



**UNIVERSITY
OF GHANA**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

University of Ghana
Annual Report
Year ended 31 December 2018

Table of contents	Pages
Corporate Information	1 - 2
Council's Report	3 - 4
Independent Auditor's Report	5 - 8
Financial Statements	
Statement of Financial Performance	9
Statement of Financial Position	10
Statement of Cash Flows	11
Statement of Changes in Net Assets	12 – 13
Notes to the Financial Statements	14 - 102

CORPORATE INFORMATION

Council members	Professor Yaw Twumasi Professor Ebenezer Oduro Owusu Dr. Ama Essel Professor Akua Kuenyehia Professor Yaa Ntiamoah-Baidu Professor Baffour Agyeman-Duah Mr. Reindorf Baah Perbi Ms. Abena Amoah Mrs. Rosalind Awovi Kudoadzi Mrs. Vesta Akosua Adutwumwaa Nunoo Professor Kwaku Tano-Debrah Mrs. Cynthia Adu Mrs. Anastasia Thomford Okyere Mr. Richard Obeng Okrah Dr. Harry Lawson Agbanu Mr. Sylvester Owusu Amoako Mr. Rock Ashley Mr. Kenneth Botchway Prof. Mohammed Salifu	Government Appointee/Chairman Vice-Chancellor/Member Government Appointee Government Appointee Government Appointee Government Appointee Council Appointee/Member Council Appointee/Member Council Appointee/Member Council Appointee/Member Representing Convocation/Member Representing Convocation/Member Representing CHASS/Member Representing the Alumni/Member Representing UTAG/Member Representing SRC/Member Representing GRASAG/Member Representing TEWU/Member Representing NCTE/Member
Solicitors	Azizbamba & Associates No. 5, Nii Torgbor Avenue Link Near Pekan Hotel East Legon, Accra	Bentsi-Enchill, Letsa & Ankomah 4 Momotse Avenue, Adabraka P.O. Box GP 1632 Accra
	Amenuvor & Associates # 8 Nii Odartey Osro Street (Front Line Capital Advisors Building) Osu Kuku Hill Osu, Accra	LithurBrew & Company No. 110B 1st Kade Close P.O. Box CT 3865 Accra

CORPORATE INFORMATION (continued)

Registered office University of Ghana
P.O. Box LG 25 Legon
Accra

Independent auditor Ghana Audit Service
P. O. Box M. 96
Accra

Bankers Access Bank Ghana Limited
ADB Bank Limited
Bank of Ghana
Bank of Africa Ghana Limited
BSIC Ghana Limited
Barclays Bank of Ghana Limited
CAL Bank Limited
Citibank - USA
Ecobank Ghana Limited
Fidelity Bank Ghana Limited
First National Bank Ghana Limited
GCB Bank Limited
Guaranty Trust Bank (Ghana) Limited
HFC Bank Ghana Limited
Prudential Bank Limited
Société Générale Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana Limited
UniBank Ghana Limited
United Bank for Africa Ghana Limited
Universal Merchant Bank Ghana Limited
Zenith Bank Ghana Limited
Citizens Bank - USA
Ghana International Bank - UK

COUNCIL'S REPORT

The Council of the University of Ghana (“the University”) submits its report together with the audited financial statements of the University for the year ended 31 December 2018.

Statement of the Council’s responsibilities

The Council is responsible for the preparation and fair presentation of the financial statements comprising the statements of financial position as at 31 December 2018, the statements of financial performance; the statements of changes in net assets; statements of 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 Public Sector Accounting Standards (IPSAS) and the University of Ghana Act, 2010 (Act 806).

The Council’s responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from 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 Council has made an assessment of the University’s ability to continue as a going concern and has no reason to believe the University will not be a going concern.

Principal activities

The principal activities of the University are providing higher education, undertaking research, disseminating knowledge and fostering relationships with outside persons and bodies.

Results for the year

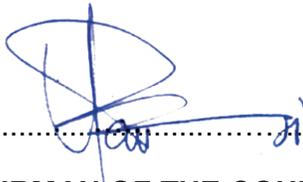
	Consolidated	Consolidated	The University	The University
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
	GH¢'m	GH¢'m	GH¢'m	GH¢'m
Surplus/(Deficit) for the year	66.43	(505.99)	62.47	(219.55)
Total assets	15,511.66	15,437.61	15,208.09	15,133.84
Total liabilities	1,349.19	1,346.97	804.33	797.96

COUNCIL'S REPORT (continued)

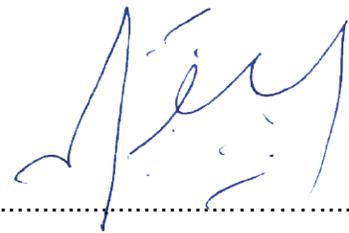
Adoption of International Public Sector Accounting Standards (IPSAS)

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS).

By order of the Council



CHAIRMAN OF THE COUNCIL



VICE-CHANCELLOR



University of Ghana

Independent Auditor's Report to the Members of the Governing Council

Report on the Audit of the University of Ghana's Financial Statements

Our opinion

We have audited the financial statements of the University of Ghana (the "University") and its subsidiaries (together the "Consolidated") which comprise the separate and consolidated statements of financial position as at 31 December 2018, the separate and consolidated statements of financial performance, the separate and consolidated statements of changes in net assets, the separate and consolidated statements of cash flows, and the notes to the separate and consolidated financial statements as set out on pages 9 to 102 including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of University of Ghana (the "University") and its subsidiaries (together the "Consolidated") as at 31 December 2018, its financial performance and cash flows of the University standing alone and the Consolidated for the year ended in accordance with Public Sector Accounting Standards (IPSAS) and in the manner required by the University of Ghana Act, 2010 (Act 806).

Basis for opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the University and its subsidiary entities in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to the audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independent Auditor's Report to the Members of the Governing Council
(continued)*

***Report on the Audit of the University of Ghana's Financial Statements
(continued)***

Other information

The Council of the University is responsible for the other information. The other information comprises the Council's report. The other information does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council for the financial statements

The Council is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by 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.

In preparing the separate and consolidated financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. The Council is responsible for overseeing the University's financial reporting process.

***Report on the Audit of the University of Ghana's Financial Statements
(continued)***

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercise professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 University's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council;

*Independent Auditor's Report to the Members of the Governing Council
(continued)*

***Report on the Audit of the University of Ghana's Financial Statements
(continued)***

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.



JOHN GODFRED KOJO ADDISON
ASST. AUDITOR-GENERAL/CAD
for: AUDITOR-GENERAL

29 September 2020

University of Ghana
Financial statements
for the year ended 31 December 2018

CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL PERFORMANCE

(All amounts are expressed in millions of Ghana Cedis unless otherwise stated)

	Notes	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
REVENUE					
Revenue from non-exchange transactions					
Government subvention and grants	6	336.44	301.50	336.44	301.50
Research grants and contracts	7	143.84	149.00	143.84	149.00
Bursaries and financial aid	8	3.69	0.93	3.69	0.93
Revenue from other non-exchange transactions	9	1.00	0.85	1.00	0.85
		484.97	452.28	484.97	452.28
Revenue from exchange transactions					
Academic fees and other student charges	10	170.57	166.63	170.57	166.63
Interest income	11a	14.47	16.26	14.47	16.26
Revenue from other exchange transactions	11b	77.56	75.89	62.32	61.48
		262.60	258.78	247.36	244.38
Total revenue		747.58	711.06	732.33	696.66
EXPENSES					
Employee benefits cost	12	277.78	350.03	273.76	346.57
Operating expenses	13a	238.15	206.67	232.93	197.55
Legal settlement on contract termination	13b	-	176.21	-	176.21
Research grants and contracts expenses	14	126.98	141.17	126.98	141.17
Bursaries and financial aid	8	3.69	0.93	3.69	0.93
Finance costs	15	9.93	309.36	9.93	21.39
Depreciation and amortisation	16,20	23.28	32.68	22.56	32.38
Total expenses		679.81	1,217.05	669.85	916.20
Share of associate's surplus/(deficit)	24	(0.02)	(0.01)	(0.02)	(0.01)
Surplus/(deficit) before tax		67.75	(505.99)	62.47	(219.55)
Taxation		(1.32)	-	-	-
Surplus/(deficit) for the year		66.43	(505.99)	62.47	(219.55)
Attributable to:					
Owners of the controlling entity		66.43	(505.99)	62.47	(219.55)
Non-controlling interests		-	-	-	-
		66.43	(505.99)	62.47	(219.55)

The notes on pages 14 to 102 are an integral part of these financial statements.

University of Ghana
Financial statements
for the year ended 31 December 2018

CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in millions of Ghana Cedis unless otherwise stated)

	Notes	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
ASSETS					
Non-current assets					
Property, plant and equipment	16	14,998.40	15,013.80	14,675.73	14,690.93
Investment properties	18	51.30	47.00	51.30	47.00
Non-current deposits	19	20.05	18.86	20.05	18.86
Intangible assets	20	0.39	0.42	0.39	0.42
Quoted securities	21	8.89	9.17	8.89	9.17
Investment in subsidiary	22	-	-	0.00	0.00
Due from related parties	23	-	-	19.09	19.09
Investment in associate	24	1.51	1.61	1.51	1.61
Total non-current assets		15,080.55	15,090.86	14,776.98	14,787.09
Current Assets					
Inventories	25	14.16	10.18	14.16	10.18
Receivables from exchange transactions	26a	63.50	51.88	63.50	51.87
Receivables from non-exchange transactions	26b	178.66	131.31	178.66	131.31
Investments	27	51.44	78.27	51.44	78.27
Cash and cash equivalents	28	123.36	75.12	123.36	75.12
Total current assets		431.11	346.75	431.11	346.75
Total assets		15,511.66	15,437.61	15,208.09	15,133.84
LIABILITIES					
Non-current liabilities					
Borrowings	29	4.01	8.57	4.01	8.57
Restricted funds	30	131.67	107.92	131.67	107.92
Employee benefit obligation	31	55.65	106.97	55.65	106.97
Provisions	32	111.76	103.89	111.76	103.89
Deferred tax	33	43.42	42.10	-	-
Total non-current liabilities		346.50	369.45	303.08	327.35
Current liabilities					
Borrowings	29	532.17	539.31	8.80	15.94
Due to related parties	34	-	-	22.51	17.38
Accounts payable and accrued liabilities	35	235.48	220.50	234.90	219.58
Provisions	32	235.03	217.72	235.03	217.72
Total current liabilities		1,002.69	977.53	501.25	470.61
Total liabilities		1,349.19	1,346.97	804.33	797.96
Net Assets		14,162.48	14,090.64	14,403.76	14,335.88
NET ASSETS					
Accumulated fund	38a	(529.42)	(595.85)	(288.14)	(350.61)
General reserve fund	38b	7.38	6.92	7.38	6.92
UG Endowment fund	38b	9.80	9.15	9.80	9.15
Revaluation Reserves	38c	14,674.72	14,670.42	14,674.72	14,670.42
Total net assets		14,162.48	14,090.64	14,403.76	14,335.88

The accompanying notes on pages 14 to 102 form an integral part of these consolidated financial statements.

The Financial Statements were approved by Council on 24 September 2020 and signed on its behalf by:


Vice-Chancellor


Ag. Director of Finance

University of Ghana
Financial statements
for the year ended 31 December 2018

STATEMENT OF CASH FLOWS

(All amounts are expressed in millions of Ghana Cedis unless otherwise stated)

	Notes	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Cash flows from operating activities	36	17.90	63.03	17.37	62.48
Cash flows from investing activities					
Purchase of property, plant and equipment	16	(7.85)	(53.79)	(7.33)	(53.24)
Purchase of intangible assets	20	(0.00)	(0.08)	(0.00)	(0.08)
Purchase of investments	27	26.84	(12.94)	26.84	(12.94)
Net cash used in investing activities		18.98	(66.81)	19.50	(66.25)
Cash flows from financing activities					
Borrowings drawdowns	29	0.42	3.84	0.42	3.84
Borrowings repaid	29	(13.26)	(15.13)	(13.26)	(15.13)
Receipts in general reserve fund	38b	0.46	0.69	0.46	0.69
Restricted funds received	30b	154.47	138.51	154.47	138.51
Restricted funds used	30b	(130.73)	(142.21)	(130.73)	(142.21)
Net cash used in financing activities		11.36	(14.31)	11.36	(14.31)
Net increase/(decrease) in cash and cash equivalents		48.24	(18.09)	48.24	(18.09)
Cash and cash equivalents at beginning of year	28	75.12	93.20	75.12	93.20
Cash and cash equivalents at end of year	28	123.36	75.12	123.36	75.12

The notes on pages 14 to 102 are an integral part of these financial statements.

University of Ghana
Financial statements
for the year ended 31 December 2018

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN NET ASSETS

(All amounts are expressed in millions of Ghana Cedis unless otherwise stated)

Consolidated

Year ended 31 December 2018

	Notes	Attributable to owners of controlling entity				Total net asset/equity
		Accumulated surplus/(deficit)	Revaluation reserves	General reserve	UG Endowment	
Opening balance as at 1 January		(595.85)	14,670.42	6.92	9.15	14,090.64
Surplus/(deficit) for the year		66.43	-	-	-	66.43
Funds received	38b	-	-	0.46	-	0.46
Valuation gain/(loss)	38b	-	4.30	-	0.65	4.95
Balance at 31 December		(529.42)	14,674.72	7.38	9.80	14,162.48

Year ended 31 December 2017

	Notes	Attributable to owners of controlling entity				Total net asset/equity
		Accumulated surplus/(deficit)	Revaluation reserves	General reserve	UG Endowment	
Opening balance as at 1 January		85.93	-	6.23	4.41	96.57
Measurement of PPE at deemed cost in accordance with IPSAS 33 excluding biological assets	16	-	14,648.01	-	-	14,648.01
Measurement of investment property at deemed cost in accordance with IPSAS 33	18	45.34	-	-	-	45.34
Recognition of net investment in associate	24	1.70	-	-	-	1.70
Measurement of biological assets at deemed cost in accordance with IPSAS 33	16	-	20.94	-	-	20.94
Measurement of intangible assets at deemed cost in accordance with IPSAS 33	20	-	1.47	-	-	1.47
Recognition of 2017/2018 deferred student fees	39	(50.46)	-	-	-	(50.46)
Recognition of ex-gratia provision	39	(92.75)	-	-	-	(92.75)
Recognition of GUSSS liability	39	(79.62)	-	-	-	(79.62)
Restated opening balance as at 1 January		(89.86)	14,670.42	6.23	4.41	14,591.20
Deficit for the year		(505.99)	-	-	-	(505.99)
Funds received	38b	-	-	0.69	-	0.69
Valuation gain	38b	-	-	-	4.74	4.74
Balance at 31 December		(595.85)	14,670.42	6.92	9.15	14,090.64

University of Ghana
Financial statements
for the year ended 31 December 2018

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)

(All amounts are expressed in millions of Ghana Cedis unless otherwise stated)

The University

Year ended 31 December 2018

	Notes	Attributable to owners of controlling entity			Total net asset/equity	
		Accumulated surplus/(deficit)	Revaluation reserves	General reserve		UG Endowment
Opening balance as at 1 January		(350.61)	14,670.42	6.92	9.15	14,335.88
Surplus/(deficit) for the year		62.47	-	-	-	62.47
Funds received		-	-	0.46	-	0.46
Valuation gain/(loss)		-	4.30	-	0.65	4.95
Balance at 31 December		(288.14)	14,674.72	7.38	9.80	14,403.76

Year ended 31 December 2017

	Notes	Attributable to owners of controlling entity			Total net asset/equity	
		Accumulated surplus/(deficit)	Revaluation reserves	General reserve		UG Endowment
Opening balance as at 1 January		44.73	-	6.23	4.41	55.37
Measurement of PPE at deemed cost in accordance with IPSAS 33 excluding biological assets	16	-	14,648.01	-	-	14,648.01
Measurement of investment property at deemed cost in accordance with IPSAS 33	18	45.34	-	-	-	45.34
Recognition of net investment in associate	24	1.70	-	-	-	1.70
Measurement of biological assets at deemed cost in accordance with IPSAS 33	16	-	20.94	-	-	20.94
Measurement of intangible assets at deemed cost in accordance with IPSAS 33	20	-	1.47	-	-	1.47
Recognition of 2017/2018 deferred student fees	39	(50.46)	-	-	-	(50.46)
Recognition of ex-gratia provision	39	(92.75)	-	-	-	(92.75)
Recognition of GUSSS liability	39	(79.62)	-	-	-	(79.62)
Restated opening balance as at 1 January		(131.06)	14,670.42	6.23	4.41	14,550.00
Deficit for the year		(219.55)	-	-	-	(219.55)
Funds received		-	-	0.69	-	0.69
Valuation gain		-	-	-	4.74	4.74
Balance at 31 December		(350.61)	14,670.42	6.92	9.15	14,335.88

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES

1. General information

University of Ghana is a public University which was founded as the University College of the Gold Coast by Ordinance on 11 August 1948. In 2010, it was established by an Act of Parliament, University of Ghana Act, 2010 (Act 806) with the aim to provide higher education, undertake research, disseminate knowledge and foster relationships with outside persons and bodies in accordance with laid down principles.

2. Summary of significant accounting policies

Prior to 2017 financial year end, the Council applied the modified cash basis of accounting as the basis for the preparation of the financial statements. However, on 1 January 2017, the Council adopted International Public Sector Accounting Standards as its financial reporting framework unless otherwise stated. These financial statements comprise of the activities of the University as a stand-alone entity and its controlled entities together, the Consolidated.

2.1 Basis of preparation

The consolidated financial statements of the University of Ghana have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), and the requirements of the University of Ghana Act, 2010 (Act 806). The financial statements have been prepared on a historical cost basis, except for the following where the Council of the University used fair value as the deemed cost as permitted by IPSAS 33 for first time adopters:

- (a) property, plant and equipment; (b) investment property;
- (c) defined benefit pension plan; and (d) biological assets.

In the absence of an International Public Sector Accounting Standard that specifically applies to a transaction, other event or condition, management uses its judgement in developing and applying an accounting policy that results in information that is relevant to the decision-making needs of users of the University's financial statements.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires the Council to exercise judgement in the process of applying the University's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.2 Consolidation

The financial statements of subsidiaries used to prepare the consolidated financial statements were prepared as of the parent entity's reporting date. The accounting policies of subsidiaries that are consolidated by the group conform to those of the parent entity.

(a) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date - i.e. when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(b) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases. The financial statements of the subsidiary used to prepare the consolidated financial statements were prepared as of the University's reporting date.

(c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any retained interest in the entity is measured at fair value with the change in carrying amount recognised in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(d) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses (except foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Profits and losses resulting from transactions between the Group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(f) Separate financial statements

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost also includes direct attributable costs of investment.

NOTES (continued)

2 Summary of significant accounting policies (continued)

2.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using an average monthly exchange rate prevailing at the date 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 recognised in the statement of financial performance. Foreign exchange gains and losses that relate to borrowings are presented in the statement of financial performance within finance costs. All other foreign exchange gains and losses are presented in the statement of financial performance on a net basis within other income or other expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the statement of financial performance.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available – for - sale are included in the statement of financial performance.

2.4 Revenue recognition

The University's revenue consists of both revenue from exchange and non-exchange transactions. The University recognises revenue when the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and specific criteria have been met for each of the University's activities. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised on an accrual basis in the period in which it accrues.

(a) Revenue from non-exchange transactions

Revenue from non-exchange transactions consists of Government subvention and grants, research grants and contracts, bursaries and financial aid and revenue from other non-exchange transactions.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.4 Revenue recognition (continued)

(a) Revenue from non-exchange transactions (continued)

(i) Government subvention and grants

The University of Ghana is classified as a subvented institution by the Government of Ghana. Government subvention to the University is made up of emolument, administrative and service subventions. Emolument subvention refers to funds received to cover personnel cost. Administrative subvention refers to funds received to pay for budgeted operational expenditure including water and electricity bills, while service subvention refers to funds received to pay for costs in relation to the core activities of the University and are recognised when incurred.

Government subvention and grants are recognised as revenue over the period necessary to match them with the related costs for which they are intended to compensate, on a systematic basis. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the University will comply with all attached conditions. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognised instead of revenue. Non-monetary grants such as land or other resources are accounted for at fair value by the University.

(ii) Research grants and contracts

The University funds most of its research projects through support from development partners. The major development partners of the University include the World Bank, DANIDA, the European Commission, the United Kingdom, Sweden, Norway, Germany, Spain, China, Japan, the United States of America, Italy, Finland, Turkey, South Korea, Netherlands, African Development Bank, Africa Capacity Building Foundation, Bill and Melinda Gates Foundation and Ford Foundation. The University recognises research and contracts as revenue upon receipt of the funds into the specified bank account or upon fulfilment of the requirements agreed on in writing with the development partners in respect of the inflow. An asset is only recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the University and the fair value of the asset can be measured reliably.

Where there are conditions attached that give rise to a liability to repay any unspent amount, deferred income is recognised up to the point where the revenue criteria are met. Costs of research, awards and memorial grants incurred are recognised as revenue to the extent that these costs reflect services to the statement of financial performance in the year that the eligible cost are incurred. Where the University receives resources before a transfer arrangement becomes binding, the resources are recognised as an asset when they meet the definition of an asset and satisfy the criteria for recognition as an asset.

The University also recognises an advance receipt liability if the transfer arrangement is not yet binding. Advance receipts in respect of transfers are not fundamentally different from other advance receipts, so the University recognises liability until the event which makes the transfer arrangement binding occurs and all other conditions under the agreement are fulfilled. When that event occurs and all other conditions under the agreement are fulfilled, the liability is discharged and revenue is recognised.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.4 Revenue recognition (continued)

(a) Revenue from non-exchange transactions (continued)

(iii) Bursaries and financial aid

Bursaries and financial aid represent funds received from individuals and organisations purposely to support the University's scholarship schemes and awards. The University recognises bursaries and financial aid as revenue upon receipt of the funds into the specified bank account or upon fulfilment of the requirements agreed on, in writing with the donor. Where there are conditions attached to the aid that give rise to a liability to repay any unspent amount, deferred revenue is recognised up to the point where the revenue criteria are met.

(iv) Revenue from other non-exchange transactions

Revenue from other non-exchange transactions comprises donation to the University in cash or in-kind by organisations and individuals. Cash donations are recognised when received into the University's bank account while in-kind donations are recognised as revenue and assets when it is probable that future economic benefits or service potential associated with the donation will flow to the University and the fair value can be measured reliably. Donation in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If donation in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced by the revenue recognized as the conditions are satisfied.

The University of Ghana does not recognise services in kind. Where services in kind to the University include any of the following, disclosure is made in the financial statements:

- Technical assistance from other governments or international organizations;
- Persons convicted of offenses who may be required to perform community service for the University;
- Services from volunteers; and
- Services received from parents as teachers' aides or as board members.

(b) Revenue from exchange transactions

(i) Academic fees and other student charges

Academic fees and other student charges from rendering of teaching services are recognised by reference to stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to the services performed as a percentage of total services to be performed. Students fees received by the University in advance are recognised as deferred revenue. Where the fees income cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.4 Revenue recognition (continued)

(b) Revenue from exchange transactions (continued)

(ii) Revenue from other exchange transactions

(a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the University.

(b) Interest income

Interest income is accrued on a time proportion basis using the effective yield method. In this regard interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

(c) Dividends

Dividends or similar distributions are recognised when the University's right to receive payment is established.

(d) Grounds rent income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

(e) Affiliate fees

Affiliate fees are recognised as revenue when it is established at the beginning of the year that the institution will remain an affiliate of the University of Ghana.

(f) Project overhead income

Project overhead income represents a percentage of research grant and contract expenses payable to the University of Ghana for managing a project or programme on behalf of the development partner. Project overhead income is recognised as revenue when the project or programme incurs deductible expenditure.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.5 Expenses

Expenses are recognised when the transaction or event causing the expense occurs. The University's expenses consist of employee benefits costs, operating expenses, research grants and contract expenses, bursaries and financial aid expenses, finance costs, depreciation and amortisation.

(a) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus if the University has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-employment benefits

The University of Ghana post-employment benefits comprise a defined contribution plan, defined benefit plan and ex-gratia.

Defined contribution plan

The defined contribution plan is a pension plan under which the University pays fixed contributions to a scheme. The University's defined contribution plan is administered by Social Security and National Insurance Trust (SSNIT) and Petra Trust. 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 scheme is operated for all staff except for senior members. Obligations for contributions to defined contribution plans are recognised as an expense in the statement of financial performance when they are incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Only senior members of the University are eligible to contribute to the defined benefit plan - Ghana Universities Staff Superannuation Scheme (GUSSS). Both the University and employees contribute 13% and 25% respectively on employee's basic salary on a monthly basis. The level of benefits provided depends of members' length of service and their salary in the final years leading up to retirement. The defined benefit funds are actuarially valued annually on the basis of the projected unit credit method. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employees. The contributions and lump sum payments reduce the post-employment benefit obligation. Actuarial gains or losses are fully accounted for in the statement of financial performance in the year that they occur.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.5 Expenses (continued)

(a) Employee benefits (continued)

Ex-gratia

Ex-gratia award is paid for every successful year of service per the Unified Conditions of Service for Unionised Staff. An employee qualifies only after a minimum service of ten (10) years with the University and on attaining voluntary or compulsory retiring age or dying in service. The basic salary is the basis for the calculation of the ex-gratia liability. Ex-gratia is recognised when an employee who has the potential of qualifying begins to provide economic service to the University.

(iii) Termination benefits

Termination benefits are recognised as an expense when the University is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the University has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(b) Operating expenses

Expenses from exchange transactions account for the majority of the University's expenses. Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the University. All other expenses are recognised when the transaction or event causing the expense occurs.

(c) Borrowing costs

Borrowing costs of the University include interest and other expenses incurred in connection with the borrowing of funds. Specifically, it comprises interest on overdraft facilities or short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent that they qualify as an adjustment to interest costs. Borrowing costs are recognised as expense in the financial period in which they are incurred.

2.6 Taxation

The University is exempt from the payment of income taxes.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.7 Property, plant and equipment

On initial recognition, an item of property, plant and equipment that qualifies for recognition as an asset is recognised at cost. Where the asset is acquired through a non-exchange transaction, it is recognised at its fair value determined at the date of acquisition. Work-in-progress is valued on the basis of actual costs incurred on projects as at the reporting date.

After initial recognition, all property, plant and equipment except land and buildings are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the University and its cost can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite useful life. Buildings of the University are stated at the revalued amount less accumulated depreciation and impairment losses. Revaluations of land and building shall be made every five (5) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Assets in the course of construction are carried at cost less any recognised impairment loss. Cost includes professional fees and other costs directly attributable to the completion of the assets. Assets under construction (work-in-progress) are not depreciated as these assets are not yet available for use.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. The depreciation charge for each period is recognised in the statement of financial performance. The estimated useful lives for the current and corresponding periods are as follows:

Asset type	Useful lives (years)
Land	Nil
Assets under construction (work-in-progress)	Nil
Buildings	50
Other landed property	7- 50
Furniture and fittings	4
Machinery and equipment	4
ICT equipment	4
Motor vehicles	5

The assets' residual values and useful lives are reviewed and adjusted if expectations differ from previous estimates at least at the end of each annual reporting date. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

2 Summary of significant accounting policies (continued)

2.7 Property, plant and equipment (continued)

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of financial performance.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

The capitalisation policy of the University for assets acquired through exchange and non-exchange transactions is as follows:

Asset type	Capitalisation threshold
Land Improvements	The University capitalises land improvement costs above GH¢50,000. All costs of land improvements associated with newly constructed buildings is capitalised.
Buildings	Building acquisition, construction and renovation cost of GH¢50,000 and above is capitalised.
Infrastructure	The University's infrastructure assets include sewage tunnels, electrical vaults, campus lighting, sport grounds and entertainment parks. The costs should be GH¢50,000 and above and have an expected life beyond the year it is placed in service.
Purchased equipment	Equipment purchased individually or as a set with a value of GH¢5,000 and above is capitalised by the University.
Software	When purchased separately, software will be capitalised if the cost is GH¢10,000 and above. Internally developed software with material and labour costs in excess of GH¢10,000 is capitalised.
Donated assets	Donated assets having market value of GH¢10,000 or more are capitalised.

The University derecognises items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use.

Any gain or loss arising on derecognition of the asset is included in the statement of financial performance.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.8 Heritage assets

The University's heritage assets include historical buildings and monuments, archaeological sites, conservation areas and nature reserves and works of art. Certain characteristics, including the following, are often displayed by heritage assets:

- Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in a financial value based purely on a market price;
- Legal and/or statutory obligations may impose prohibitions or severe restrictions on disposal by sale;
- Legal and/or statutory obligations may impose prohibitions or severe restrictions on disposal by sale;
- They are often irreplaceable and their value may increase over time even if their physical condition deteriorates; and
- It may be difficult to estimate their useful lives, which in some cases could be several hundred years.

The University discloses but does not recognise heritage assets that would otherwise meet the definition and recognition criteria for property, plant and equipment.

2.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. A gain or loss arising from a change in the fair value of investment property is recognised in statement of financial performance for the period in which it arises.

Transfers are made to or from investment property by the University only when there is a change in use evidenced by:

- (i) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (ii) Commencement of development with a view to sale, for a transfer from investment property to inventories;
- (iii) End of owner-occupation, for a transfer from owner-occupied property to investment property;
- (iv) Commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property; or
- (v) End of construction or development, for a transfer from property in the course of construction or development (covered by IPSAS 17) to the investment property.

When the University completes construction or development of a self-constructed investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying is recognised in the statement of financial performance. An investment property is derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of financial performance in the period of the retirement or disposal.

NOTES (continued)

2 Summary of significant accounting policies (continued)

2.10 Intangible assets

(a) Acquisition of intangible assets

Intangible asset acquired separately is initially recognised at cost. The cost of intangible asset acquired in a non-exchange transaction is the fair value at the date of the exchange. Following initial recognition, intangible asset is carried at cost less any accumulated amortisation and impairment losses.

The useful life of the intangible asset is assessed as either finite or indefinite. An intangible asset with a finite life is amortised over its useful life. Intangible asset with finite useful life are amortised over a period of 3-10 years. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on an intangible asset with a finite life is recognised in the statement of financial performance.

Where the useful lives of intangible assets are finite, the University amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Patents, trademark and licenses	3-10 years
IT development and software	3-10 years
Customer contracts	3-10 years

Intangible assets with indefinite useful lives are not amortised. The useful lives of intangible assets with indefinite useful lives are reviewed at each reporting period to determine whether events and circumstances continue to support their indefinite useful life assessment. Where they do not, the change in the useful life assessment from indefinite to finite are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of financial performance when the asset is derecognised.

NOTES (continued)

2 Summary of significant accounting policies (continued)

2.10 Intangible assets (continued)

(b) Research and development costs

The University expenses research costs as incurred. Development costs on projects are recognised as intangible assets when the University can demonstrate:

- the technical feasibility of completing the asset so that the asset will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits or service potential;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of an asset, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognised immediately in the statement of financial performance.

(c) Internally generated goodwill

Internally generated goodwill, including internally generated brands, mastheads, publishing titles, lists of users of a service and items similar in substance is not recognised as an asset because it is not an identifiable resource controlled by the University that can be measured reliably at cost.

2.11 Investment in subsidiary

Subsidiaries are all entities (including structured entities) over which the University has control. The University controls an entity when the University is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are deconsolidated from the date that control ceases. University of Ghana Enterprises Limited (UGEL) is the only subsidiary of the University of Ghana and has been consolidated for the purposes of this financial statements.

2.12 Related parties

The related parties of the University include University of Ghana Enterprise Limited (UGEL), University of Ghana Medical Centre (UGMC) and key management personnel such as the Council Members and Principal Officers. The nature of the related party relationships, balances and transactions with related parties are disclosed in the notes to the financial statements.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.13 Investment in associate

Associates are all entities over which the University has significant influence but not control. Significant influence is the power to participate in the financial and operating policy decisions of another entity but is not control or joint control of those policies. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of surplus or deficits of the investee after the date of acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the surplus or deficits is recognised in the statement of financial position where appropriate.

The University's share of post-acquisition surplus or deficit is recognised in the statement of financial performance. When the University's share of deficits in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the University does not recognise further deficits, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The University determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the University calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount. Dilution gains and losses arising on investments in associates are recognised in the statement of financial performance.

2.14 Biological assets

The University recognises a biological asset or agriculture produce only when the University controls the asset as a result of a past event; it is probable that future economic benefits or service potential associated with the asset will flow to the University; and the fair value or cost can be measured reliably. The University classifies its biological assets into livestock and plantations.

(a) Livestock

As permitted under IPSAS 27 – Agriculture, livestock of the University are treated as inventory and therefore measured at the lower of cost and net realisable value except where they are held for distribution or consumption in the production process of goods to be distributed at no charge or for a nominal charge.

NOTES (continued)

2 Summary of significant accounting policies (continued)

2.14 Biological assets (continued)

(b) Plantations

As permitted under IPSAS 27 – Agriculture, plantations are treated as property, plant and equipment and depreciated over their useful lives as indicated in Note 2.8 above.

2.15 Inventories

Inventory is recognised when it is probable that future economic benefits will flow to the University and the asset has a cost or value that can be measured reliably. Where inventory is acquired through non-exchange transactions (at no cost or at a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventories are measured at the lower of cost and net realisable value except where they are held for distribution or consumption in the production process of goods to be distributed at no charge or for a nominal charge. In this instance, the University measures inventory at the lower of cost and current replacement cost. Inventories are recognised as an expense when deployed for utilisation or consumption in the ordinary course of operations of the University.

2.16 Accounts receivables

Receivables from exchange transactions are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a 5% provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of the receivables.

Recoverables from non-exchange transactions comprises fees and fines (and any penalties associated with these activities) as well as social benefit receivables that do not arise out of a contract. These recoverables are initially assessed at nominal amount or face value; that is, the receivable reflects the amount of tax owed, levy, fine charged, or social benefit debt payable. These receivables are subsequently adjusted for penalties as they are charged and tested for impairment. Interest and penalties charged on tax receivable are presented as tax revenue in the statement of financial performance.

NOTES (continued)

1. Summary of significant accounting policies (continued)

2.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the University in the management of its short-term commitments.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of financial performance over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Capitalisation of borrowing cost is suspended when active development or construction of the asset is interrupted. During this interrupted period, borrowing cost are expensed in the statement of financial performance. Capitalisation of borrowing cost ceases when construction of the asset is complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.19 Restricted funds

This is made up of project research, award and memorial funds, bursaries and financial aid funds and relate to amounts received from individuals and organisations 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 restricted funds (deferred revenue) 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 restricted fund.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.20 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.

2.21 Provisions, contingent liabilities and contingent assets

(a) Provisions

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

(b) Contingent liabilities

The University does not recognise a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

(c) Contingent assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

2.22 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.22 Leases (continued)

(a) The University as a lessee

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognises the associated lease liability at the inception of the lease. The liability recognised is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of financial performance.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University. Operating lease payments are recognised as an operating expense in the statement of financial performance on a straight-line basis over the lease term.

(b) The University as a lessor

(i) Finance leases

Assets leased to customers under agreements which transfer substantially all the risks and rewards of ownership, with or without ultimate legal title, are classified as finance leases. When assets are held subject to a finance lease, the present value of the lease payments, discounted at the rate of interest implicit in the lease, is recognised as a receivable. The difference between the total payments receivable under the lease and the present value of the receivable is recognised as unearned finance income, which is allocated to accounting periods under the pre-tax net investment method to reflect a constant periodic rate of return.

(ii) Operating leases

Assets leased to customers under agreements, which do not transfer substantially all the risks and rewards of ownership, are classified as operating leases. The leased assets are included within property, plant and equipment on the statement of financial position and depreciation is provided on the depreciable amount of these assets on a systematic basis over their estimated useful lives. Lease income is recognised on a straight-line basis over the period of the lease in the statement of financial performance unless another systematic basis is more appropriate.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.23 Financial instruments

(a) Financial assets

(i) Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are recognised at fair value and subsequently classified as loans and receivables, held-to-maturity investments, available-for-sale financial assets or financial assets at fair value through surplus or deficit.

(ii) Subsequent measurement of financial assets

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The University's loans and receivables comprise bonds and borrowings from commercial banks, receivables from staff loans, student fees, government subventions and interest on investments. Loans and receivables are initially recognised at fair value including any direct transaction costs. They are subsequently measured at amortised cost using the effective interest method less provision for impairment. The accounts receivables or recoverable, borrowings and cash and cash equivalents of the University are classified as loans and receivables.

Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the University has the positive intention and ability to hold to maturity. The University classifies investment in fixed deposits and Government of Ghana treasury bills as held-to-maturity investments. They are initially recognised at fair value plus direct transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

They are non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through surplus or deficit. Available-for-sale financial assets comprise of investment in shares and other quoted securities. They are initially measured at fair value including any direct transaction costs and subsequently measured at fair value. Fair value of available for sale investments are determined with reference to quoted prices in an active stock market. The University recognises changes in the fair value of available-for-sale financial assets in the statement of changes in net assets/equity. The University classifies shares held in Standard Chartered Bank, Enterprise Group, Guinness Ghana Brewery Limited and Societe Generale Ghana as available-for-sale financial assets.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.23 Financial instruments (continued)

(a) Financial assets

(ii) Subsequent measurement of financial assets (continued)

Financial assets at fair value through surplus or deficit

These are financial assets held for the purpose of selling in the short term. Financial assets at fair value through surplus or deficit are initially recognised at fair value and changes are recognised in the statement of financial performance.

(iii) Derecognition

The University derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when: the rights to receive cash flows from the asset have expired or is waived or the University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the University has transferred substantially all the risks and rewards of the asset; or (b) the University has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value. Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or other financial liabilities at amortised cost.

(ii) Subsequent measurement of financial liabilities

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the University that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29. Gains or losses on liabilities held for trading are recognised in the statement of financial performance.

NOTES (continued)

2. Summary of significant accounting policies (continued)

(b) Financial liabilities

2.23 Financial instruments (continued)

(ii) Subsequent measurement of financial liabilities (continued)

Other financial liabilities at amortised cost

After initial recognition, other financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of financial performance when the liabilities are derecognised as well as through the effective interest method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in statement of financial performance.

(c) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial instruments is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the reporting dates.

The University uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.23 Financial instruments (continued)

(c) Determination of fair value (continued)

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the University holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, related controls and procedures applied, the Council believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

(d) Offsetting financial instruments

Netting, where financial assets and liabilities are offset and the net amount reported in the statement of financial position, occurs if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously. In many cases, even though master netting agreements are in place, the lack of an intention to settle on a net basis results in the related assets and liabilities being presented gross in the statement of financial position.

(e) Impairment of financial assets

Assets carried at amortised cost

The University assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Where there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that has (have) not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of financial performance.

NOTES (continued)

2. Summary of significant accounting policies (continued)

1.23 Financial instruments (continued)

(e) Impairment of financial assets

Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed and the amount of the reversal is recognised in the statement of financial performance.

Available-for-sale financial instruments

For available-for-sale financial instruments, the University assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered objective evidence in determining whether impairment exists. Where such evidence exists, the cumulative net loss that has been previously recognised directly in equity is removed from equity and recognised in the statement of financial performance. Reversals of impairment of equity shares are not recognised in the statement of financial performance. Increases in the fair value of equity shares after impairment are recognised directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as all other financial assets. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of interest income. Reversals of impairment of debt securities are recognised in the statement of financial performance if in a subsequent year, the fair value of the debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of financial performance.

NOTES (continued)

3 Financial risk management

(a) Overview of University of Ghana risk management

The University's activities involve taking on risks in a targeted manner and managing them professionally. The core functions of the University's risk management are to identify all key risks, measure these risks, manage the risk positions and determine capital allocations. The University's Finance and General Purposes Committee regularly reviews its risk management policies and systems to reflect changes in the educational sector, the economy and best practice. The University's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance. The specific risk areas covering financial management which have been identified as requiring adequate monitoring and assessment include:

Funding

- . Potential future change in Government funding policy;
- . Infrastructure funding requiring commitments and financial inputs from the Government and the University;
- . Relationship with the National Health Insurance in respect of funding for patients at the University's Hospital; and
- . Funders renegeing on commitments for research and developments.

Financial

- . Inadequate financial strategy;
- . Poorly devolved financial control;
- . Over-extension of resources resulting from increased activity, both teaching and research; Investments;
- . Fraud and theft; and
- . Compliance with legal and governance requirements.

Property and related items

- . Crime;
- . Maintenance backlog;
- . Service breakdown - electricity and water and
- . Adequacy of insurance

Human resources

- . Attracting and retaining employees;
- . Labour relations;
- . Health and safety; and
- . Funding of gratuities

Student and related issues

- . Collection of student fees;
- . Insufficient student housing;and
- . Financial aid

Information technology

- . Disaster recovery and losses due to changes to the IT environment; and
- . Overdependence on individuals, both internal and external.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure

The Council of the University has overall responsibility for the establishment and oversight of the University's risk management. The University's Finance and General Purposes Committee is responsible for risk management and reports to the Council. The University's risk management policies are established to identify and analyse the risks faced by the University, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The University aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. Through its risk management structure, the University seeks to manage efficiently the core risks which affects its operations as an educational institution.

(i) Credit risk management

Credit risk is the risk of suffering financial loss, should any student or market counterparties fail to fulfil their contractual obligations to the University. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers (students), including outstanding receivables and committed transactions. The University manages its credit risk by ensuring that it only transacts with reputable well-established financial institutions and constantly follows up on its receivables for payments to be made.

The University's maximum exposure to credit risk at the end of the reporting date is as follows:

	Consolidated	Consolidated	The University	The University
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
Cash and cash equivalents (excluding bank overdrafts)	146.25	117.45	146.25	117.45
Investments	51.44	78.27	51.44	78.27
Accounts receivable excluding prepayments	242.16	183.18	242.16	183.18
	439.85	378.91	439.85	378.91

The University has no credit risk exposures relating to off - balance sheet items.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(i) Credit risk management (continued)

At 31 December 2018, the University's credit exposures on accounts receivable were categorised as follows:

- Exposures that are neither past due nor impaired;
- Exposures that are past due but not impaired; and
- Individually impaired

The balances for accounts receivable category have been analysed below:

	Consolidated	Consolidated	The University	The University
	2018	2017	2018	2017
Neither past due nor impaired	64.91	53.04	64.91	53.04
Past due but not impaired	178.66	131.31	178.66	131.31
Individually impaired	-	-	-	-
Gross	243.57	184.35	243.57	184.35
Less allowance for impairment	(1.41)	(1.16)	(1.41)	(1.16)
Net amount	242.16	183.18	242.16	183.18

Past due but not impaired

Past due but not impaired relates to amounts due from the Government of Ghana in respect of electricity and water and staff loans and advances. The ageing analysis of these accounts receivable is as follows:

	Consolidated	Consolidated	The University	The University
	2018	2017	2018	2017
Up to 90 days	52.99	-	52.99	-
91 to 180 days	31.69	3.57	31.69	3.57
181 to 360 days	22.81	1.00	22.81	1.00
Above 360 days	71.16	126.74	71.16	126.74
TOTAL	178.66	131.31	178.66	131.31

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(i) Credit risk management (continued)

Individually impaired

No accounts receivable was impaired at the reporting date.

Other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(ii) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. The University manages liquidity risk by maintaining adequate cash reserves and utilising short term borrowing when necessary and approved by the Council.

Prudent liquidity risk management includes maintaining sufficient cash balances for the payment of obligations as they fall due. Management performs cash flow forecasting for the University's liquidity requirements on a monthly basis as required by the Public Financial Management Act, 2016 (Act 921) to ensure it has sufficient cash to meet its operational needs. In addition, the University's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets required to meet these obligations, monitoring balance sheet liquidity ratios against best practice, internal and external regulatory requirements and maintaining debt financing plans.

The table below presents the amounts payable by the University under non-derivative financial liabilities and assets held for managing liquidity risk. The amounts disclosed in the table are the contractual undiscounted cash flows.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(ii) Liquidity risk (continued)

Consolidated

At 31 December 2018

	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Liabilities					
Borrowings	1.90	3.08	526.95	4.25	536.19
Bank overdraft	22.89	-	-	-	22.89
Account payable and accrued liabilities	235.48	-	-	-	235.48
Total Liabilities	260.28	3.08	526.95	4.25	794.56
Assets					
Cash and cash equivalents	146.25	-	-	-	146.25
Investments	-	17.85	33.59	-	51.44
Quoted Securities	-	-	-	8.89	8.89
Total assets held for managing liquidity risk	146.25	17.85	33.59	8.89	206.58
Net position	(114.02)	14.77	(493.36)	4.64	(587.98)

At 31 December 2017

	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Liabilities					
Borrowings	1.59	6.38	531.34	8.57	547.88
Bank overdraft	42.33	-	-	-	42.33
Account payable and accrued liabilities	220.50	-	-	-	220.50
Total Liabilities	264.43	6.38	531.34	8.57	810.71
Assets					
Cash and cash equivalents	117.45	-	-	-	117.45
Investments	-	-	76.84	1.44	78.27
Quoted Securities	-	-	-	9.17	9.17
Total assets held for managing liquidity risk	117.45	-	76.84	10.61	204.90
Net position	(146.98)	(6.38)	(454.50)	2.04	(605.82)

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(ii) Liquidity risk (continued)

University

At 31 December 2018

	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Liabilities					
Borrowings	1.90	3.08	3.58	4.25	12.81
Bank overdraft	22.89	-	-	-	22.89
Account payable and accrued liabilities	234.90	-	-	-	234.90
Total Liabilities	259.69	3.08	3.58	4.25	270.61
Assets					
Cash and cash equivalents	146.25	-	-	-	146.25
Investments	-	17.85	25.32	8.27	51.44
Quoted Securities	-	-	-	8.89	8.89
Total assets held for managing liquidity risk	146.25	17.85	25.32	17.16	206.58
Net position	(113.44)	14.77	21.74	12.91	(64.03)

At 31 December 2017

	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Liabilities					
Borrowings	1.59	6.38	7.97	8.57	24.51
Bank overdraft	42.33	-	-	-	42.33
Account payable and accrued liabilities	219.58	-	-	-	219.58
Total Liabilities	263.51	6.38	7.97	8.57	286.42
Assets					
Cash and cash equivalents	117.45	-	-	-	117.45
Investments	-	-	76.84	1.44	78.27
Quoted Securities	-	-	-	9.17	9.17
Total assets held for managing liquidity risk	117.45	-	76.84	10.61	204.90
Net position	(146.06)	(6.38)	68.87	2.04	(81.53)

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(ii) Liquidity risk (continued)

Assets held for managing liquidity risk

The University holds a diversified portfolio of cash and highly-liquid investment securities to support payment obligations and contingent funding in a stressed market environment. The University's assets held for managing liquidity risk comprise cash and investments (treasury bills and fixed deposits).

(iii) Market risk

The University takes on exposure to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimising the return on risk. The Finance and General Purposes Committee is responsible for the development of detailed risk management policies and the Director of Finance is responsible for the day-to-day implementation of those policies.

iv) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The positions of currencies held are monitored on a daily basis. The objective of monitoring the position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions. The University's policy to manage foreign exchange risk is to hold foreign currency bank accounts for foreign denominated transactions. The University's exposure results from three (3) major currencies namely the Euro, Pound Sterling and United States Dollar.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

iv) Foreign exchange risk (continued)

Consolidated

At 31 December 2018

	EUR	GBP	USD	GH¢	Total
Assets					
Property Plant and Equipment	-	-	-	14,998.40	14,998.40
Investment Properties	-	-	-	51.30	51.30
Non-current deposit	-	-	20.05	-	20.05
Intangible assets	-	-	-	0.39	0.39
Available-for-sale financial assets	-	-	-	8.89	8.89
Investment in associate	-	-	-	1.51	1.51
Inventories	-	-	-	14.16	14.16
Account receivable	-	-	47.46	194.70	242.16
Investments	-	-	3.12	48.32	51.44
Cash and cash equivalents	4.50	10.77	64.65	66.33	146.25
Total assets	4.50	10.77	135.28	15,384.01	15,534.56
Liabilities					
Borrowings	-	-	9.28	526.90	536.19
Restricted funds	-	-	131.67	-	131.67
Bank overdrafts	-	-	-	22.89	22.89
Accounts payable and accrued liabilities	-	-	62.60	172.88	235.48
Employee benefit obligation	-	-	-	55.65	55.65
Provisions	-	-	-	346.79	346.79
Deferred tax	-	-	-	43.42	43.42
Total liabilities	-	-	203.55	1,168.53	1,372.08
Net on statement of financial position	4.50	10.77	(68.27)	14,215.47	14,162.48

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

iv) Foreign exchange risk (continued)

Consolidated

At 31 December 2017

	EUR	GBP	USD	GH¢	Total
Assets					
Property Plant and Equipment	-	-	-	15,013.80	15,013.80
Investment Properties	-	-	-	47.00	47.00
Non-current deposit	-	-	18.86	-	18.86
Intangible assets	-	-	-	0.42	0.42
Available-for-sale financial assets	-	-	-	9.17	9.17
Investment in associate	-	-	-	1.61	1.61
Inventories	-	-	-	10.18	10.18
Account receivable	-	-	51.72	131.46	183.18
Investments	-	-	29.95	48.32	78.27
Cash and cash equivalents	6.60	5.12	50.60	55.14	117.45
Total assets	6.60	5.12	151.12	15,317.10	15,479.95
Liabilities					
Borrowings	-	-	18.78	529.10	547.88
Restricted funds	-	-	107.92	-	107.92
Bank overdrafts	-	-	-	42.33	42.33
Accounts payable and accrued liabilities	1.47	2.47	10.93	205.64	220.50
Employee benefit obligation	-	-	-	106.97	106.97
Provisions	-	-	-	321.60	321.60
Deferred tax	-	-	-	42.10	42.10
Total liabilities	1.47	2.47	137.63	1,247.75	1,389.31
Net on statement of financial position	5.13	2.66	13.50	14,069.35	14,090.64

The Group's principal foreign currency exposures are to the Euro, Pound Sterling and US Dollar.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

iv) Foreign exchange risk (continued)

University

At 31 December 2018

	EUR	GBP	USD	GH¢	Total
Assets					
Property Plant and Equipment	-	-	-	14,675.73	14,675.73
Investment Properties	-	-	-	51.30	51.30
Non-current deposit	-	-	20.05	-	20.05
Intangible assets	-	-	-	0.39	0.39
Available-for-sale financial assets	-	-	-	8.89	8.89
Investment in subsidiary	-	-	-	0.00	0.00
Due from related parties	-	-	-	19.09	19.09
Investment in associate	-	-	-	1.51	1.51
Inventories	-	-	-	14.16	14.16
Account receivable	-	-	47.46	194.70	242.16
Investments	-	-	3.12	48.32	51.44
Cash and cash equivalents	4.50	10.77	64.65	66.33	146.25
Total assets	4.50	10.77	135.28	15,080.43	15,230.98
Liabilities					
Borrowings	-	-	9.28	3.53	12.81
Restricted funds	-	-	131.67	-	131.67
Bank overdrafts	-	-	-	22.89	22.89
Due to related parties	-	-	-	22.51	22.51
Accounts payable and accrued liabilities	-	-	62.60	172.30	234.90
Employee benefit obligation	-	-	-	55.65	55.65
Provisions	-	-	-	346.79	346.79
Total liabilities	-	-	203.55	623.68	827.23
Net on statement of financial position	4.50	10.77	(68.27)	14,456.75	14,403.76

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

iv) Foreign exchange risk (continued)

University

At 31 December 2017

	EUR	GBP	USD	GH¢	Total
Assets					
Property Plant and Equipment	-	-	-	14,690.93	14,690.93
Investment Properties	-	-	-	47.00	47.00
Non-current deposit	-	-	18.86	-	18.86
Intangible assets	-	-	-	0.42	0.42
Available-for-sale financial assets	-	-	-	9.17	9.17
Investment in subsidiary	-	-	-	0.00	0.00
Due from related parties	-	-	-	19.09	19.09
Investment in associate	-	-	-	1.61	1.61
Inventories	-	-	-	10.18	10.18
Account receivable	-	-	51.72	131.46	183.18
Investments	-	-	29.95	48.32	78.27
Cash and cash equivalents	6.60	5.12	50.60	55.14	117.45
Total assets	6.60	5.12	151.12	15,013.33	15,176.18
Liabilities					
Borrowings	-	-	18.78	5.73	24.51
Restricted funds	-	-	107.92	-	107.92
Bank overdrafts	-	-	-	42.33	42.33
Due to related parties	-	-	-	17.38	17.38
Accounts payable and accrued liabilities	1.47	2.47	10.93	204.72	219.58
Employee benefit obligation	-	-	-	106.97	106.97
Provisions	-	-	-	321.60	321.60
Total liabilities	1.47	2.47	137.63	698.74	840.30
Net on statement of financial position	5.13	2.66	13.50	14,314.59	14,335.88

The University's principal foreign currency exposures are to the Euro, Pound Sterling and US Dollar.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(v) Interest rate risk

Interest rate risk is the exposure of current and future earnings to adverse changes in the level of interest rates. Interest rate risk is managed by borrowing in fixed rate and also using the large size of the University to negotiate for better rates. The table below summarises the re-pricing profiles of financial instruments and other assets and liabilities as at 31 December 2017 and 1 January 2017 respectively. Items are allocated to time periods with reference to the earlier of the next contractual interest rate re-pricing date and the maturity date.

Consolidated

At 31 December 2018

	0-3 months	3-12 months	Over 1 year	Non-interest bearing	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Asset					
Cash and cash equivalents	42.84	-	-	103.41	146.25
Investments	-	51.44	-	-	51.44
Accounts receivable	-	-	-	242.16	242.16
Non-current deposits	-	-	-	20.05	20.05
Total financial assets	42.84	51.44	-	365.62	459.90
Liabilities					
Bank overdrafts	22.89	-	-	-	22.89
Borrowings	1.59	529.09	2.90	2.60	536.19
Restricted funds	-	-	-	131.67	131.67
Provisions	235.03	-	-	111.76	346.79
Accounts payable and accrued liabilities	-	-	-	235.48	235.48
Total financial liabilities	259.52	529.09	2.90	481.50	1,273.02
Total interest re-pricing gap	(216.68)	(477.65)	(2.90)	(115.88)	(813.11)

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(v) Interest rate risk (continued)

Consolidated (continued)

At 31 December 2017

	0-3 months	3-12 months	Over 1 year	Non-interest bearing	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Asset					
Cash and cash equivalents	41.58	-	-	75.88	117.45
Investments	-	76.84	1.44	-	78.27
Accounts receivable	-	-	-	183.18	183.18
Non-current deposits	-	-	-	18.86	18.86
Total financial assets	41.58	76.84	1.44	277.92	397.77
Liabilities					
Bank overdrafts	42.33	-	-	-	42.33
Borrowings	521.21	14.34	8.57	3.76	547.88
Restricted funds	-	-	-	107.92	107.92
Provisions	217.72	-	-	103.89	321.60
Accounts payable and accrued liabilities	-	-	-	220.50	220.50
Total financial liabilities	781.26	14.34	8.57	436.07	1,240.24
Total interest re-pricing gap	(739.68)	62.49	(7.13)	(158.15)	(842.47)

Interest rate sensitivity analysis

The interest re-pricing gap analysis is supplemented by monitoring the sensitivity of the University's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bps) parallel shift in all yield curves. An analysis of the University's sensitivity to an increase or decrease in market interest rates (assuming no symmetrical movement in yield curves and a constant balance sheet position) and its impact on the net interest margin is as follows:

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(v) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

Consolidated

At 31 December 2018

	Possible Interest rate movements			
	Total interest re-pricing gap	.+100bps	.+200bps	.+300bps
0-3 months	(216.68)	(2.17)	(4.33)	(6.50)
3-12 months	(477.65)	(4.78)	(9.55)	(14.33)
Over 1 year	(2.90)	(0.03)	(0.06)	(0.09)
Total	(697.23)	(6.97)	(13.94)	(20.92)

At 31 December 2017

	Possible Interest rate movements			
	Total interest re-pricing gap	.+100bps	.+200bps	.+300bps
0-3 months	(739.68)	(7.40)	(14.79)	(22.19)
3-12 months	62.49	0.62	1.25	1.87
Over 1 year	(7.13)	(0.07)	(0.14)	(0.21)
Total	(684.32)	(6.84)	(13.69)	(20.53)

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(v) Interest rate risk (continued)

University

At 31 December 2018

	0-3 months	3-12 months	Over 1 year	Non-interest bearing	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Asset					
Cash and cash equivalents	42.84	-	-	103.41	146.25
Investments	-	51.44	-	-	51.44
Accounts receivable	-	-	-	242.16	242.16
Non-current deposits	-	-	-	20.05	20.05
Total financial assets	42.84	51.44	-	365.62	459.90
Liabilities					
Bank overdrafts	22.89	-	-	-	22.89
Borrowings	1.59	5.72	2.90	2.60	12.81
Restricted funds	-	-	-	131.67	131.67
Provisions	235.03	-	-	111.76	346.79
Accounts payable and accrued liabilities	-	-	-	234.90	234.90
Total financial liabilities	259.52	5.72	2.90	480.92	749.07
Total interest re-pricing gap	(216.68)	45.72	(2.90)	(115.30)	(289.16)

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(v) Interest rate risk (continued)

University (continue)

At 31 December 2017

	0-3 months	3-12 months	Over 1 year	Non-interest bearing	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Asset					
Cash and cash equivalents	41.58	-	-	75.88	117.45
Investments	-	76.84	1.44	-	78.27
Accounts receivable	-	-	-	183.18	183.18
Non-current deposits	-	-	-	18.86	18.86
Total financial assets	41.58	76.84	1.44	277.92	397.76
Liabilities					
Bank overdrafts	42.33	-	-	-	42.33
Borrowings	-	13.49	8.57	2.45	24.51
Restricted funds	-	-	-	107.92	107.92
Provisions	217.72	-	-	103.89	321.60
Accounts payable and accrued liabilities	-	-	-	219.58	219.58
Total financial liabilities	260.05	13.49	8.57	433.84	715.94
Total interest re-pricing gap	(218.47)	63.35	(7.13)	(155.92)	(318.18)

Interest rate sensitivity analysis

The interest re-pricing gap analysis is supplemented by monitoring the sensitivity of the University's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bps) parallel shift in all yield curves. An analysis of the University's sensitivity to an increase or decrease in market interest rates (assuming no symmetrical movement in yield curves and a constant balance sheet position) and its impact on the net interest margin is as follows:

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

3. Financial risk management (continued)

(b) Risk management structure (continued)

(v) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

University

At 31 December 2018

	Possible Interest rate movements			
	Total interest re-pricing gap	.+100bps	.+200bps	.+300bps
0-3 months	(216.68)	(2.17)	(4.33)	(6.50)
3-12 months	45.72	0.46	0.91	1.37
Over 1 year	(2.90)	(0.03)	(0.06)	(0.09)
Total	(173.86)	(1.74)	(3.48)	(5.22)

At 31 December 2017

	Possible Interest rate movements			
	Total interest re-pricing gap	.+100bps	.+200bps	.+300bps
0-3 months	(218.47)	(2.18)	(4.37)	(6.55)
3-12 months	63.35	0.63	1.27	1.90
Over 1 year	(7.13)	(0.07)	(0.14)	(0.21)
Total	(162.26)	(1.62)	(3.25)	(4.87)

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

4. Fair value hierarchy

IPSAS 29 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the University's market assumptions. These two types of inputs have created the following fair value hierarchy:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities (for example, Ghana Stock Exchange). All the University's shares were valued using level 1 fair value hierarchy.
- **Level 2** – Inputs are quoted prices for the asset or liability, (other than those included in Level 1) that are observable either directly (that is, as prices) or indirectly (that is, derived from prices). Short term investments of the University were valued using level 2 fair value hierarchy.
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. Biological assets, property, plant and equipment and investments properties of the University were valued using the level 3 fair value hierarchy.

This hierarchy requires the use of observable market data when available. The University considers relevant and observable market prices in its valuations where possible.

5. Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

5.1 Impairment of non-financial assets (cash-generating assets)

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets. The University reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Cash-generating assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows are prepared for each group of assets.

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

5. Critical accounting judgments, estimates and assumptions (continued)

5.1 Impairment of non-financial assets (cash-generating assets) (continued)

Expected future cash flows used to determine the value-in-use of tangible assets are inherently uncertain and could materially change over time.

The University reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the University undertakes impairment tests, which require the determination of the fair value of the asset and its recoverable service amount. The estimation of these inputs into the calculation relies on the use of estimates and assumptions. Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

5.2 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5.3 Held-to-maturity instruments

In accordance with IPSAS 29, the University classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the University evaluates its intention and ability to hold such investments to maturity. If the University were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the University is required to reclassify the entire category as available-for-sale. Accordingly, the investments would be measured at fair value instead of amortised cost.

5.4 Accounting and measuring of biological assets

The fair value of biological assets of the University which include mangoes, cocoa, citrus, avocado, rubber, kola and palm oil are determined using a discounted cash flow model based on the expected yield and market price. The selling price of the products can only be estimated and the actual yield will not be known until it is completely processed and sold. Estimates and judgements were used in determining the fair value of the assets.

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

5. Critical accounting judgments, estimates and assumptions (continued)

5.4 Accounting and measuring of biological assets (continued)

The income approach was adopted as the basis for valuation. The income approach provides an indication of value by converting future cash flows to a single current value. Under this approach, the value of the asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. The following facts and assumptions have been employed in the valuation of the University's biological assets:

- a. An active market exists for these biological assets;
- b. All the biological assets are attached to the land;
- c. All biological assets have an average useful life of 25 years;
- d. Price per kg of biological assets are to increase at food inflation rates of 9.70%;
- e. Comparable yield in investment in agricultural plantation attract internal rate of return of 17.0%. However, this yield has been adjusted to reflect the risk premium of 0.20% per the unexpired years of the farm; and
- f. The farm will be disposed of at the terminal value at no extra income apart from the realisable income of the 25th year.

Additional information is disclosed in note 16.

5.5 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost include the discount rate, future salary increases and mortality rates. Any changes in these assumptions will impact the carrying amount of employee benefit obligations. The University determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the University considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions.

Additional information is disclosed in note 31.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
6 Government subvention and grants				
Emoluments subvention	269.59	238.25	269.59	238.25
Administrative subvention	54.50	49.81	54.50	49.81
Book and research allowance	11.20	11.86	11.20	11.86
GETFUND	1.15	1.58	1.15	1.58
	336.44	301.50	336.44	301.50

7 Research grants and contracts				
Contracts income	126.98	141.17	126.98	141.17
Grants income	16.86	7.83	16.86	7.83
	143.84	149.00	143.84	149.00

8 Bursaries and financial aid

Consolidated

Year ended 31 December 2018

	At 1 January 2017	Inflows	Transferred to Income	At 31 December 2018
Student Financial Aid	0.78	4.39	(3.69)	1.48
	0.78	4.39	(3.69)	1.48

Year ended 31 December 2017

	At 1 January 2016	Inflows	Transferred to Income	At 31 December 2017
Student Financial Aid	0.79	0.93	(0.93)	0.78
	0.79	0.93	(0.93)	0.78

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

The University

Year ended 31 December 2018

	At 1 January 2017	Inflows	Transferred to Income	At 31 December 2018
Student Financial Aid	0.78	4.39	(3.69)	1.48
	0.78	4.39	(3.69)	1.48

Year ended 31 December 2017

	At 1 January 2016	Inflows	Transferred to Income	At 31 December 2017
Student Financial Aid	0.79	0.93	(0.93)	0.78
	0.79	0.93	(0.93)	0.78

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
9 Revenue from other non-exchange transactions				
Cash donations	0.47	0.31	0.47	0.31
Scholarship awards	0.11	0.01	0.11	0.01
Special grants	0.42	0.53	0.42	0.53
	1.00	0.85	1.00	0.85

10 Academic fees and other student charges

Regular academic fees	124.94	123.94	124.94	123.94
Special fees	28.92	29.13	28.92	29.13
Other student fees	16.71	13.56	16.71	13.56
	170.57	166.63	170.57	166.63

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

	Consolidated	Consolidated	The University	The University
	2018	2017	2018	2017
11a Interest income				
Interest on investments	14.02	15.65	14.02	15.65
Other interest income	0.09	0.45	0.09	0.45
Call interest income	0.18	0.13	0.18	0.13
Interest on staff loans	0.17	0.02	0.17	0.02
	14.47	16.26	14.47	16.26
11b Revenue from other exchange transactions				
Affiliation annual programme	0.15	0.13	0.15	0.13
Print and other services	1.30	0.23	1.30	0.23
Non-refundable deposits	0.25	0.41	0.25	0.41
Insurance claims income	0.81	0.12	0.81	0.12
UGEL hostel fees	15.24	14.41	-	-
Other Income	6.80	12.92	6.80	12.92
Sale of other goods and services	18.81	21.71	18.81	21.71
Project Overhead Income	10.04	6.87	10.04	6.87
University grounds rent	8.31	4.01	8.31	4.01
Technical service charges	3.59	3.70	3.59	3.70
Sale of farm produce	1.89	2.63	1.89	2.63
Catering services income	2.98	2.62	2.98	2.62
Clinic treatment income	2.07	1.70	2.07	1.70
Inpatient fee income	1.23	1.33	1.23	1.33
Short courses income	2.50	1.25	2.50	1.25
Faculty practice income	0.92	1.11	0.92	1.11
Affiliate fees income	0.68	0.73	0.68	0.73
	77.56	75.89	62.32	61.48
12 Employee benefits cost				
Emoluments	302.93	298.02	298.91	294.56
Employer contribution (GUSSS & SSF)	14.97	12.94	14.97	12.94
Book and research allowance	11.20	11.72	11.20	11.72
Net increase/(decrease) in defined benefit liability	(51.33)	27.35	(51.33)	27.35
	277.78	350.03	273.76	346.57

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
13a Operating expenses				
Administrative and general expenses	87.94	70.59	82.71	61.46
Bulk utility	59.74	59.26	59.74	59.26
Repairs and maintenance	30.35	22.86	30.35	22.86
Staff welfare	9.05	11.96	9.05	11.96
Examination expenses	20.94	10.51	20.94	10.51
Local travel costs	6.64	7.81	6.64	7.81
Admission expenses	0.83	7.14	0.83	7.14
Expendable assets	10.97	6.89	10.97	6.89
Selection and training	4.40	4.80	4.40	4.80
Foreign travel costs	3.97	3.51	3.97	3.51
Audit fees	0.30	0.77	0.30	0.77
Student welfare expenses	1.92	0.53	1.92	0.53
Animal and crop production costs	1.11	0.04	1.11	0.04
	238.15	206.67	232.93	197.55
13b Legal settlement on contract termination				
Compensation on termination of Africa Integras contract	-	176.21	-	176.21
	-	176.21	-	176.21
14 Research grants and contracts expenses				
Personnel costs	31.42	38.05	31.42	38.05
General Academic expenses	55.64	55.13	55.64	55.13
Expendable assets	8.42	9.00	8.42	9.00
Admin and general expenses	12.42	12.79	12.42	12.79
Foreign travel costs	5.56	6.16	5.56	6.16
Selection and training	6.86	10.15	6.86	10.15
Local travel costs	3.83	5.38	3.83	5.38
Bulk Utility services	0.27	0.31	0.27	0.31
Repairs and maintenance	0.81	1.87	0.81	1.87
Financial services	0.98	1.16	0.98	1.16
Staff welfare	0.23	0.66	0.23	0.66
Animal/crop production costs	0.54	0.50	0.54	0.50
	126.98	141.17	126.98	141.17

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

	Consolidated	Consolidated	The University	The University
	2018	2017	2018	2017
15 Finance costs				
Interest and bank charges	8.79	303.52	8.79	15.56
Unrealised translation losses	1.14	5.84	1.14	5.84
	9.93	309.36	9.93	21.39

16 Property, Plant and Equipment

Consolidated

Year ended 31 December 2018

	Freehold Land	Leasehold Land	Land improvements & Buildings	Furniture & Equipment	ICT Equipment	Motor Vehicles	Work-in- progress	Biological Assets	Total
Cost									
At 1 January	10,107.31	3,449.15	1,386.73	13.03	0.71	6.12	66.69	20.94	15,050.68
Additions	-	-	4.14	0.81	0.35	0.95	1.61	-	7.85
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	10,107.31	3,449.15	1,390.87	13.84	1.06	7.07	68.30	20.94	15,058.54
Accumulated depreciation									
At 1 January	-	-	21.30	11.46	0.58	2.26	-	1.29	36.89
Charge for the year	-	-	21.39	0.79	0.12	0.19	-	0.77	23.25
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	-	-	42.69	12.24	0.70	2.45	-	2.06	60.14
Net book amount									
At 31 December	10,107.31	3,449.15	1,348.18	1.60	0.36	4.62	68.30	18.89	14,998.40

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

Property, Plant and Equipment
(continued)

Consolidated

Year ended 31 December 2017

	Freehold Land	Leasehold Land	Land improvements & Buildings	Furniture & Equipment	ICT Equipment	Motor Vehicles	Work-in- progress	Biological Assets	Total
Cost									
At 1 January	10,105.93	3,449.15	1,382.23	11.47	-	5.26	21.91	20.94	14,996.89
Additions	1.37	-	4.50	1.56	0.71	0.87	44.78	-	53.79
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	10,107.31	3,449.15	1,386.73	13.03	0.71	6.12	66.69	20.94	15,050.68
Accumulated depreciation									
At 1 January	-	-	-	5.24	-	0.09	-	-	5.33
Charge for the year	-	-	21.30	6.21	0.58	2.17	-	1.29	31.56
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	-	-	21.30	11.46	0.58	2.26	-	1.29	36.89
Net book amount									
At 31 December	10,107.31	3,449.15	1,365.43	1.58	0.13	3.86	66.69	19.66	15,013.80

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

Property, Plant and Equipment

The University

Year ended 31 December 2018

	Freehold Land	Leasehold Land	Land improvements & Buildings	Furniture & Equipment	ICT Equipment	Motor Vehicles	Work-in-progress	Biological Assets	Total
Cost									
At 1 January	10,107.31	3,449.15	1,064.41	6.95	0.71	6.03	66.69	20.94	14,722.19
Additions	-	-	4.14	0.29	0.35	0.95	1.61	-	7.33
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	10,107.31	3,449.15	1,068.54	7.23	1.06	6.98	68.30	20.94	14,729.52
Accumulated depreciation									
At 1 January	-	-	21.30	5.91	0.58	2.17	-	1.29	31.26
Charge for the year	-	-	21.39	0.07	0.12	0.19	-	0.77	22.53
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	-	-	42.69	5.98	0.70	2.36	-	2.06	53.79
Net book amount									
At 31 December	10,107.31	3,449.15	1,025.86	1.25	0.36	4.62	68.30	18.89	14,675.73

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

Property, Plant and Equipment (continued)

The University

Year ended 31 December 2017

	Freehold Land	Leasehold Land	Land improvements & Buildings	Furniture & Equipment	ICT Equipment	Motor Vehicles	Work-in- progress	Biological Assets	Total
Cost									
At 1 January	10,105.93	3,449.15	1,059.99	5.86	-	5.17	21.91	20.94	14,668.95
Additions	1.37	-	4.42	1.09	0.71	0.87	44.78	-	53.24
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	10,107.31	3,449.15	1,064.41	6.95	0.71	6.03	66.69	20.94	14,722.19
Accumulated depreciation									
At 1 January	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	21.30	5.91	0.58	2.17	-	1.29	31.26
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	-	-	21.30	5.91	0.58	2.17	-	1.29	31.26
Net book amount									
At 31 December	10,107.31	3,449.15	1,043.11	1.04	0.13	3.86	66.69	19.66	14,690.93

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

16. Property, plant and equipment (continued)

16.1 Assets pledged as security

The University contracted a facility from Standard Chartered Bank Ghana Limited on 8 May 2008 for the purchase of vehicles for the University's own use. The facility is secured over the vehicles purchased which are comprehensively insured in the joint names of the lender, Standard Chartered Bank Ghana Limited and the University.

16.2 Valuation of land and buildings

Land and buildings controlled by the University for which cost information was not readily available were valued by the Physical Development and Municipal Services Directorate (PDMSD) of the University and used as the deemed cost. The valuation was independently verified by Apex Property Surveying Consult Limited, an accredited industry specialist in valuing land and buildings.

The amounts determined by the valuers as deemed cost of assets were credited to the statement of changes in net assets.

16.3 Lease to Government Institutions

The University has leased part of its land measuring 74.35 acres to Government institutions to provide essential services to support educational activities. These are lessor operating leases and the University is entitled to a nominal annual ground rent.

Institution	Lease term in years	Size of land in acres	Nature of development
Ghana Water Company	99	37.68	Industrial
Electricity Company of Ghana	99	5.15	Power Station
Ghana Revenue Authority	99	0.55	Office
Accra Metropolitan Assembly	35	30.97	Treatment Plant
		<u>74.35</u>	

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

16. Property, plant and equipment (continued)

16.4 Lease to private developers

The University has leased out 42.172 acres of its land to individuals and organisations to build hostel facilities to support the traditional halls' system to provide accommodation to students. The hostels are not controlled by the University and future economic benefits or service potential are not expected to flow to the University of Ghana until the expiration of the lease agreement. Accordingly, these hostels have not been recognised as assets of the University. After expiration of the lease agreements, the buildings erected thereon in substantial state of repair and condition will be returned to the University by the private developers. These are lessor operating leases and the University is entitled to a nominal annual ground rent.

Private hostel	Lease term in years	Size of land in acres	Nature of development
Bani Investment Limited	50	6.25	Private hostel
Campus Plaza	50	9.10	Private hostel
Teachers' Fund	50	3.53	Private hostel
Ghana Hostels Limited (Phase I)	35	4.83	Private hostel
Ghana Hostels Limited (Phase II)	35	10.29	Private hostel
Topman Company Limited	50	4.07	Private hostel
Affinity Development Group	35	2.00	Private hostel
Project Development Alliance Limited	35	2.10	Private hostel
		42.17	

16.5 Lease to educational institutions

The University has leased out 28.09 acres of its land to various educational institutions to provide education related services. The assets are not controlled by the University and future economic benefits or service potential are not expected to flow to the University of Ghana until the lease agreement expires. Accordingly, these assets have not been recognised as assets of the University. After expiration of the lease agreements, the buildings erected thereon in substantial state of repair and condition will be returned to the University by these institutions. These are lessor operating leases and the University is entitled to a nominal annual ground rent.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

16. Property, plant and equipment (continued)

16.5 Lease to educational institutions (continued)

Educational institution	Lease term in years	Size of land in acres	Nature of development
University of Mines and Technology (UMaT)	50	1.00	Staff Guest House
Chartered Institute of Bankers (CIB)	35	3.00	Offices
Institute of Chartered Accountants (ICA)	35	2.54	Offices
Association of African Universities (AAU)	25	1.05	Multi-purpose
University of Professional Studies (UPSA)	35	2.98	Hostels
National Council for Tertiary Education (NCTE)	25	1.33	Offices
National Accreditation Board (NAB)	25	1.33	Offices
National Board for Professional and Technician Examinations (NABPTEX)	25	1.33	Offices
Ghana School of Law (GSL)	35	4.98	School
Ghana Institute of Languages (GIL)	35	8.55	School
Vice Chancellors Ghana		1.00	Offices
		29.09	

16.6 Lease to other companies

The University has leased 152.552 of its land and buildings to various companies to provide banking services, petroleum products, telecommunications, pharmacies, gas filling station, religious operations, restaurants, laundry services, leisure and sporting activities. Rental income from these companies are treated as revenue and classified under revenue from other exchange transactions.

16.7 Biological assets

The University maintains plants and living animals under the College of Basic and Applied Sciences (CBAS). As an educational institution of higher learning, biological assets are used for research purposes. The biological assets are located at three (3) Centres: Livestock and Poultry Research Centre (LIPREC), Soil and Irrigation Research Centre (SIREC) and Forest and Horticultural Crops Research Centre (FOHCREC).

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

16. Property, plant and equipment (continued)

16.7 Biological assets (continued)

Plants such as mangoes, cocoa, citrus, avocado, rubber, kola and palm oil controlled by the University were valued using the discounted cash flow technique and used as the deemed cost. The amounts determined by the valuers as deemed cost were credited to the statement of changes in net assets.

As permitted by IPSAS 27 - Agriculture, plants of the University are treated as property, plant and equipment.

	Consolidated	Consolidated	The University	The University
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
Plants	18.89	19.66	18.89	19.66
Total	18.89	19.66	18.89	19.66

As permitted by IPSAS 27 – Agriculture, plants of the university are treated as property, plant and equipment.

Consolidated

Year ended 31 December 2018

	Oil palm	Mangoes	Cocoa	Citrus	Rubber	WIP	Total
At 1 January	15.86	0.64	1.80	0.13	1.21	1.31	20.97
Additions	-	0.01	-	-	-	-	0.01
Disposals	(0.82)	-	(0.21)	(0.02)	(0.00)	-	(1.04)
Depreciation	(0.89)	(0.03)	(0.07)	(0.00)	(0.05)	-	(1.05)
At 31 December	14.16	0.62	1.53	0.11	1.15	1.31	18.89

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

Biological assets (Continued)

Consolidated

Year ended 31 December 2017

	Oil palm	Mangoes	Cocoa	Citrus	Rubber	Total
At 1 January	16.96	0.68	1.90	0.15	1.26	20.94
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation	(1.09)	(0.04)	(0.09)	(0.01)	(0.05)	(1.29)
At 31 December	15.86	0.64	1.80	0.13	1.21	19.66

The University

Year ended 31 December 2018

	Oil palm	Mangoes	Cocoa	Citrus	Rubber	WIP	Total
At 1 January	15.86	0.64	1.80	0.13	1.21	1.31	20.97
Additions	-	0.01	-	-	-	-	0.01
Disposals	(0.82)	-	(0.21)	(0.02)	(0.00)	-	(1.04)
Depreciation	(0.89)	(0.03)	(0.07)	(0.00)	(0.05)	-	(1.05)
At 31 December	14.16	0.62	1.53	0.11	1.15	1.31	18.89

Year ended 31 December 2017

	Oil palm	Mangoes	Cocoa	Citrus	Rubber	Total
At 1 January	16.96	0.68	1.90	0.15	1.26	20.94
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation	(1.09)	(0.04)	(0.09)	(0.01)	(0.05)	(1.29)
At 31 December	15.86	0.64	1.80	0.13	1.21	19.66

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

16. Property, plant and equipment (continued)

16.8 Fair value hierarchy

The fair value hierarchy note explains the judgements and estimates made in determining the fair values of the land and buildings and biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the University has classified its valuation into the three levels below:

Level 1: valuation based on quoted prices

Level 2: valuation based on observable market data

Level 3: valuation not based on observable market data

The University's land and buildings and biological assets are measured at fair value and are classified under level 3 of the fair value hierarchy.

The fair value of biological assets has been determined based on valuations using discounted cash flows of the underlying biological assets. The significant assumptions applied in determining the fair value under level 3 are as follows:

- (i) Yield is determined based on the age of the plantation, historical yields, and climate-induced variations such as severe weather events, plant losses and new areas coming into production.
- (ii) Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- (iii) Prices per kilogramme are increased by food inflation rate at the valuation dates. Food inflation rate for 2018 is used for the projections over the useful life of the biological assets.
- (iv) The farm would be disposed of at a terminal value at no extra income. (v) Maintenance costs are expected to reduce over the life of the asset.

Financial risk management strategies for biological assets

The University is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The University's geographic spread of farms allows a high degree of mitigation against adverse climatic conditions such as droughts and floods and disease outbreaks. The University has strong environmental policies and procedures in place to comply with environmental and other laws. The financial management activities are managed and supervised directly by the University's Finance and General Purposes Committee.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

17. Heritage assets

At 31 December 2017, the University had the following heritage assets:

Department	Heritage asset	Asset description
Botany	Botanical garden	Collection of plants and water bodies conservation for research and recreational activities. It has play centres, children's park, high ropes, course structures as well as a canopy walkway.
Plant and Environmental Biology	Herbarium	Specimen collection of leaves, seeds, fruits and wood.
Zoology	Entomology and Ecology Museum	Collection of insects, preserved animals such as turtles, dolphins, dogs and bones of monkeys, horses and elephants.
Marine and Fisheries	Fisheries Museum	Collection of preserved species of fishes such as sharks and dolphins.
Earth Science	Museum	Collection of rocks, fossils and stones.
Archaeology	Archaeology Museum	Collection of artefacts such as vases, earthenware pots, beads and cowries.
Institute of African Studies	Museum	Collection of artefacts such as carved statues, boots and gold weight.
Central Administration	Bust	Sculpted busts of former Vice-Chancellors.
School of Engineering Sciences	Aircraft: Aermacchi-MB 339 Jet Fighter	Collaboration between School of Engineering Sciences and Ghana Air Force to support the study of aircraft engineering.

18 Investment Properties

	Consolidated	Consolidated	The University	The University
	2018	2017	2018	2017
Cost				
At 1 January	47.00	45.34	47.00	45.34
Additions	-	-	-	-
Valuation gain	4.30	1.66	4.30	1.66
At 31 December	51.30	47.00	51.30	47.00
Accumulated depreciation				
At 1 January	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
At 31 December	-	-	-	-
Net book amount At 31 December	51.30	47.00	51.30	47.00

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

18. Investment properties (continued)

The University's assets classified as Investment properties are the Banking Square and Yiri Lodge. During the year, the amount of revenue from investment properties was GH¢3.33 million and direct expenses were GH¢1.24 million.

The Institute of African Studies of the University contracted a loan facility of US\$1.50 million on 1 March 2009 for the construction of Yiri Lodge. The facility has an interest rate of 12% per annum. The facility is secured over Yiri Lodge and all rental proceeds from its operations.

19. Non-current deposit

Non-current deposit relates to cash deposit by the University of Ghana into a rent reserve account established by the University. The Rent Reserve Account was set up to meet the conditions of the Build, Operate and Transfer (BOT) agreement between University of Ghana and Africa Integras. Under the agreement, Africa Integras will construct facilities for specified Colleges at the University. At 31 December 2018, University of Ghana had paid GH¢20.05m (US\$4.27) (2017: GH¢18.86m) into the rent reserve account.

20 Intangible assets

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Cost				
At 1 January	1.55	1.47	1.55	1.47
Additions	0.00	0.08	0.00	0.08
Disposals	-	-	-	-
At 31 December	1.55	1.55	1.55	1.55
Accumulated Amortisation				
At 1 January	1.13	-	1.13	-
Charge for the year	0.03	1.13	0.03	1.13
Disposals	-	-	-	-
At 31 December	1.15	1.13	1.15	1.13
Net book amount at 31 December	0.39	0.42	0.39	0.42

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

21 Quoted securities

Consolidated

Year ended 31 December 2018

	Outstanding shares	Price per share	Total GH¢'m
Standard Chartered Bank	422,730	21	8.88
Enterprise Group	5,000	2	0.01
Guinness Ghana Brewery Limited	107	2	0.00
Societe Generale Ghana	2,424	1	0.00
			8.89

Movement in quoted securities

Balance at 1 January	9.17
Valuation gains/(losses)	(0.28)
	8.89

Year ended 31 December 2017

Standard Chartered Bank	362,340	25	9.15
Enterprise Group	5,000	4	0.02
Guinness Ghana Brewery Limited	107	2	0.00
Societe Generale Ghana	2,424	1	0.00
			9.17

Movement in quoted securities

Balance at 1 January	4.43
Valuation gains/(losses)	4.74
	9.17

The University

Year ended 31 December 2018

	Outstanding shares	Price per share	Total GH¢'m
Standard Chartered Bank	422,730	21	8.88
Enterprise Group	5,000	2	0.01
Guinness Ghana Brewery Limited	107	2	0.00
Societe Generale Ghana	2,424	1	0.00
			8.89

Movement in quoted securities

Balance at 1 January	9.17
Valuation gains/(losses)	(0.28)
	8.89

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

21 Quoted Securities (continued)

The University (continued)

Year ended 31 December 2017

	Outstanding shares	Price per share	Total GH¢'m
Standard Chartered Bank	362,340	25	9.15
Enterprise Group	5,000	4	0.02
Guinness Ghana Brewery Limited	107	2	0.00
Societe Generale Ghana	2,424	1	0.00
			<u>9.17</u>
Movement in quoted securities			
Balance at 1 January	4.43		
Valuation gains/(losses)	<u>4.74</u>		
	<u>9.17</u>		

The University classifies investments in shares as available-for-sale financial assets and recognises changes in the fair value in the statement of changes in net assets/equity. Fair value of the investments are determined with reference to the Ghana Stock Exchange Index.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

22. Investment in subsidiary

Investment in subsidiary represents GH¢500 unquoted shares the University holds in University of Ghana Enterprises Limited (UGEL). The company was incorporated on 24 September 2007 and is wholly owned by the 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 stationery;
- 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 realisation of the above objects.

23 Related party transactions

23.1 Due from related parties

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
University of Ghana Enterprises Limited (UGEL)	-	-	19.09	19.09
	-	-	19.09	19.09

Transactions with related parties

The following transactions were carried out with related parties:

University of Ghana Medical Centre (UGMC)

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Utilities	0.43	0.16	0.43	0.16
Printing and stationery	0.00	0.00	0.00	0.00
Repairs and maintenance	0.00	0.01	0.00	0.01
Others	0.02	0.01	0.02	0.01
	0.45	0.18	0.45	0.18

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

23. Related party disclosures (continued)

23.2 Key management personnel remuneration

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the University of Ghana and comprise the Council Members of eighteen (18) and Principal Officers of seven (7). No benefits are paid directly or indirectly to close family members of key management staff. Below are consolidated benefits of the key management staff.

	Consolidated 31-Dec-2018	Consolidated 31-Dec-2017	The University 31-Dec-2018	The University 31-Dec-2017
Salaries and short-term employee benefits	2.21	0.30	2.21	0.30
Ghana Universities Staff Superannuation Scheme (GUSSS)	0.06	0.07	0.06	0.07
	2.27	0.37	2.27	0.37

24. Investment in associate

UG-HFC Limited (“the Company”), is a Company registered in Ghana on 14 April 1998. The company's main objective was to acquire plot No. 11 Ambassador Hotel from the University of Ghana for development as an office and commercial complex for investment and to provide property management services. The University has 40% of shareholding interest in the associate company.

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Share of Net Assets as at 1 January	1.61	1.70	1.61	1.70
Share of change in Net Assets	(0.10)	(0.09)	(0.10)	(0.09)
Net Assets 31 December	1.51	1.61	1.51	1.61

Change in Net Assets

Share of associate's surplus/(deficit)	(0.02)	(0.01)	(0.02)	(0.01)
Share of other equity losses	(0.08)	(0.08)	(0.08)	(0.08)
Share of change in Net Assets	(0.10)	(0.09)	(0.10)	(0.09)

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

25 Inventories

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Stationery and general stores	12.44	8.68	12.44	8.68
Computer hardware	0.22	0.15	0.22	0.15
Livestock	0.96	0.98	0.96	0.98
Food stock	0.53	0.37	0.53	0.37
	14.16	10.18	14.16	10.18

The University's livestock include cattle, sheep, goats, pigs, poultry, rabbits, grasscutters, horses, donkeys and fishes. As permitted by IPSAS 27, the livestock of the University are classified as inventory.

26a Receivable from exchange transactions

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Interest receivable on investments	2.96	4.46	2.96	4.46
Students fees receivable	28.14	23.30	28.14	23.30
Sundry debtors	33.82	25.29	33.82	25.29
	64.91	53.04	64.91	53.04
Provision for doubtful debts	1.41	1.16	1.41	1.16
	63.50	51.88	63.50	51.87

26b Receivable from non-exchange transactions

Subvention receivable	171.89	129.25	171.89	129.25
Staff loans and advances	6.76	2.06	6.76	2.06
	178.66	131.31	178.66	131.31
Total recoverables	242.16	183.18	242.16	183.18

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

27. Investments

Investments represent balances on short-term investments with various banks in Ghana. Short-term investments comprise fixed deposits, treasury bills and mutual funds which earn varying interest and have maturity dates of more than three (3) months.

27 Investments

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Fixed deposits	46.64	76.28	46.64	76.28
Treasury bills	4.80	0.55	4.80	0.55
Bonds	-	1.44	-	1.44
	51.44	78.27	51.44	78.27
27.1 Fixed deposits				
University	17.54	24.26	17.54	24.26
Projects	29.10	52.03	29.10	52.03
	46.64	76.28	46.64	76.28
27.2 Treasury bills				
Projects & University	4.80	0.55	4.80	0.55
	4.80	0.55	4.80	0.55
27.3 Bonds				
University	-	1.44	-	1.44
	-	1.44	-	1.44
28 Cash and cash equivalents				
Cash in hand	0.15	0.01	0.15	0.01
Cash at bank	25.21	24.54	25.21	24.54
Project bank accounts	78.06	51.32	78.06	51.32
Liquid investments	42.84	41.58	42.84	41.58
Bank overdrafts	(22.89)	(42.33)	(22.89)	(42.33)
	123.36	75.12	123.36	75.12
28.1 Bank overdrafts				
GCB Bank	10.47	14.26	10.47	14.26
Ecobank Ghana Limited	12.43	28.07	12.43	28.07
	22.89	42.33	22.89	42.33

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

28 Cash and cash equivalents (continued)

28.2 Ghana Commercial Bank

This facility was taken on 1 August 2017 for the purpose of paying salaries. The applicable interest rate on the overdraft from GCB Bank is 28% (1 January 2017: 28%) per annum or at any other rate determined by the bank. The overdrafts are secured over Government subventions.

28.3 Ecobank Ghana Limited

This facility was taken on 1 January 2016 for the purpose of paying salaries. The overdraft facility was contracted from Ecobank Ghana Limited and attracts interest of 26% (1 January 2017: 25.95%). The overdrafts are secured over Government subventions.

29 Borrowings

Consolidated

Year ended 31 December 2018

	Balance at 1 January	Drawdowns	Repayments	Exchange differences	Balance 31 December
HFC-ISL UG Bonds	16.25	-	(10.24)	0.74	6.74
Prudential Bank loan	2.53	0.03	(0.42)	0.41	2.54
Borrowing from restricted fund	-	-	-	-	-
GCB interest free loan	3.76	-	(1.16)	-	2.60
GCB Term Loan Account	-	-	-	-	-
SCB-UG Vehicle Loan Facility	1.98	0.40	(1.44)	-	0.93
UGEL Hostel Project Loan	523.37	-	-	-	523.37
	<u>547.88</u>	<u>0.42</u>	<u>(13.26)</u>	<u>1.14</u>	<u>536.19</u>
Current Portion	539.31				<u>532.17</u>
Non-Current Portion	8.57				<u>4.01</u>

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

29. Borrowings (continued)

Consolidated

Year ended 31 December 2017

	Balance at 1 January	Drawdowns	Repayments	Exchange differences	Balance 31 December
HFC-ISL UG Bonds	21.18	-	(5.73)	0.79	16.25
Prudential Bank loan	2.96	-	(0.57)	0.14	2.53
Borrowing from restricted fund	0.42	-	(0.44)	0.02	-
GCB interest free loan	2.45	2.10	(0.79)	-	3.76
GCB Term Loan Account	6.72	-	(6.72)	-	-
SCB-UG Vehicle Loan Facility	1.13	1.74	(0.90)	-	1.98
UGEL Hostel Project Loan	235.41	287.96	-	-	523.37
	<u>270.26</u>	<u>291.80</u>	<u>(15.13)</u>	<u>0.95</u>	<u>547.88</u>
Current Portion	242.70				539.31
Non-Current Portion	<u>27.56</u>				<u>8.57</u>

The University

Year ended 31 December 2018

	Balance at 1 January	Drawdowns	Repayments	Exchange differences	Balance 31 December
HFC-ISL UG Bonds	16.25	-	(10.24)	0.74	6.74
Prudential Bank loan	2.53	0.03	(0.42)	0.41	2.54
Borrowing from restricted fund	-	-	-	-	-
GCB interest free loan	3.76	-	(1.16)	-	2.60
GCB Term Loan Account	-	-	-	-	-
SCB-UG Vehicle Loan Facility	1.98	0.40	(1.44)	-	0.93
	<u>24.51</u>	<u>0.42</u>	<u>(13.26)</u>	<u>1.14</u>	<u>12.81</u>
Current Portion	15.94				8.80
Non-Current Portion	<u>8.57</u>				<u>4.01</u>

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

29. Borrowings (continued)

The University

Year ended 31 December 2017

	Balance at 1 January	Drawdowns	Repayments	Exchange differences	Balance 31 December
HFC-ISL UG Bonds	21.18	-	(5.73)	0.79	16.25
Prudential Bank loan	2.96	-	(0.57)	0.14	2.53
Borrowing from restricted fund	0.42	-	(0.44)	0.02	-
GCB interest free loan	2.45	2.10	(0.79)	-	3.76
GCB Term Loan Account	6.72	-	(6.72)	-	-
SCB-UG Vehicle Loan Facility	1.13	1.74	(0.90)	-	1.98
	<u>34.86</u>	<u>3.84</u>	<u>(15.13)</u>	<u>0.95</u>	<u>24.51</u>
Current Portion	7.30				15.94
Non-Current Portion	<u>27.56</u>				<u>8.57</u>

HFC-ISL UGBS bond (GH¢)

This is a 5-year facility of GH¢5,000,000 (principal) arranged by HFC Investment Services Limited on 30 May 2012 for University of Ghana Business School for the construction of the 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.

HFC-ISL Science Equipment bond (US\$)

This is a 5-year facility of US\$5,000,000 (principal) 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.

Prudential Bank loan

This is a secured US Dollar facility of US\$1,500,000 (principal) 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 a guarantee from the University of Ghana. The loan was rescheduled for 54 months on 17 December 2015.

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

29. Borrowings (continued)

Borrowing from restricted fund

A loan facility of US\$1.00 million (principal) 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 repayable in three (3) equal instalments. The loan has been fully repaid as at the reporting date.

GCB interest-free loan

This is a 5-year facility contracted on 28 January 2014 with an approved limit of GH¢3.61 million (principal) which attracts no interest. The facility was taken for the construction and completion of a lecture theatre and examination hall. The loan was disbursed by the bank directly to the contractors based on certified work done.

GCB Term loan

The University contracted an overdraft facility from GCB Bank Limited for the purpose of paying salaries. The amount outstanding as at 31 December 2015 was GH¢14.45 million (principal). The University converted part of an overdraft facility amounting to GH¢12.00 million to a term loan on 24 July 2015. The term loan attracts interest at the rate of 28%. The term loan is repayable over 2 years, payable on a quarterly basis.

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 purchased which should be comprehensively insured in the joint names of the lender, Standard Chartered Bank Ghana Limited and the University.

UGEL hostel project loan

University of Ghana Enterprises Limited (UGEL), which is 100% owned by University of Ghana contracted a loan facility amounting to GH¢43 million (principal) 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.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

29. Borrowings (continued)

UGEL hostel project loan (continued)

The principal facility commitment of each bank is as follows:

Financial Institution	Amount GH¢
Cal Bank Limited	17.00
Agricultural Development Bank Limited	10.00
Ecobank Ghana Limited	8.00
SG-SSB Limited	5.00
Fidelity Bank Limited	2.00
International Commercial Bank Limited	1.00
Total	43.00

Outstanding balance (including principal, interest and penalties) as at 31 December 2018 of GH¢523.37 million (2017: GH¢523.37 million) was in default and had not been remedied at the reporting date.

30 Restricted funds

30a Restricted fund balances

Fund type	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Project funds	126.49	103.52	126.49	103.52
Bursaries and financial aid	1.48	0.78	1.48	0.78
Awards and memorial	3.69	3.62	3.69	3.62
	131.67	107.92	131.67	107.92

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

30. Restricted funds (continued)

30b Movement schedule

Consolidated

Year ended 31 December 2018

Fund type	Balance At 1 January	Additions during the year	Used in the year	Balance At 31 December
Project funds	103.52	149.95	(126.98)	126.49
Bursaries and financial aid	0.78	4.39	(3.69)	1.48
Awards and memorial	3.62	0.13	(0.06)	3.69
	107.92	154.47	(130.73)	131.67

Year ended 31 December 2017

Fund type	Balance At 1 January	Additions during the year	Used in the year	Balance At 31 December
Project funds	107.35	137.33	(141.17)	103.52
Bursaries and financial aid	0.79	0.93	(0.93)	0.78
Awards and memorial	3.48	0.25	(0.11)	3.62
	111.62	138.51	(142.21)	107.92

The University

Year ended 31 December 2018

Fund type	Balance At 1 January	Additions during the year	Used in the year	Balance At 31 December
Project funds	103.52	149.95	(126.98)	126.49
Bursaries and financial aid	0.78	4.39	(3.69)	1.48
Awards and memorial	3.62	0.13	(0.06)	3.69
	107.92	154.47	(130.73)	131.67

Year ended 31 December 2017

Fund type	Balance At 1 January	Additions during the year	Used in the year	Balance At 31 December
Project funds	107.35	137.33	(141.17)	103.52
Bursaries and financial aid	0.79	0.93	(0.93)	0.78
Awards and memorial	3.48	0.25	(0.11)	3.62
	111.62	138.51	(142.21)	107.92

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

31. Employee benefit obligation

31.1 Employee benefits schedule

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Defined benefit obligation				
Balance at 1 January	171.57	130.82	171.57	130.82
Current Service Cost (excluding expenses)	5.99	5.91	5.99	5.91
Net interest cost	29.47	27.55	29.47	27.55
– Financial assumptions	(71.41)	14.99	(71.41)	14.99
Experience adjustment	51.81	(0.29)	51.81	(0.29)
Return on plan assets excluding amounts included in interest expense/(income)	-	-	-	-
Contributions paid by the employer (excluding expenses)	-	-	-	-
Contributions paid by the member & other parties	11.49	9.68	11.49	9.68
Benefit paid	(21.71)	(17.07)	(21.71)	(17.07)
	177.22	171.57	177.22	171.57
Fair Value of Planned Assets				
Balance at 1 January	64.60	51.19	64.60	51.19
Current Service Cost (excluding expenses)	-	-	-	-
Net interest cost	11.25	11.01	11.25	11.01
– Financial assumptions	-	-	-	-
Experience adjustment	47.16	3.24	47.16	3.24
Return on plan assets excluding amounts included in interest expense/(income)	2.81	1.50	2.81	1.50
Contributions paid by the employer (excluding expenses)	5.98	5.05	5.98	5.05
Contributions paid by the member & other parties	11.49	9.68	11.49	9.68
Benefit paid	(21.71)	(17.07)	(21.71)	(17.07)
	121.57	64.60	121.57	64.60
Net Define Benefit Liability				
Balance at 1 January	106.97	79.62	106.97	79.62
Current Service Cost (excluding expenses)	5.99	5.91	5.99	5.91
Net interest cost	18.22	16.55	18.22	16.55
– Financial assumptions	(71.41)	14.99	(71.41)	14.99
Experience adjustment	4.66	(3.54)	4.66	(3.54)
Return on plan assets excluding amounts included in interest expense/(income)	(2.81)	(1.50)	(2.81)	(1.50)
Contributions paid by the employer (excluding expenses)	(5.98)	(5.05)	(5.98)	(5.05)
Contributions paid by the member & other parties	-	-	-	-
Benefit paid	-	-	-	-
	55.65	106.97	55.65	106.97

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

31. Employee benefit obligation (continued)

31.2 Ghana Universities Staff Superannuation Scheme (GUSSS)

The Ghana Universities Staff Superannuation Scheme (GUSSS) of the University covers teachers (lecturers and professors), research fellows, administrative, library and professional staff of the public universities. The GUSSS scheme was first revised and re-established on January 1, 1976 and since then has undergone several reforms. At the reporting date each public university operated its own version of the GUSSS. The GUSSS scheme provides for old-age pension, death benefits and benefits on dismissal or vacation of post. Under the enhanced GUSSS, members are eligible for old-age pension benefits if they have attained a minimum age of 55 (voluntary retirement); however there is a compulsory retirement at age 60, provided they have contributed into the scheme for a minimum period of 15 years (180 months). Members contribute into the GUSSS monthly at a rate of 25% of basic salary whereas the Employer contributes 13% in respect of each member.

All retirements are effected on July 31 of the year of retirement. The GUSSS provides for an optional lump sum gratuity settlement plus a residual pension; the lump sum gratuity is equal to a quarter ($\frac{1}{4}$) of the full pension multiplied by twenty. The residual pension of three fourth ($\frac{3}{4}$) of the full pension is paid for the life of the member, with a twenty (20) year guaranteed period. The full pension is calculated as one fortieth ($\frac{1}{40}$) for each year of contribution, subject to a maximum of 40 years times the terminal salary. Currently, the scheme has 1811 members and is managed by the Finance Office at the University of Ghana under the control of a Management Board.

31.3 Valuation and significant assumptions

This valuation exercise for GUSSS was performed by Stallion Consultants Limited, professional valuers on going concern basis and per the requirements of IPSAS 39, Employee Benefits. The actuarial basis specifies the actuarial methodology and the assumptions used in performing the actuarial valuation. To estimate the liabilities under the scheme, there is the need to estimate the future payments from the scheme which in turn requires assumptions to be established about the future evolution of the membership and the rate of return at which the benefits will be discounted. Then, an actuarial method is used to establish the liabilities of the various members under the scheme.

The actual costs of an Employee Benefits Scheme may be higher or lower than the actuarial estimate, and any difference between the scheme's actual experience and the actuarial assumptions will emerge as experience gains or losses in future valuations. In the long run, the cost of the scheme will ultimately be determined by the benefits provided and by the scheme's actual experience, and not by the actuarial basis adopted from time to time by actuaries to estimate the cost. In assessing the liabilities, allowance is made for future increases in pensionable salary as well as to pensions in payment, where applicable.

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

31. Employee benefit obligation (continued)

31.3 Valuation and significant assumptions (continued)

The actuarial liability and the normal actuarial cost were calculated using the Projected Unit Credit Actuarial Cost Method in accordance with IPSAS 25/39. An equal portion of the total estimated benefit is attributed to each year of service. The actuarial present value of the accrued pension benefits is determined after the benefits are attributed to the years of service up to the date of determination. The assets are valued at fair market value on a bid value basis as prescribed by IPSAS 25/39.

The significant assumptions used in the valuation are as follows:

Economic assumptions

Liability discount rate	21.5% per annum
Rate of salary increase	15% per annum
Post-retirement indexation of benefits earned	12% per annum
Expected long-term rate of inflation (not used directly in calculations)	9.4% per annum
Nominal interest rate/interest on members' contributions	21.5% per annum
Expected rate of return on assets (net of all management expenses)	21.5% per annum

Demographic assumptions

Mortality	1983 Unisex Group Annuity Mortality
Attained age basis	Age nearest birthday
Retirement age	All members retire at age 60

Others

Valuation date	31 December 2018
Settlement option	Normal Life Annuity Due with 20-year guaranteed period payable monthly
Expenses	None; Company absorbs all administrative and incidental expenses

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

31. Employee benefit obligation (continued)

31.4 Sensitivity analysis

The sensitivity analyses below are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

The following sensitivities were tested on the final basis used for this valuation. The results of the sensitivity analysis as at 31 December 2018 are summarised below:

	Percentage change in assumption	Percentage change in actuarial liability
Reducing discount rate	-2%	20%
Increasing discount rate	2%	-15%
Reducing salary scale	-2%	-5%
Increasing salary scale	2%	6%
Mortality	0%	-3%
Reducing post-retirement benefit indexation	-2%	-11%
Increasing post-retirement benefit indexation	2%	14%

The sensitivity tests indicated that the resulting liabilities are sensitive to the discount rate assumption followed by post-retirement benefit indexation and rate of salary increases.

32 Provisions

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Exgratia	111.76	103.89	111.76	103.89
Other provisions	0.20	0.77	0.20	0.77
Provision for judgement debts	4.44	5.52	4.44	5.52
Compensation on termination of Africa Integras contract	230.40	211.42	230.40	211.42
	346.79	321.60	346.79	321.60
Analysis				
Non-current	111.76	103.89	111.76	103.89
Current	235.03	217.72	235.03	217.72

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

33 Deferred tax

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
(a) Analysis of tax charge is as follows:				
Current income tax expense	-	-	-	-
Deferred income tax /charge	43.42	42.10	-	-
	43.42	42.10	-	-

- (b) Current income tax
 UGEL was in a current income tax chargeable position for the year ended 31 December 2018

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
(c) Deferred income tax				
Balance at 1 January	42.10	42.10	-	-
Charge for the year	1.32	-	-	-
Balance at 31 December	43.42	42.10	-	-

34 Due to related parties

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Balance due UGEL at 1 January	-	-	17.38	15.91
Residential user fees collected by University of Ghana on behalf of UGEL	-	-	15.25	14.41
Expenditure paid on behalf of UGEL	-	-	(10.12)	(12.94)
Amounts due to UGEL	-	-	22.51	17.38

At the reporting date, an amount of GH¢22.51 million (2017: GH¢17.38 million) was owed to UGEL by the University, representing hostel fees collected by the University on behalf of UGEL.

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

35 Accounts payable and accrued liabilities

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Electricity bill payable	42.81	43.76	42.81	43.76
Water bill payable	85.85	52.52	85.85	52.52
Contractors & suppliers payable	8.67	13.62	8.09	13.58
Salary related payables	18.24	30.41	18.24	29.70
Sundry payables	8.73	13.83	8.73	13.66
Student association payables	8.58	6.37	8.58	6.37
Interest payable	-	0.81	-	0.81
Student fees prepaid	62.60	59.17	62.60	59.17
	235.48	220.50	234.90	219.58

36 Cash flows from operating activities

	Consolidated 2018	Consolidated 2017	The University 2018	The University 2017
Surplus/(Deficit) before tax	67.75	(505.99)	62.47	(219.55)
Adjustments for:				
Depreciation and amortisation	23.28	32.68	22.56	32.38
Accrued interest on UGEL hostel projects loan	-	287.96	-	-
Unrealised translation loss/(gains)	0.96	(1.55)	0.96	(1.55)
Share of associate deficit	0.02	0.01	0.02	0.01
	92.01	(186.88)	86.01	(188.71)
Change in Inventories	(3.98)	(1.00)	(3.98)	(1.00)
Change in accounts receivables	(58.98)	(21.56)	(58.98)	(21.56)
Change in due to related party balance	-	-	5.13	1.47
Change in accounts payable and accrued liabilities	14.98	16.97	15.32	16.65
Change in Provisions	25.19	228.16	25.19	228.28
Change in employee benefit obligation	(51.33)	27.35	(51.33)	27.35
	17.90	63.03	17.37	62.48

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting

For management purposes, the University's activity is divided into the following two (2) reportable segments:

- The academic related services segment: educational activity, including higher education programmes, intermediate vocational education programmes, main professional programs, additional education programmes and general education programmes;
- The non-academic related services segment: research (fundamental and experimental research) and training of research employees.

No operating segments have been aggregated to present the above reportable segments. Management of the University monitors each segment separately to make decisions on the allocation of resources and performance assessment. Segment performance is evaluated based on operating surplus or deficit which in certain respects is measured differently from operating surplus or deficit in the financial statements. Transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Segment information for the year ended 31 December 2018 is presented as follows:

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

Consolidated

At 31 December 2018

	Academic	Non-academic	Total
SEGMENT REVENUE			
Revenue from non-exchange transaction			
Government subvention and grants	336.44	-	336.44
Research grants and contracts	143.84	-	143.84
Bursaries and financial aid	3.69	-	3.69
Revenue from other non-exchange transactions	-	1.00	1.00
	483.97	1.00	484.97
Revenue from exchange transactions			
Academic fees and other student charges	170.57	-	170.57
Revenue from other exchange transactions	29.78	62.26	92.03
	200.35	62.26	262.60
Total revenue	684.32	63.26	747.58
SEGMENT EXPENSES			
Employee benefit costs	141.92	135.86	277.78
Other operating expenses	129.90	108.25	238.15
Research grants and contracts expenses	126.98	-	126.98
Bursaries and financial aid	3.69	-	3.69
Finance costs	8.79	20.12	28.91
Depreciation and Amortisation	23.28	-	23.28
Total expenses	434.56	245.25	679.81
Share of associate's deficit	-	0.02	0.02
Surplus/(deficit) before tax	249.76	(182.01)	67.75
Taxation	-	-	-
Surplus/(deficit) for the year	248.44	(182.01)	66.43
Attributable to:			
Owners of the controlling entity	248.44	(182.01)	66.43
Non-controlling interests	-	-	-
	248.44	(182.01)	66.43

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

Consolidated (continued)

At 31 December 2018

OTHER SEGMENT INFORMATION

	Academic	Non-academic	Total
Segment assets			
Total non-current assets	15,080.55	-	15,080.55
Total current assets	379.68	51.44	431.11
	15,460.23	51.44	15,511.66
Segment liabilities and funding			
Total non-current liabilities	346.50	-	346.50
Total current liabilities	1,002.69	-	1,002.69
Accumulated deficits	(529.42)	-	(529.42)
General reserve fund	7.38	-	7.38
UG Endowment fund	9.80	-	9.80
Revaluation reserves	14,630.28	44.44	14,674.72
	15,467.23	44.44	15,511.66

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

Consolidated (continued)

At 31 December 2017

	Academic	Non-academic	Total
SEGMENT REVENUE			
Revenue from non-exchange transaction			
Government subvention and grants	301.50	-	301.50
Research grants and contracts	100.56	48.44	149.00
Bursaries and financial aid	0.93	-	0.93
Revenue from other non-exchange transactions	-	0.85	0.85
	402.99	49.30	452.28
Revenue from exchange transactions			
Academic fees and other student charges	166.63	-	166.63
Revenue from other exchange transactions	87.33	4.82	92.15
	253.97	4.82	258.78
Total revenue	656.95	54.11	711.06
SEGMENT EXPENSES			
Employee benefit costs	203.03	147.00	350.03
Other operating expenses	294.44	88.44	382.88
Research grants and contracts expenses	138.87	2.30	141.17
Bursaries and financial aid	0.93	-	0.93
Finance costs	300.75	8.60	309.36
Depreciation and Amortisation	21.86	10.82	32.68
Total expenses	959.88	257.17	1,217.05
Share of associate's deficit	-	0.01	0.01
Surplus/(deficit) before tax	(302.92)	(203.07)	(505.99)
Taxation	-	-	-
Surplus/(deficit) for the year	(302.92)	(203.07)	(505.99)
Attributable to:			
Owners of the controlling entity	(302.92)	(203.07)	(505.99)
Non-controlling interests	-	-	-
	(302.92)	(203.07)	(505.99)

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

Consolidated (continued)

At 31 December 2017

OTHER SEGMENT INFORMATION

	Academic	Non-academic	Total
Segment assets			
Total non-current assets	15,046.42	44.44	15,090.86
Total current assets	268.48	78.27	346.75
	15,314.90	122.71	15,437.61
Segment liabilities and funding			
Total non-current liabilities	264.65	104.80	369.45
Total current liabilities	939.08	38.44	977.53
Accumulated deficits	(595.23)	(0.62)	(595.85)
General reserve fund	6.92	-	6.92
UG Endowment fund	9.15	-	9.15
Revaluation reserves	14,625.98	44.44	14,670.42
	15,250.55	187.06	15,437.61

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

University

At 31 December 2018

	Academic	Non-academic	Total
SEGMENT REVENUE			
Revenue from non-exchange transaction			
Government subvention and grants	336.44	-	336.44
Research grants and contracts	143.84	-	143.84
Bursaries and financial aid	3.69	-	3.69
Revenue from other non-exchange transactions	-	1.00	1.00
	483.97	1.00	484.97
Revenue from exchange transactions			
Academic fees and other student charges	170.57	-	170.57
Revenue from other exchange transactions	14.54	62.26	76.79
	185.11	62.26	247.36
Total revenue	669.08	63.26	732.33
SEGMENT EXPENSES			
Employee benefit costs	137.90	135.86	273.76
Other operating expenses	129.90	103.03	232.93
Research grants and contracts expenses	126.98	-	126.98
Bursaries and financial aid	3.69	-	3.69
Finance costs	8.79	20.12	28.91
Depreciation and Amortisation	22.56	-	22.56
Total expenses	429.82	240.03	669.85
Share of associate's deficit	-	0.02	0.02
Surplus/(deficit) before tax	239.26	(176.79)	62.47
Taxation	-	-	-
Surplus/(deficit) for the year	239.26	(176.79)	62.47
Attributable to:			
Owners of the controlling entity	239.26	(176.79)	62.47
Non-controlling interests	-	-	-
	239.26	(176.79)	62.47

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

The University (continued)

At 31 December 2018

OTHER SEGMENT INFORMATION

	Academic	Non-academic	Total
Segment assets			
Total non-current assets	14,776.98	-	14,776.98
Total current assets	379.68	51.44	431.11
	15,156.65	51.44	15,208.09
Segment liabilities and funding			
Total non-current liabilities	303.08	-	303.08
Total current liabilities	501.25	-	501.25
Accumulated deficits	(288.14)	-	(288.14)
General reserve fund	7.38	-	7.38
UG Endowment fund	9.80	-	9.80
Revaluation reserves	14,630.28	44.44	14,674.72
	15,163.65	44.44	15,208.09

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

University (continued)

At 31 December 2017

	Academic	Non-academic	Total
SEGMENT REVENUE			
Revenue from non-exchange transaction			
Government subvention and grants	301.50	-	301.50
Research grants and contracts	100.56	48.44	149.00
Bursaries and financial aid	0.93	-	0.93
Revenue from other non-exchange transactions	-	0.85	0.85
	402.99	49.30	452.28
Revenue from exchange transactions			
Academic fees and other student charges	166.63	-	166.63
Revenue from other exchange transactions	72.93	4.82	77.74
	239.56	4.82	244.38
Total revenue	642.54	54.11	696.66
SEGMENT EXPENSES			
Employee benefit costs	199.57	147.00	346.57
Other operating expenses	285.31	88.44	373.76
Research grants and contracts expenses	138.87	2.30	141.17
Bursaries and financial aid	0.93	-	0.93
Finance costs	12.79	8.60	21.39
Depreciation and Amortisation	21.56	10.82	32.38
Total expenses	659.03	257.17	916.20
Share of associate's deficit	-	0.01	0.01
Surplus/(deficit) before tax	(16.48)	(203.07)	(219.55)
Taxation	-	-	-
Surplus/(deficit) for the year	(16.48)	(203.07)	(219.55)
Attributable to:			
Owners of the controlling entity	(16.48)	(203.07)	(219.55)
Non-controlling interests	-	-	-
	(16.48)	(203.07)	(219.55)

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

37. Segment reporting (continued)

The University (continued)

At 31 December 2017

OTHER SEGMENT INFORMATION

	Academic	Non-academic	Total
Segment assets			
Total non-current assets	14,742.65	44.44	14,787.09
Total current assets	268.48	78.27	346.75
	15,011.13	122.71	15,133.84
Segment liabilities and funding			
Total non-current liabilities	264.65	62.70	327.35
Total current liabilities	432.17	38.44	470.61
Accumulated deficits	(349.97)	(0.64)	(350.61)
General reserve fund	6.92	-	6.92
UG Endowment fund	9.15	-	9.15
Revaluation reserves	14,625.98	44.44	14,670.42
	14,988.90	144.94	15,133.84

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

38 Statement of Funds

38(a) Accumulated Fund

	Consolidated	Consolidated	The University	The University
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
At 1 January	(595.85)	(89.86)	(350.61)	(131.06)
Surplus / (deficit) for the year	66.43	(505.99)	62.47	(219.55)
At 31 December	(529.42)	(595.85)	(288.14)	(350.61)

38(b) Reserves

Consolidated and the University

Year ended 31 December 2018

	General reserve fund	UG endowment fund	Total
At 1 January	6.92	9.15	16.07
Changes in net assets: Funds received	0.46	-	0.46
Changes in the value of asset	-	0.65	0.65
Balance at 31 December	7.38	9.80	17.18

Consolidated and the University

Year ended 31 December 2017

	General reserve fund	UG endowment fund	Total
At 1 January	6.23	4.41	10.64
Changes in net assets: Funds received	0.69	-	0.69
Changes in the value of asset	-	4.74	4.74
Balance at 31 December	6.92	9.15	16.07

University of Ghana
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in millions of Ghana Cedis unless otherwise stated)

38 Statement of Funds (continued)

38(c) Revaluation reserves

Consolidated and the University

Year ended 31 December 2018

	Revaluation reserves	Total
At 1 January	14,670	14,670
Changes during the year	4	4
Balance at 31 December	14,675	14,675

Consolidated and the University

Year ended 31 December 2017

	Revaluation reserves	Total
At 1 January	14,670	14,670
Changes during the year	-	-
Balance at 31 December	14,670	14,670

Reserves consist primarily of valuation surplus on adoption of IPSAS.

39. Contingent liabilities

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.



**University of Ghana
Financial statements
for the year ended 31 December 2018**