Academic fees and other student charges	3	128,459,039	107,820,155
Research grants and contracts	26	104,445,152	69,239,881
Bursaries and financial aid	4	675,288	537,119
Interest income	5	10,221,004	9,514,440
Other income	6	48,057,533	39,447,264
Total income		523,999,536	417,186,708
EXPENDITURE			
Personnel costs	7	236,181,292	211,579,328
Other operating expenses	8	140,411,787	103,453,288
Research grants and contracts expenses	9	104,445,152	69,239,881
Bursaries and financial aid	4	675,288	537,119
Fixed assets written off	10	28,673,880	24,930,590
Finance costs	11	13,289,447	10,892,348
Total expenditure		523,676,846	420,632,554
Surplus/(deficit) for the year		322,690	(3,445,846)
Proceeds from disposal of fixed assets		265,615	165,307
Surplus/(deficit) for the year transferred to accumulated fund		588,305	(3,280,539)

The notes on pages 8 to 25 are an integral part of these financial statements.

BALANCE SHEET

		As at 31 December	
	Notes	2015 GH¢	2014 GH¢
ASSETS			
Non-Current Assets			
Unquoted securities	12	19,094,564	19,094,564
Quoted securities	13	<u>5,920,294</u>	<u>7,385,136</u>
		<u>25,014,858</u>	<u>26,479,700</u>
Current Assets			
Stocks of consumables	14	7,452,784	6,569,707
Accounts receivable	15	72,131,479	65,954,804
Employees personal accounts	16	3,039,823	4,100,791
Students fees receivable	17	9,974,888	8,805,647
Short term investments	18	90,596,797	70,303,872
Cash and bank balances	19	<u>105,095,976</u>	<u>65,958,587</u>
		<u>288,291,747</u>	<u>221,693,408</u>
Current Liabilities			
Bank overdrafts	20	20,840,283	26,735,419
Accounts payable and accrued liabilities	22	101,821,127	63,965,928
Provisions for liabilities and charges		513,000	1,206,116
Borrowings	24	<u>10,016,600</u>	<u>9,555,446</u>
		<u>133,191,010</u>	<u>101,462,909</u>
Net Current Assets		<u>155,100,737</u>	<u>120,230,499</u>
Non current liabilities			
Borrowings	24	25,228,397	15,696,261
Restricted funds	25	<u>99,532,821</u>	<u>76,450,176</u>
		<u>124,761,218</u>	<u>92,146,437</u>
Net Assets		<u>55,354,377</u>	<u>54,563,762</u>
FINANCED BY:			
Accumulated fund	27	42,873,219	42,284,914
General reserve fund	28	6,575,016	4,383,893
UG Endowment fund	29	<u>5,906,142</u>	<u>7,894,955</u>
Total Funds		<u>55,354,377</u>	<u>54,563,762</u>

The financial statements on pages 5 to 25 were approved by the Council on 30 June 2016 and signed on their behalf by:

Vice Chancellor: 

Director of Finance: 

The notes on pages 8 to 25 are an integral part of these financial statements.

CASH FLOW STATEMENT

		Year ended 31 December	
	Notes	2015 GH¢	2014 GH¢
Cash generated from operating activities	32	65,068,996	34,002,418
Cash flows from investing activities			
Purchase of fixed assets	10	(28,673,880)	(24,930,590)
Proceeds from disposal of fixed assets		<u>265,615</u>	<u>165,307</u>
Net cash used in investing activities		<u>(28,408,265)</u>	<u>(24,765,283)</u>
Cash flows from financing activities			
Interest received		8,850,945	9,468,421
Finance cost paid		(13,758,509)	(9,732,243)
Borrowings drawdowns	24	26,977,977	6,058,068
Borrowings repaid	24	(18,679,462)	(8,686,848)
General and special research funds received	30	130,750,337	90,806,098
General and special research funds used	31	<u>(105,476,569)</u>	<u>(69,975,639)</u>
Net cash generated from financing activities		<u>28,664,719</u>	<u>17,937,857</u>
Net increase in cash and cash equivalents		65,325,450	27,174,992
Cash and cash equivalents at beginning of year		<u>109,527,040</u>	<u>82,352,048</u>
Cash and cash equivalents at end of year	21	<u>174,852,490</u>	<u>109,527,040</u>

The notes on pages 8 to 25 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) Unquoted securities

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 differences 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 statement of financial performance in the year that the cost is paid. 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. Income earned from investing restricted funds are credited to the relevant reserve account.

(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 securities

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

(k) Borrowings

Borrowings 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 borrowings 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 the University's operations. Changes in the value of the underlying assets are reflected in the fund.

(n) Pensions

The University has both a 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) Investment income

Investment income is recognised on a time proportion basis using the effective interest method.

NOTES (continued)

	Year ended 31 December	
	2015 GH¢	2014 GH¢
6 Other income		
Sale of other goods and services	19,367,277	16,773,394
Sale of farm produce	1,817,723	1,306,543
Technical service charge	2,711,457	2,683,393
Affiliate fees income	1,773,920	776,216
Print and other service income	129,384	202,021
Road toll	-	154,835
Proceeds from liquidation of endowment asset	521,700	-
Sundry income	21,736,072	17,550,862
	<u>48,057,533</u>	<u>39,447,264</u>
7 Personnel costs		
Emoluments	221,877,681	198,389,620
Pension payments	6,438,470	5,343,394
Book and research allowance	7,865,141	7,846,314
	<u>236,181,292</u>	<u>211,579,328</u>
The personnel costs have been analysed into academic and non academic costs in note 36.		
8 Other operating expenses		
Repairs and maintenance	33,136,851	25,714,155
Administrative and general expenses	40,509,412	22,065,563
Bulk utility	26,957,462	24,719,418
Staff welfare	8,727,050	6,933,812
Examination expenses	11,704,713	7,466,747
Admission expenses	6,614,433	5,008,449
Local travel costs	4,125,246	4,088,874
Selection and training	3,781,540	3,027,761
Foreign travel costs	2,391,661	2,207,444
Animal and crop production costs	896,537	469,874
Student welfare expenses	1,053,882	1,196,041
Audit fees	513,000	555,150
	<u>140,411,787</u>	<u>103,453,288</u>
The other operating expenses have been analysed into academic and non academic costs in note 36.		
9 Research grants and contracts expenses		
Personnel costs	32,632,625	22,779,892
Examination	35,184,049	26,083,816
Asset written off	9,119,636	3,544,475
Admin and general expenses	10,777,456	6,014,851
Foreign travel costs	5,135,368	3,182,298
Selection and training	5,334,163	4,096,151
Local travel costs	2,882,910	1,847,385
Bulk Utility services	598,903	167,246
Repairs and maintenance	692,231	446,669
Financial services	615,497	520,869
Staff welfare	312,471	298,058
Animal/crop production costs	1,159,843	258,171
	<u>104,445,152</u>	<u>69,239,881</u>

NOTES (continued)

10 Fixed assets

Year ended 31 December 2015

	Land and building GH¢	Plant and equipment GH¢	Other assets GH¢	Total GH¢
Purchases in the year	10,065,048	15,752,828	2,856,004	28,673,880
Write offs	(10,065,048)	(15,752,828)	(2,856,004)	(28,673,880)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Year ended 31 December 2014

	GH¢	GH¢	GH¢	GH¢
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)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Year ended 31 December

	2015 GH¢	2014 GH¢
11 Finance costs		
Interest and bank charges	11,594,672	9,403,904
Unrealised translation losses	1,694,775	1,488,444
	<u>13,289,447</u>	<u>10,892,348</u>
12 Unquoted securities		
Balance at 1 January	19,094,564	19,094,564
Additions	-	-
Balance at 31 December	<u>19,094,564</u>	<u>19,094,564</u>

Unquoted securities represents the University's investment in the shares of University of Ghana Enterprise Limited (UGEL). UGEL was incorporated on 24 September 2007 and is 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.

At the reporting date, an amount of GH¢12,110,143 (2014: GH¢7,101,726) was owed to UGEL by the University, representing hostel fees collected by the University on behalf of UGEL.

NOTES (continued)

13 Quoted securities

Year ended 31 December 2015

	Outstanding shares	Price per share	Total 2015	2014
Standard Chartered Bank	362,340	16.30	5,906,142	7,373,619
Enterprise Group	5,000	2.40	12,000	8,750
Guinness Ghana Brewery Ltd	107	1.99	213	343
Societe Generale Ghana	2,424	0.8	<u>1,939</u>	<u>2,424</u>
			<u>5,920,294</u>	<u>7,385,136</u>

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 Limited	107	3.21	343	663
Societe Generale Ghana	2,424	1	<u>2,424</u>	<u>1,818</u>
			<u>7,385,136</u>	<u>5,425,241</u>

As at 31 December

	2015	2014
Movement in quoted securities		
Balance at 1 January	7,385,136	5,425,241
Valuation (loss)/ gains	<u>(1,464,842)</u>	<u>1,959,895</u>
	<u>5,920,294</u>	<u>7,385,136</u>

14 Stocks of consumables

Stationary and general stores	6,480,724	5,733,982
Computer hardware	69,562	13,551
Food stock	46,962	45,223
Animal stock	<u>855,536</u>	<u>776,951</u>
	<u>7,452,784</u>	<u>6,569,707</u>

15 Accounts receivable

Subvention receivable	62,585,665	54,089,813
Sundry debtors	9,141,307	9,962,593
Provision for bad debts (other receivables)	<u>(2,867,950)</u>	-
Interest receivable on investments	<u>3,272,457</u>	<u>1,902,398</u>
	<u>72,131,479</u>	<u>65,954,804</u>

16 Employees personal accounts

Staff loans and advances	<u>3,039,823</u>	<u>4,100,791</u>
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17 Students fees receivable

Gross students fees receivable	14,273,568	9,269,102
Provision for impairment	<u>(4,298,680)</u>	<u>(463,455)</u>
Net Students fees receivable	<u>9,974,888</u>	<u>8,805,647</u>

NOTES (continued)

		Year ended 31 December	
		2015	2014
		GH¢	GH¢
18	Short term investments		
	Fixed deposit investment account	61,808,390	48,471,272
	Call investments account	2,808,533	1,815,992
	SRC T-Bill investment account	3,032,395	3,733,269
	Endowment assets in T-bill	-	537,186
	Other securities	22,947,479	15,746,153
		<u>90,596,797</u>	<u>70,303,872</u>
19	Cash and bank balances		
	Cash in hand	56,453	34,584
	Savings accounts	8,664,648	8,974,242
	Project bank accounts	65,572,628	39,219,504
	Current accounts	<u>30,802,247</u>	<u>17,730,257</u>
		<u>105,095,976</u>	<u>65,958,587</u>

20 Bank overdrafts

	Amount	Details	Date issued	Maturity
	GH¢			
Ghana Commercial Bank overdraft facility (Main University)	14,000,000	This facility was taken for the purpose of paying salaries. The applicable interest rate on the overdraft from GCB Bank is 28% (2014: 24%) per annum or at any other rate determined by the bank. The overdrafts are secured by a charge over Government subventions (note 2). At the end of the reporting period, the University had an outstanding overdraft of GH¢10,012,631 (2014: GH¢14,453,323).	24 July 2015	24 July 2016
Ecobank Ghana Limited overdraft facility (Main University)	11,000,000	This facility was taken for the purpose of paying salaries. The overdraft facility contracted from Ecobank Ghana Limited attracts interest at a rate of 25.95% (2014: 28.95%). The overdrafts are secured by a charge over Government subventions (note 2). At the end of the reporting date, an amount of GH¢10,490,670 (2014: GH¢12,282,096) was outstanding.	1 January 2015	31 December 2016

NOTES (continued)

20 Bank overdrafts (continued)

Amount	Details	Date issued	Maturity
Ecobank Ghana Limited overdraft facility (College of Education) 900,000	This facility was taken to finance payment of contractors for expansion works on Distant Learning Offices. The applicable interest rate on the overdraft is the Ecobank Ghana Limited base rate as announced from time to time, plus a spread of 12% per annum payable monthly. The overdraft was secured over the University of Ghana College of Education's allocated school fees. As at the year end, the college had an outstanding amount of GH¢336,982.	21 July 2015	Twenty five months from the date of commencement.

21 Cash and cash equivalents

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

	Year ended 31 December	
	2015 GH¢	2014 GH¢
Cash and bank balances (Note 19)	105,095,976	65,958,587
Bank overdraft (Note 20)	(20,840,283)	(26,735,419)
Short term investments (Note 18)	90,596,797	70,303,872
	<u>174,852,490</u>	<u>109,527,040</u>

22 Accounts payable and accrued liabilities

Salary related payables	21,434,443	4,146,525
Interest payable	378,777	2,018,643
Related party (UGEL)	12,110,143	7,101,726
Other payables	67,897,764	50,699,034
	<u>101,821,127</u>	<u>63,965,928</u>

23 Related party transactions

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

Balance due UGEL at 1 January	7,101,726	4,408,511
Residential user fees collected by University of Ghana on behalf of UGEL	13,709,872	12,786,047
Expenditure paid on behalf of UGEL	(8,701,455)	(10,092,832)
Amounts due to UGEL	<u>12,110,143</u>	<u>7,101,726</u>

NOTES (continued)

24 Borrowings

Year ended 31 December 2015

	Balance at 1 January	Drawdowns	Repayments	Exchange differences	Balance at 31 December
HFC-ISL UG Bonds	6,600,000	13,831,959	(4,600,000)	323,391	16,155,350
HFC-ISL UG Road Toll Bond	8,000,000	-	(8,000,000)	-	-
Prudential Bank loan	3,457,509	-	(992,157)	577,686	3,043,038
Borrowing from restricted fund	3,197,000	-	(2,725,703)	793,698	1,264,995
GCB interest free loan	2,449,595	367,504	(584,803)	-	2,232,296
GCB Term Loan Account	-	12,000,000	(1,168,471)	-	10,831,529
SCB-UG Vehicle Loan Facility	1,547,603	778,514	(608,328)	-	1,717,789
Total	<u>25,251,707</u>	<u>26,977,977</u>	<u>(18,679,462)</u>	<u>1,694,775</u>	<u>35,244,997</u>
Current portion	<u>9,555,446</u>				<u>10,016,600</u>
Non current portion	<u>15,696,261</u>				<u>25,228,397</u>

Year ended 31 December 2014

	Balance at 1 January	Drawdowns	Repayments	Exchange differences	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	<u>1,543,364</u>				<u>9,555,446</u>
Non current portion	<u>24,848,679</u>				<u>15,696,261</u>

NOTES (continued)

24 Borrowings (continued)

HFC-ISL UGBS Bond (GH¢)

This is a 5 year facility of GH¢5,000,000 arranged by HFC Investment Services Limited on 30 May 2012 for University of Ghana Business School for the construction of the University of Ghana Business School (Graduate Block). It attracts interest at the rate of Government of Ghana 182 Treasury bill rate plus 650 basis points (computed semi-annually). The facility is secured over students fees. The total amount outstanding as at 31 December 2015 was GH¢2,000,000 (2014: GH¢5,000,000)

HFC-ISL Science Equipment Bond (US\$)

This is a 5 year facility of US\$5,000,000 arranged by HFC Investment Services Limited on 30 January 2015 to finance the procurement of modern laboratory equipment for the Science Colleges (College of Basic and Applied Science and College of Health Science). It attracts interest at the rate of 7% payable on semi-annual basis. As at 31 December 2015, a total amount of GH¢13,831,959 (US\$3,730,000) had been raised.

Prudential Bank loan

This is US Dollar facility of US\$1,500,000 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 Yiri lodge, all rental proceeds from the lodge and guarantee from the University of Ghana. The loan was rescheduled for 54 months on 17 December 2015.

Borrowing from restricted fund

A loan facility US\$1,000,000 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. The total amount outstanding at the reporting date was GH¢1,264,995 (2014: GH¢3,197,000).

GCB interest free loan

This is a 5 year facility contracted on 28 January 2014 with an approved limit of GH¢3,611,433 which 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¢2,232,296 had been disbursed to the contractors and recognised as loan.

GCB Term loan

The University contracted overdraft facility from GCB Bank limited for the purpose of paying salaries. The amount outstanding as at 31 December 2015 was GH¢14,453,323. The University converted part of its overdraft facility amounting to GH¢12,000,000 to a term loan on 24 July 2015. The term loan attracts interest at the rate of 28%. The term loan will be paid over 2 years, payable on quarterly basis.

NOTES (continued)

24 Borrowings (continued)

SCB-UG Vehicle Loan Facility

This is a 5 year loan facility contracted by the University of Ghana on 8 May 2012 to purchase vehicles. It attracts a variable interest rate at 17.5% per annum payable monthly in arrears. The facility is secured over the vehicles to be purchased which will be comprehensively insured in the joint names of the lender, Standard Chartered Bank and the University.

25 Restricted funds

Year ended 31 December 2015

<u>Fund type</u>	<u>Balance At 1 January 2015</u>	<u>Additions during the year</u>	<u>Used in the year</u>	<u>Balance At 31 December 2015</u>
Project funds (Note 26)	73,477,481	127,100,871	(104,445,152)	96,133,200
Bursaries and financial aid (Note 4)	157,177	1,013,105	(675,288)	494,994
Awards and memorial	<u>2,815,518</u>	<u>445,238</u>	<u>(356,129)</u>	<u>2,904,627</u>
	<u>76,450,176</u>	<u>128,559,214</u>	<u>(105,476,569)</u>	<u>99,532,821</u>

Year ended 31 December 2014

<u>Fund type</u>	<u>Balance At 1 January 2014</u>	<u>Additions during the year</u>	<u>Used in the year</u>	<u>Balance At 31 December 2014</u>
Project funds (Note 26)	53,300,074	89,417,288	(69,239,881)	73,477,481
Bursaries and financial aid (Note 4)	205,051	489,245	(537,119)	157,177
Awards and memorial	<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>

Awards and memorial

Year ended 31 December 2015

	<u>Balance At 1 January 2015</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Balance At 31 December 2015</u>
Office of Research, Innovation and Development (ORID)	<u>2,815,518</u>	<u>445,238</u>	<u>(356,129)</u>	<u>2,904,627</u>

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>

NOTES (continued)

26 Project research funds

Year ended 31 December 2015

	Balance At 1 January 2015	Received in the year	Transfer to income for the year	Balance At 31 December 2015
Office of Research, Innovation and Development (ORID)	21,866,233	37,711,467	(28,257,625)	31,320,075
Regional Institute of Population Studies (RIPS)	840,939	4,136,408	(2,519,918)	2,457,429
Institute of statistical, Social and Economic Research (ISSER)	9,385,508	20,329,689	(16,236,503)	13,478,694
School of Public Health (SPH)	10,692,054	16,304,666	(12,127,960)	14,868,760
College of Health Sciences (CHS)	1,236,654	1,164,672	(289,497)	2,111,829
Noguchi Memorial Institute of Medical Research (NMIMR)	21,071,609	25,304,391	(30,230,050)	16,145,950
University of Ghana Medical School	2,767,326	3,402,539	(5,814,236)	355,629
College of Agriculture and Consumer Sciences	5,617,158	14,623,061	(8,592,749)	11,647,470
University of Ghana Business School/Others	-	4,123,978	(376,614)	3,747,364
	<u>73,477,481</u>	<u>127,100,871</u>	<u>(104,445,152)</u>	<u>96,133,200</u>

Year ended 31 December 2014

	Balance At 1 January 2014	Received in the year	Transfer to income for the year	Balance At 31 December 2014
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	
		2015 GH¢	2014 GH¢
27 Accumulated fund			
Balance as at 1 January		42,284,914	45,565,453
Surplus/ (deficit) for the Year		<u>588,305</u>	<u>(3,280,539)</u>
Balance as at 31 December		<u>42,873,219</u>	<u>42,284,914</u>
28 General reserve fund			
Balance at 1 January		4,383,893	4,377,366
Funds received in the year		<u>2,191,123</u>	<u>6,527</u>
Balance at 31 December		<u>6,575,016</u>	<u>4,383,893</u>
29 UG Endowment fund			
Balance at 1 January		7,894,955	5,840,613
Funds received in the year		-	94,447
Changes in the value of assets		(1,467,113)	1,959,895
Treasury bill investment liquidated		<u>(521,700)</u>	<u>-</u>
Balance at 31 December		<u>5,906,142</u>	<u>7,894,955</u>
At the end of the reporting period, the endowment fund had been invested in the following assets:			
Quoted securities		5,906,142	7,373,255
Treasury bill investments		<u>-</u>	<u>521,700</u>
Balance at 31 December		<u>5,906,142</u>	<u>7,894,955</u>
The proceeds from the liquidation of the treasury bills were used to support the general operations of the University (Note 6)			
30 General and special research funds received			
Project Funds (Note 26)		127,100,871	89,417,288
Bursaries and financial Aid (Note 4)		1,013,105	489,245
Awards and Memorial (Note 25)		445,238	798,591
General reserve (Note 28)		2,191,123	6,527
UG Endowment Fund		<u>-</u>	<u>94,447</u>
		<u>130,750,337</u>	<u>90,806,098</u>

NOTES (continued)

	Year ended 31 December	
	2015 GH¢	2014 GH¢
31 General and special research funds used		
Project Funds (Note 26)	104,445,152	69,239,881
Bursaries and financial Aid (Note 4)	675,288	537,119
Awards and Memorial (Note 25)	<u>356,129</u>	<u>198,639</u>
	105,476,569	69,975,639
32 Cash generated from operations		
Surplus/(deficit) for the year	588,305	(3,280,539)
Adjustments for:		
Fixed assets written off (Note 10)	28,673,880	24,930,590
Proceeds from disposal of fixed assets	(265,615)	(165,307)
Interest income (Note 5)	(10,221,004)	(9,514,440)
Finance costs (Note 11)	13,289,447	10,892,348
Increase in accounts receivable excluding interest income receivable	(4,806,616)	(16,507,895)
Increase in stock of consumables	(883,077)	(2,710,751)
Decrease/ (increase) in employees personal accounts	1,060,968	(1,063,800)
(Increase)/decrease in students receivable	(1,169,241)	387,732
Increase in accounts payable excluding interest payable	39,495,065	31,077,827
Decrease in provisions for liabilities	<u>(693,116)</u>	<u>(43,347)</u>
Cash generated from operating activities	65,068,996	34,002,418

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, the 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>
Total	<u>43,000,000</u>

NOTES (continued)

33 Contingent liabilities (continued)

Outstanding balance as at 31 December 2015 was GH¢211,718,663 (2014: GH¢165,958,342).

During 2014, the Ministry of Finance wrote to inform the lenders of Government of Ghana's takeover of the indebtedness of UGEL. The lenders have instituted a suit against the University to recover the amount owed by UGEL. The case has not yet been determined.

Asphaltic overlay contract

The University signed a contract with USSUYA Ghana Limited on 25 August 2015 for asphaltic overlay of roads within University of Ghana Campus. The contract is valued at GH¢20,922,116 and it is expected to be completed within 18 months from the date of commencement. The project commenced on 25 August 2015. The original terms of the contract requires that the University make a payment of not more than GH¢2 million on monthly basis over the duration of the project. As at 31 December 2015, interim payment certificate of GH¢2,374,676 had not been paid.

34 Commitments

Concession agreement with Africa Intergras

The University signed a concession agreement with Africa Intergras with an expected investment of US\$64million on 8 July 2014. The construction is expected to be completed in September 2017. It will involve the construction of an expanded facility for the College of Humanities, a new College of Education, a new dedicated facility for the College of Basic and Applied Sciences and the Institute of Technology and Applied Science, as well as a new facility for the College of Health Sciences. The project will also involve the construction of new students hostel beds.

The amended and restated concession agreement dated 15 September 2015 requires that the University deposit an amount of GH¢17 million (US\$4 million) into the Rent Reserve Account established by the concessionaire. The payment of US\$3.5 million was made into the reserve account on 9 March 2016.

35 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.

NOTES (continued)

36 Analysis of personnel costs and other operating expenses by function

	Year ended 31 December 2015			Year ended 31 December 2014		
	Academic related GH¢	Non academic related GH¢	Total GH¢	Academic related GH¢	Non academic related GH¢	Total GH¢
Note 7 Personnel costs						
Emoluments	124,772,002	97,105,679	221,877,681	108,845,437	89,544,183	198,389,620
Pension payments	-	6,438,470	6,438,470	-	5,343,394	5,343,394
Book and research allowance	6,671,741	1,193,400	7,865,141	6,753,596	1,092,718	7,846,314
	<u>131,443,743</u>	<u>104,737,549</u>	<u>236,181,292</u>	<u>115,599,033</u>	<u>95,980,295</u>	<u>211,579,328</u>
Note 8 Other Operating expenses						
Repairs and maintenance	5,041,363	28,095,488	33,136,851	6,222,727	19,491,428	25,714,155
Administrative and general expenses	29,864,891	10,644,521	40,509,412	13,408,280	8,657,283	22,065,563
Bulk utility	11,052,559	15,904,903	26,957,462	10,134,961	14,584,457	24,719,418
Staff welfare	3,831,300	4,895,750	8,727,050	2,344,384	4,589,428	6,933,812
Examination expenses	11,704,713	-	11,704,713	7,466,747	-	7,466,747
Admission expenses	6,614,433	-	6,614,433	5,008,449	-	5,008,449
Local travel costs	2,436,614	1,688,632	4,125,246	2,232,352	1,856,522	4,088,874
Selection and training	2,957,621	823,919	3,781,540	2,314,848	712,913	3,027,761
Foreign travel costs	1,614,438	777,223	2,391,661	1,584,944	622,500	2,207,444
Animal and crop production costs	896,537	-	896,537	469,874	-	469,874
Students welfare expenses	1,053,882	-	1,053,882	1,196,041	-	1,196,041
Audit fees	-	513,000	513,000	-	555,150	555,150
	<u>77,068,351</u>	<u>63,343,436</u>	<u>140,411,787</u>	<u>52,383,607</u>	<u>51,069,681</u>	<u>103,453,288</u>