

UNIVERSITY OF HEALTH AND ALLIED SCIENCES

***FINANCIAL STATEMENTS FOR THE 9 MONTH
PERIOD ENDED 31 DECEMBER 2012***

**UNIVERSITY OF HEALTH AND ALLIED SCIENCES
REPORT AND FINANCIAL STATEMENTS**

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UNIVERSITY OF HEALTH AND ALLIED SCIENCES

CORPORATE INFORMATION

INTERIM COUNCIL MEMBERS

Prof. Kofi Anyidoho **Chairman** (*Appointed: February 2012*)
Prof. Fred Binka **Vice Chancellor** (*Appointed: February 2012*)
Prof. Ernest Aryeetey **Member** (*Appointed: February 2012*)
Mrs. Justice Agnes Dordzie **Member** (*Appointed: October 2012*)
Togbe Tepre Hodo IV **Member** (*Appointed: February 2012*)
Dr. Sodzi Sodzi-Tettey **Member** (*Appointed: February 2012*)
Dr. Yaw Adu Gyamfi **Member** (*Appointed: February 2012*)

REGISTERED OFFICE

Volta Regional Hospital
PMB 31
Ho
Volta Region

AUDITOR

KPMG
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
P. O. Box GP 242
Accra

BANKER

GCB Bank Limited

**REPORT OF THE COUNCIL MEMBERS
OF THE UNIVERSITY OF HEALTH AND ALLIED SCIENCES TO
THE MINISTER RESPONSIBLE FOR EDUCATION**

The Council Members present their report and the financial statements of the University for the 9 month period ended 31 December 2012.

COUNCIL MEMBERS' RESPONSIBILITY STATEMENT

The University's Council Members are responsible for the preparation and fair presentation of these financial statements comprising the statement of financial position at 31 December 2012, the statement of financial performance, statement of changes in net assets and statement of cash flows for the period 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 in the manner required by the University of Health and Allied Sciences Act 2011, Act 828 and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Council Members have made an assessment of the university's ability to continue as a going concern and have reason to believe that the university will continue as a going concern.

FINANCIAL STATEMENTS

The results are summarised as follows:

	2012 GH¢
Surplus income for the period	8,727,434
Surplus on the accumulated fund of	8,727,434

The Council Members consider the state of the university's affairs to be satisfactory.

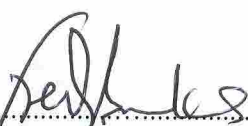
NATURE OF BUSINESS

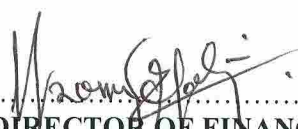
The principal activity of the university is to provide educational opportunities to students and healthcare professionals, advance knowledge through research, patients care and services that improves health and quality of life.

REPORT OF THE COUNCIL MEMBERS - (CONT'D)
OF THE UNIVERSITY OF HEALTH AND ALLIED SCIENCES TO
THE MINISTER RESPONSIBLE FOR EDUCATION

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the University as indicated above were approved by the Council Members on
18 December....., 2015 and are signed on their behalf by:


.....
VICE CHANCELLOR


.....
DIRECTOR OF FINANCE



INDEPENDENT AUDITOR'S REPORT TO THE MINISTER RESPONSIBLE FOR EDUCATION

Report on the Financial Statements

We have audited the accompanying financial statements of University of Health and Allied Sciences which comprise the statements of financial position, statement of financial performance, statement of changes in net assets and cash flows for the 9 month period then ended 31 December 2012, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 20.

Council Members' Responsibility for the Financial Statement

The Council Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the University of Health and Allied Sciences Act 2011, (Act 828) and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of University of Health and Allied Sciences at 31 December 2012, and its financial performance and cash flows for the period then ended in accordance with International Public Sector Accounting Standards, the manner required by the University of Health and Allied Sciences Act 2011, (Act 828).



INDEPENDENT AUDITOR'S REPORT
TO THE MINISTER RESPONSIBLE FOR EDUCATION - (CONT'D)

N.D. Harlley

.....
Signed by: Nathaniel D. Harlley (ICAG/P/1056)
For and on behalf of:
KPMG: (ICAG/F/2015/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELINKPE
P O BOX GP 242
ACCRA

18 December 2015

UNIVERSITY OF HEALTH AND ALLIED SCIENCES
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2012

	Note	2012 GH¢
Assets		
Current Assets		
Cash and Bank Balances	8	2,093,529
Receivable from Exchange Transactions	6	302,522
Due from NCTE		2,983,034
Short Term Investment	11	500,000

Total Current Assets		5,879,085

Non-current asset		
Property, Plant and Equipment	10	8,236,819

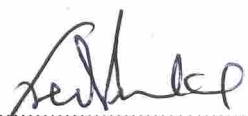
Total Assets		14,115,904
		=====
Liabilities		
Current Liabilities		
Accounts Payable	9	277,806
Deferred Tuition Fees	10	114,671
Non-monetary Grants	14(b)	203,993

Total Current liabilities		596,470

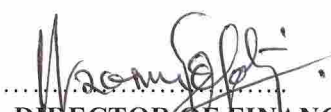
Non-Current Liabilities		
Non-monetary Grants	14(b)	3,792,000
Other Grants	14(c)	1,000,000

		4,792,000

Total Liabilities		5,388,470
		=====
Net Assets		
Accumulated Fund		8,727,434
Net assets and Liabilities		14,115,904
		=====



VICE CHANCELLOR



DIRECTOR OF FINANCE

The notes on pages 12 to 20 are an integral part of these financial statements.

UNIVERSITY OF HEALTH AND ALLIED SCIENCES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

	Note	2012 GH¢
Income		
Tuition Fees		114,671
Government and other Public Inst. Subvention	14(a)	10,612,031
Other Income	5	289,426

Total income		11,016,128

Expenses		
Administrative and General Expense	12	785,725
Salaries and Benefits	7	896,886
Depreciation	10	497,723
Repairs and Maintenance		108,360

Total Expenses		2,288,694

Net Surplus transferred to accumulated fund		8,727,434
		=====

The notes on pages 12 to 20 are an integral part of these financial statements.

UNIVERSITY OF HEALTH AND ALLIED SCIENCES
STATEMENT OF CHANGES IN NET ASSETS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

	Accumulated Fund GH¢	Total GH¢
Balance at 1 April 2012	-	-
Surplus for the period	8,727,434	8,727,434
Balance at 31 December 2012	----- 8,727,434 -----	----- 8,727,434 -----

The notes on pages 12 to 19 are an integral part of these financial statements.

UNIVERSITY OF HEALTH AND ALLIED SCIENCES
STATEMENT OF CASH FLOWS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

	Note	2012 GH¢
Cash flows from operating activities		
Surplus for the period		8,727,434
<i>Adjustments for:</i>		
Depreciation	10	497,723
Grants released	14(b)	(203,993)

		9,021,164
Receivable from Exchange Transactions	6	(302,522)
Due from NCTE		(2,983,034)
Accounts payable	9	277,806
Deferred Tuition fees	10	114,671

Net cash from operating activities		6,128,085

Cash flows from investing activities		
Purchase of Property, Plant & Equipment	11(a)	(8,734,542)

Net cash used in investing activities		(8,734,542)

Cash Flow from Financing Activities		
Non-monetary Grants received	14(b)	4,199,986
Other Grants received	14(c)	1,000,000

Net cash from financing activities		5,199,986

Net Increase in Cash and Bank Balances		2,593,529
Cash and cash balances at 1 April		-

Cash and Bank Balances at 31 December	8	2,593,529
		=====

The notes on pages 12 to 20 are an integral part of these financial statements.

UNIVERSITY OF HEALTH AND ALLIED SCIENCES
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

Budget for the period under review

	2012	2012		
	Annual Budget	Expenditure Actual	Budget Variance	Variance %
	GH¢	GH¢	GH¢	
Sale of application forms	63,750	70,135	6,385	10
Student fees	151,500	114,671	(36,829)	24
Compensation of employees	5,819,539	896,886	4,922,653	84
Goods and Services	2,334,150	1,678,408	655,742	28
Fixed assets	9,363,881	8,734,542	629,339	7
Total	17,732,820	11,494,642	6,177,290	

The notes on pages 12 to 20 are an integral part of these financial statements.

UNIVERSITY OF HEALTH AND ALLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

1. GENERAL INFORMATION

University of Health and Allied Sciences (UHAS) was established under the provisions of the University of Health and Allied Sciences Act 828, which received the presidential approval in December 2011. It is devoted to teaching, research and service in the Health Sciences. Community health service and problem solving techniques form a core part of the curriculum and has a strong commitment to improve health especially for the poor and vulnerable.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and its interpretations adopted by the International Accounting Standards Board (IASB).

b. Basis of preparation

The financial statements have been prepared under the historical cost convention except where otherwise stated in the accounting policies below. The financial statements are prepared on an accrual basis. The statement of cash flows is prepared using the indirect method. The accounting policies have been consistently applied to the year presented.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. Use of estimates and judgement

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 and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key estimates management has made in preparing the financial statements concerns the lives property, plant and equipment which are at least that set out in the relevant notes.

b. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the university and its cost can be measured reliably. The costs of day-to-day maintenance, repair and servicing expenditures incurred on property and equipment are recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The annual rates generally in use for the current and comparative periods are as follows:

Building	50 years
Plant and Equipment	5 years
Furniture and Fittings	5 years
Motor vehicles	5 years
ICT Equipment	2 years

Depreciation on additions to property, plant and equipment is charged full in the year of acquisition and in the year of disposals.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in profit or loss as other income.

c. Functional and presentation currency

These financial statements are presented in Ghana Cedi (GH¢), which is the functional currency of the university.

d. Receivable from Exchange Transactions

Student fee receivables and prepayments outstanding as at the end of the reporting period are treated as receivable from exchange in the statement of financial position.

Receivables are recorded at their stated cost.

e. Cash and bank Balances

University of Health and Allied Sciences cash and bank balances comprise cash on hand and cash at bank, deposits in suspense accounts and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

f. Payables

Payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

g. Tuition Fees

Tuition fees are recognised in profit or loss on an accrual basis when it is probable that future economic benefits of the transaction will flow to the entity, the tuition fees can be measured reliably and the costs are identifiable and can be measured reliably.

If the university provides tuition services over different reporting periods, then the tuition fees are deferred on a relative fair value basis between the different reporting periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

h. Expenditure

The university's expenditure is recognised on accrual basis.

i. Employee benefits

The University has defined contribution plans. A defined contribution plan is a pension plan under which the university pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions. Obligations for contributions to defined contribution schemes are recognised as an expense in profit or loss in periods during which services are rendered by employees.

j. Events after the reporting period

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material

k. Financial instruments

University of Health and Allied Sciences seeks to minimise its exposure to financial risk. It uses only non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, certificates of deposit, receivable from exchange and accounts payable.

All financial instruments are recognised in the statement of financial position at their fair values.

l. Grants

Government and other public institution subvention – Remittances from the Government and other public institutions are recognised when funds are received. These are recognised in profit or loss on a systematic basis as the University recognises as expense the costs that the subvention is intended to compensate.

Non-Monetary Grants - Grants in the form of building and vehicles are initially recognised at fair value if there is reasonable assurance that they will be received and the university will comply with the conditions associated with the grant. These grants are recognized in profit or loss as the asset is depreciated on a systematic basis over the useful life of the asset.

Other Grants - These are grants received and held for the purposes of infrastructural developments.

m. Prepayment

The university rents apartment in Ho and its environs for the staff, under tenancy agreements. Included in the tenancy agreement is a requirement to pay the landlords in advance for the entire period, which is expensed annually on a pro-rata basis.

n. Comparative Information

This is the University's first year of audit. There is therefore no presentation of prior period information for the purposes of comparison.

o. Investments

Investments mainly fixed deposits are stated at cost.

4 NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL

a. Basis of Preparation

The budget information has been prepared on an accrual basis since it is the policy of University of Health and Allied Sciences to apply the accrual basis of accounting for its budgets during the fiscal year. The financial statements however, are prepared on an accrual basis of accounting. The accrual basis of accounting is one under which transactions, other events and conditions are recognised when they occur (and not only when cash or its equivalent is received or paid).

b. Key assumptions include:

- Application forms sold during the period
- Number of students to be admitted for the academic year
- Capital budget for capital assets
- Personnel emoluments.

c. Budget approval

University of Health and Allied Sciences is a non-profit public institution registered in accordance with the University of Health and Allied Sciences Act 2011 (Act 828). The University Council approve budgets upon recommendation of the Finance and General Purposes Committee.

d. Explanations of key deviations

Compensation of employees - This represents salaries and allowances paid to the staff of the University. The significant variance is as a result of 7 staff being employed as against 130 staff anticipated to be employed for the period under review. During the first year of operations, it was anticipated that about 130 staff will be employed. However, the institution had financial clearance for 7 staff. These staff managed the affairs of the University till September when they employed about 70 staff.

5. OTHER INCOME

	2012 GH¢
Application Forms	70,135
Procurement Forms	14,700
Grants released	203,993
Other Income	598

	289,426
	=====

6. RECEIVABLE FROM EXCHANGE TRANSACTIONS

	2012 GH¢
Student fee receivable	15,922
Prepayment	286,600

	302,522
	=====

7. SALARIES AND BENEFITS**2012
GH¢**

Personnel Emoluments	856,394
Honararium	40,492
	<u>896,886</u>

8. CASH AND BANK BALANCES**2012
GH¢**

Bank balances	2,093,529
Cash and bank balances in the statement of financial performance	2,093,529
Fixed deposit	500,000
Cash and bank balances as presented in the statement of cash flows	2,593,529

9. ACCOUNTS PAYABLE**2012
GH¢**

Other Creditors	54,780
Sundry Creditors	223,026
	<u>277,806</u>

10. PROPERTY, PLANT & EQUIPMENT

2012

Cost	Buildings GH¢	Furniture & Fittings GH¢	Plant & Equipment GH¢	Computer & Accessories GH¢	Motor Vehicles GH¢	Total GH¢
Additions during the period	6,994,386	498,931	24,451	32,680	1,184,094	8,734,542
At 31 December 2012	6,994,386	498,931	24,451	32,680	1,184,094	8,734,542
Accumulated Depreciation						
Charge for the period	139,888	99,786	4,890	16,340	236,819	497,723
At 31 December 2012	139,888	99,786	4,890	16,340	236,819	497,723
Carrying Value						
At 31 December, 2012	6,854,498	399,145	19,561	16,340	947,275	8,236,819

11. SHORT TERM INVESTMENTS

	2012 GH¢
Fixed Deposit	500,000

	500,000
	=====

12. ADMINISTRATIVE AND GENERAL EXPENSES

	2012 GH¢
Hotel Accommodation and Meals	159,982
Staff Meeting Expense	155,561
Publicity and Advertisement	116,144
University Council Expense	72,308
Consultancy Fees	37,444
Fuel and Lubricants	27,447
Matriculation Gowns	25,280
Student Feeding	24,874
Rent	21,799
Printing and Stationary	21,825
Audit Fees	20,000
Other Administrative Expenses	103,061

	785,725
	=====

13. DEFERRED TUITION FEES

	2012 GH¢
Amount deferred for the period	114,671

Balance at 31 December	114,671
	=====

14(a). GOVERNMENT AND OTHER PUBLIC INSTITUTION SUBVENTION

	2012 GH¢
Government Subvention	10,000,000
GETFund	500,000
National Council for Tertiary Education	112,031

	10,612,031
	=====

14(b). NON-MONETARY GRANTS

	2012 GH¢
GETFund	4,199,986
Grants released	(203,993)

Balance at 31 December	3,995,993
	=====
Grants available after one year	3,792,000
Grants available within one year	203,993

Balance at 31 December	3,995,993
	=====

Relates to grant received from GETFund in the form of building and vehicles.

14(c). OTHER GRANTS

	2012 GH¢
Funded by GCB	1,000,000
	=====

Relates to funds received from GCB Bank Limited for the purposes of constructing an administrative block at the Hohoe campus of the University.

15. FINANCIAL INSTRUMENTS

All financial instruments to which University of Health and Allied Sciences is a party are recognized in the financial statements.

Credit risk

In the normal course of business, University of Health and Allied Sciences incurs credit risk from accounts receivable and transactions with banking institutions. University of Health and Allied Sciences manages its exposure to credit risk by:

- Holding bank balances and short-term deposits (demand deposits) with Ghanaian banking institutions; and
- Maintaining credit control procedures over receivables.

As at 31 December 2012, the total amount of cash and bank balances was GH¢ 2,593,529. This was held with a reputable bank in Ghana listed on page 1 of this report. Receivable from exchange transactions and prepayments as at 31 December 2012 totalled GH¢ 302,522.

15. FINANCIAL INSTRUMENTS – (CONT'D)

The maximum exposure as at 31 December 2012 was equal to the total amount of bank balances, short-term deposits, and receivables disclosed in the statement of financial position.

University of Health and Allied Sciences does not require any collateral or security to support financial instruments and other receivables it holds due to low risk associated with the realization of these instruments.

Fair values

As at 31 December 2012, the carrying amounts approximate the fair values for all financial instruments held by University of Health and Allied Sciences.

16. TAXATION

The university is a non-profit making institution and its income is exempted from income tax in accordance with Internal Revenue Act, 2000 (Act 592), Section 10 (1) (d).

17. RELATED PARTY DISCLOSURE

University of Health and Allied Sciences is governed by the Council Members whose members are entitled to payment of sitting allowances and other travel related expenses when participating in council meetings or any other University of Health and Allied Sciences business. The list of members during the year under review is shown on page 1 of this report.

Except for the Vice Chancellor, who is remunerated by the organisation, no other Council Member received any remuneration other than the entitlements indicated above during the year under review. For the year under review, the Vice Chancellor's total emoluments were GH¢ 95,045.

Key management staff

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University directly or indirectly including any Vice Chancellor of the University.

Key management personnel compensation included the following:

	2012 GH¢
Salaries and other short-term benefits	792,357 =====

18. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2012.

19. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2012.